Received by OCD: 7/29/2025 7:16:50 AM

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Sundry Print Report

07/23/2025

Well Name: SIOUX 25-36 STATE FED COM

Well Location: T25S / R35E / SEC 25 / NENW / 32.1079029 / -103.3240323

County or Parish/State: LEA / NM

Well Number: 17H

Type of Well: OIL WELL

Allottee or Tribe Name:

Lease Number: NMNM114998

Unit or CA Name:

Unit or CA Number:

US Well Number: 3002550390

Operator: 3R OPERATING LLC

Notice of Intent

Sundry ID: 2858945

Type of Submission: Notice of Intent

Type of Action: APD Change

Date Sundry Submitted: 06/18/2025

Time Sundry Submitted: 03:12

Date proposed operation will begin: 07/31/2025

Procedure Description: Sundry to change APD on : Well Name, SHL, BHL, CASING/CMT, DRILLING PLAN, AND BOP DESIGN WELL NAME CHANGE FROM: SIOUX 25-36 STATE FEDERAL COM #017H (30-025-50390) TO SIOUX 25-36 FEDERAL COM 552H SHL CHANGE FROM: 260' FNL & 1780' FWL TO 179' FNL & 1680' FWL BHL CHANGE FROM: 20' FSL & 2110' FWL TO 100' FSL & 1980' FWL CASING/CMT/DRILLING PLAN - DETAILS IN ATTACHMENT BOP DESIGN - DETAILS IN ATTACHMENT NGMP Update

NOI Attachments

Procedure Description

Sioux_25_36_Fed_Com_552H_BLM_Sundry_Packet_v.2_20250714203554.pdf

Released to Imaging: 8/4/2025 8:41:36 AM

Well Name: SIOUX 25-36 STATE FED COM

Well Location: T25S / R35E / SEC 25 / NENW / 32.1079029 / -103.3240323

County or Parish/State: LEA / NM

Well Number: 17H

Type of Well: OIL WELL

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Lease Number: NMNM114998

Unit or CA Name:

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US Well Number: 3002550390

Operator: 3R OPERATING LLC

Conditions of Approval

Additional

Sioux_25_36_State_Fed_Com_552H_COA_20250715153719.pdf

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: AUSTIN TRAMELL

Signed on: JUL 14, 2025 08:36 PM

Name: 3R OPERATING LLC

Title: Director Environmental and Regulatory

Street Address: PO BOX 692229

City: HOUSTON **State:** TX

Phone: (832) 810-1037

Email address: ATRAMELL@3ROPERATING.COM

Field

Representative Name:

Street Address:

City: **State:** **Zip:**

Phone:

Email address:

BLM Point of Contact

BLM POC Name: CHRISTOPHER WALLS

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5752342234

BLM POC Email Address: cwalls@blm.gov

Disposition: Approved

Disposition Date: 07/16/2025

Signature: Chris Walls

Released to Imaging: 8/4/2025 8:41:36 AM

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Form 3160-5
(June 2019)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE *- Other instructions on page 2*

5. Lease Serial No. NMNM114998

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
SIOUX 25-36 STATE FED COM/17H

2. Name of Operator 3R OPERATING LLC

9. API Well No. 3002550390

3a. Address 20405 STATE HIGHWAY 249 STE 820, HOUSTO

3b. Phone No. *(include area code)* (432) 413-4148

10. Field and Pool or Exploratory Area
UPR WOLFCAMP/WC-025 G-08 S253534O; Bone Spring

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
SEC 25/T25S/R35E/NMP

11. Country or Parish, State
LEA/NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☑ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be perfonned or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

Sundry to change APD on : Well Name, SHL, BHL, CASING/CMT, DRILLING PLAN, AND BOP DESIGN
WELL NAME CHANGE FROM: SIOUX 25-36 STATE FEDERAL COM #017H (30-025-50390) TO SIOUX 25-36 FED COM 552H
SHL CHANGE FROM: 260' FNL & 1780' FWL TO 179' FNL & 1680' FWL
BHL CHANGE FROM: 20' FSL & 2110' FWL TO 100' FSL & 1980' FWL
CASING/CMT/DRILLING PLAN - DETAILS IN ATTACHMENT
BOP DESIGN - DETAILS IN ATTACHMENT
NGMP Update

14. I hereby certify that the foregoing is true and correct. Name *(Printed/Typed)*
AUSTIN TRAMELL / Ph: (832) 810-1037

Title Director Environmental and Regulatory

Signature (Electronic Submission)

Date 07/14/2025

THE SPACE FOR FEDERAL OR STATE OFICE USE

Approved by
CHRISTOPHER WALLS / Ph: (575) 234-2234 / Approved

Title Petroleum Engineer

Date 07/16/2025

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office CARLSBAD

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.
AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.
PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.
ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.
EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:
The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.
Response to this request is mandatory.
The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect ofthis form to U.S. Department ofthe Interior, Bureau ofLand Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: NENW / 260 FNL / 1780 FWL / TWSP: 25S / RANGE: 35E / SECTION: 25 / LAT: 32.1079029 / LONG: -103.3240323 (TVD: 0 feet, MD: 0 feet)

PPP: NENW / 100 FNL / 2110 FWL / TWSP: 25S / RANGE: 35E / SECTION: 25 / LAT: 32.1083439 / LONG: -103.3229666 (TVD: 9722 feet, MD: 9761 feet)

PPP: NENW / 0 FNL / 2110 FWL / TWSP: 25S / RANGE: 35E / SECTION: 36 / LAT: 32.094082 / LONG: -103.322971 (TVD: 9981 feet, MD: 14993 feet)

BHL: SESW / 20 FSL / 2110 FWL / TWSP: 25S / RANGE: 35E / SECTION: 36 / LAT: 32.0796255 / LONG: -103.3229742 (TVD: 10009 feet, MD: 20252 feet)

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**3R OPERATING, LLC**
WELL NAME & NO.:	**SIOUX 25-36 FEDERAL COM #552H**
LOCATION:	**25-25S-35E (179 FNL, 1680 FWL)**
COUNTY:	Lea County, New Mexico

*Previously known as **Sioux 25-36 State Com #17H**. Changes approved through engineering via **Sundry 2858945** on July 15, 2025. Any previous COAs not addressed within the updated COAs still apply.*

COA

H_2S	○ No		○ Yes	
Potash / WIPP	◉ None	○ Secretary	○ R-111-Q	☐ Open Annulus ☐ WIPP
	Choose an option (including blank option.)			
Cave / Karst	◉ Low	○ Medium	○ High	○ Critical
Wellhead	○ Conventional	◉ Multibowl	○ Both	○ Diverter
Cementing	☐ Primary Squeeze	☐ Cont. Squeeze	☐ EchoMeter	☐ DV Tool
Special Req	☐ Capitan Reef	☐ Water Disposal	☑ COM	☐ Unit
Waste Prev.	○ Self-Certification	◉ Waste Min. Plan	○ APD Submitted prior to 06/10/2024	
Additional Language	☑ Flex Hose	☐ Casing Clearance	☐ Pilot Hole	☐ Break Testing
	☐ Four-String	☐ Offline Cementing	☐ Fluid-Filled	

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet 43 CFR 3176 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

1. The **13-3/8 inch** surface casing shall be set at approximately **1,100 feet** (a minimum of **25 feet (Lea County)** into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface.

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or **500 pounds compressive strength**, whichever is greater. (This is to include the lead cement)
c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The minimum required fill of cement behind the **9-5/8 inch** intermediate casing and shall be set at approximately **4,900 feet** is:

- Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst, Capitan Reef, or potash.**

3. The minimum required fill of cement behind the **5-1/2 inch** production casing and shall be set at approximately **11,588 feet** is:

- Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst, Capitan Reef, or potash.**

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).

2. Operator has proposed a multi-bowl wellhead assembly. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M) psi**.

a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
c. Manufacturer representative shall install the test plug for the initial BOP test.
d. If the cement does not circulate and one-inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
e. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172 must be followed.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in 43 CFR 3171 and 3172.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

a. Spudding well (minimum of 24 hours)
b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
c. BOPE tests (minimum of 4 hours)

Contact Lea County Petroleum Engineering Inspection Staff:
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 689-5981

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
    a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
    b. When the operator proposes to set surface casing with Spudder Rig
        i. Notify the BLM when moving in and removing the Spudder Rig.
        ii. Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
        iii. BOP/BOPE test to be conducted per **43 CFR 3172** as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the doghouse or stairway area.
3. For intervals in which cement to surface is required, cement to surface should be verified with a visual check and density or pH check to differentiate cement from spacer and drilling mud. The results should be documented in the driller's log and daily reports.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends of both lead and tail cement, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. If hard band drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-Q potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in **43 CFR 3172**.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
    i. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
    ii. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
    iii. Manufacturer representative shall install the test plug for the initial BOP test.
    iv. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172.6(b)(9) must be followed.
    v. If the cement does not circulate and one-inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
    i. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive

strength (including lead cement), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

ii. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)

iii. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to **43 CFR 3172** with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for 8 hours or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

iv. The test shall be run on a 5000-psi chart for a 2-3M BOP/BOP, on a 10000-psi chart for a 5M BOP/BOPE and on a 15000-psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one-hour chart. A circular chart shall have a maximum 2-hour clock. If a twelve hour or twenty-four-hour chart is used, tester shall make a notation that it is run with a two-hour clock.

v. The results of the test shall be reported to the appropriate BLM office.

vi. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

vii. The BOP/BOPE test shall include a low-pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

viii. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per **43 CFR 3172**.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

YJ (07/15/2025)

C-102	State of New Mexico Energy, Minerals, & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024 PAGE 1 OF 2
Submit Electronically Via OCD Permitting		Submittal Type: ☐ Initial Submittal ☒ Amended Report ☐ As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code	Pool Name
30-025-50390	97088	WC-025 G-08 S2535340; BONE SPRING

Property Code	Property Name	Well Number
326483	SIOUX 25 36 FEDERAL COM	552H

OGRID No.	Operator Name	Ground Level Elevation
331569	3R OPERATING, LLC	3086'

Surface Owner: ☐ State ☒ Fee ☐ Tribal ☐ Federal

Mineral Owner: ☐ State ☐ Fee ☐ Tribal ☒ Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
C	25	25S	35E		179' FNL	1680' FWL	32.10812435	-103.32435488	LEA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
N	36	25S	35E		100' FSL	1980' FWL	32.07984559	-103.32339338	LEA

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
320.00	infill	30-025-51570	Y	C

Order Numbers: pending

Well setbacks are under Common Ownership: ☑ Yes ☐ No

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
C	25	25S	35E		50' FNL	1980' FWL	32.10848086	-103.32338696	LEA

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
C	25	25S	35E		100' FNL	1980' FWL	32.10834343	-103.32338687	LEA

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
N	36	25S	35E		100' FSL	1980' FWL	32.07984559	-103.32339338	LEA

Unitized Area or Area of Uniform Interest	Spacing Unit Type: ☒ Horizontal ☐ Vertical	Ground Floor Elevation
AUI		3086'

OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Austin Tramell 06/18/2025

Signature Date

Austin Tramell

Printed Name

atramell@3roperating.com

Email Address

SURVEYOR CERTIFICATIONS

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Signature and Seal of Professional Surveyor

Certificate Number	Date of Survey
21653	JUNE 06, 2025

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

SIOUX 25-36 FEDERAL COM 552H

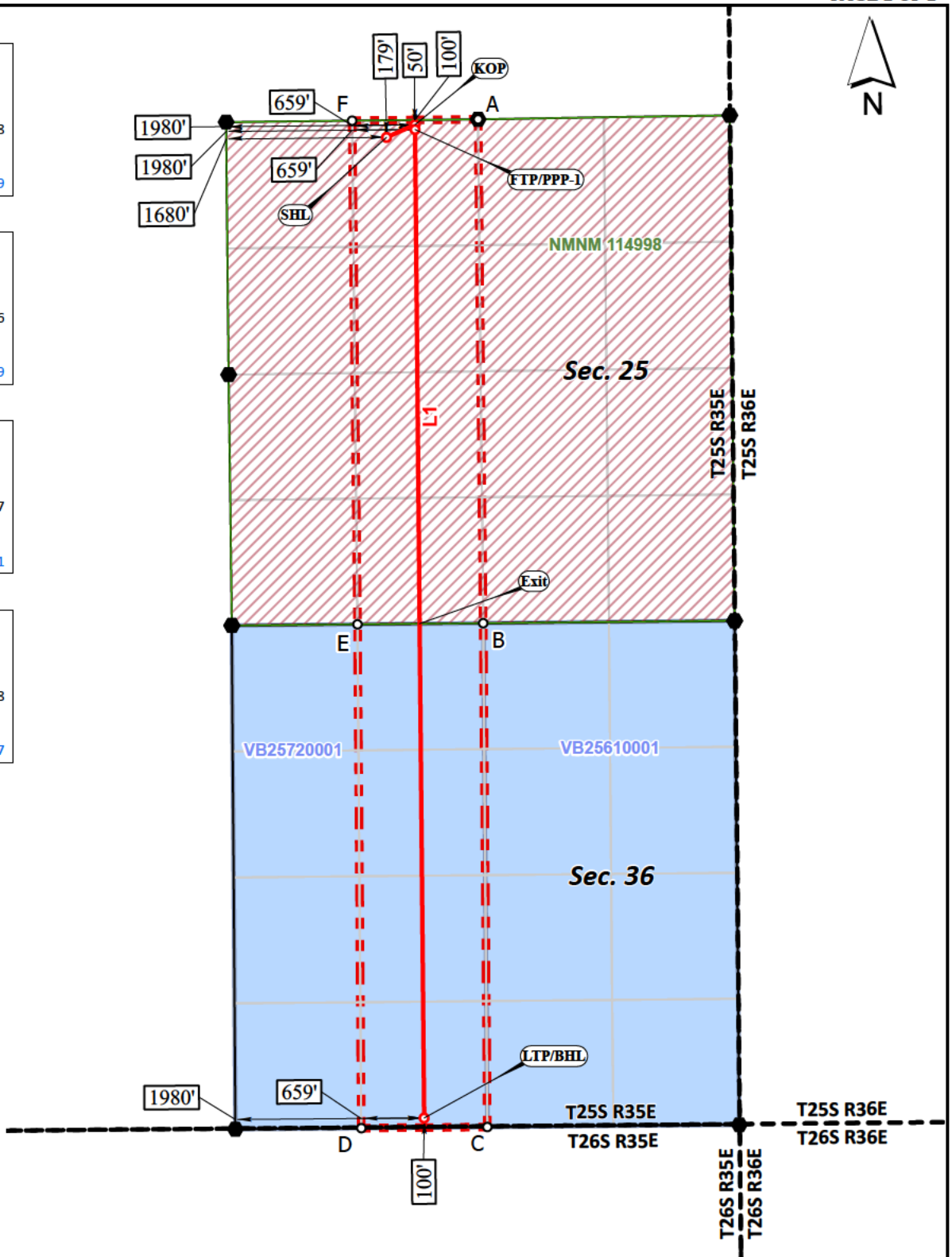
PAGE 2 OF 2

SHL
FNL 179' FWL 1680', SECTION 25
NAD 83, SPCS NM EAST
X:853748.26' / Y:404534.23'
LAT:32.10812435 / LON:-103.32435488
NAD 27, SPCS NM EAST
X:812560.99' / Y:404476.01'
LAT:32.10799747 / LON:-103.32389269

KOP
FNL 50' FWL 1980', SECTION 25
NAD 83, SPCS NM EAST
X:854046.75' / Y:404666.74'
LAT:32.10848086 / LON:-103.32338696
NAD 27, SPCS NM EAST
X:812859.49' / Y:404608.51'
LAT:32.10835397 / LON:-103.32292479

FTP/PPP-1
FNL 100' FWL 1980', SECTION 25
NAD 83, SPCS NM EAST
X:854047.25' / Y:404616.74'
LAT:32.10834343 / LON:-103.32338687
NAD 27, SPCS NM EAST
X:812859.98' / Y:404558.52'
LAT:32.10821654 / LON:-103.32292471

LTP/BHL
FSL 100' FWL 1980', SECTION 36
NAD 83, SPCS NM EAST
X:854142.34' / Y:394249.26'
LAT:32.07984559 / LON:-103.32339338
NAD 27, SPCS NM EAST
X:812954.66' / Y:394191.32'
LAT:32.07971857 / LON:-103.32293267



*FTP TO LTP LINE BEARINGS

LINE	BEARING
L1	S 00°31'32" E ~ 10367.92'

*FTP TO LTP LEASE DISTANCES

TRACT	DISTANCE
NMNM 114998	5184.34'
TOTAL	5184.34'

CORNER COORDINATES NAD 83, SPCS NM EAST	CORNER COORDINATES NAD 27, SPCS NM EAST
A - X: 854708.75' / Y:404723.98'	A - X: 813521.47' / Y:404665.74'
B - X: 854762.22' / Y:399439.66'	B - X: 813574.74' / Y:399381.57'
C - X: 854805.65' / Y:394155.13'	C - X: 813617.96' / Y:394097.18'
D - X: 853484.39' / Y:394143.43'	D - X: 812296.71' / Y:394085.49'
E - X: 853444.12' / Y:399427.25'	E - X: 812256.66' / Y:399369.17'
F - X: 853387.56' / Y:404709.54'	F - X: 812200.31' / Y:404651.32'

DELTA FIELD SERVICES

Drill Line Events | Section Corners | Drill Line | Dimension Lines | Federal Leases | NMSLO | HSU | HSU Corners

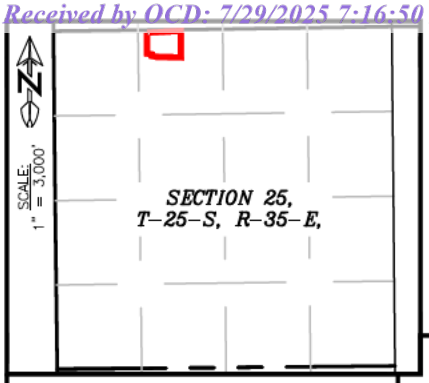
JOB No. 20251134
REV 1 ANC 5/13/2025

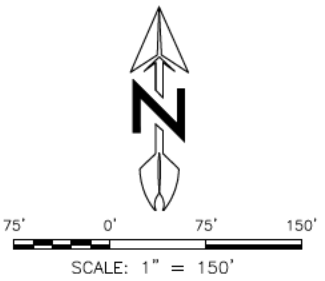
All bearings and coordinates refer to New Mexico State Plane Coordinate System, East Zone, U.S. Survey Feet.

Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.99987673 and a Convergence Angle: 0.53882500°

AS-BUILT SITE PLAN

SIOUX 25-36 FEDERAL COM (WEST)
SEC: 25 TWP. 25-S RGE. 35-E
SURVEY: N.M.P.M.
COUNTY: LEA
OPERATOR:3R OPERATING LLC
U.S.G.S. TOPOGRAPHIC MAP: JAVELINA BASIN, N.M.





AS-BUILT PAD		
LINE	BEARING	DISTANCE
SECTION 25		
L1	S 00°07'30" E	414.68'
L2	N 88°25'20" W	388.59'
L3	N 77°53'13" W	66.47'
L4	N 25°06'04" W	27.62'
L5	N 81°16'11" W	63.47'
L6	N 00°11'04" E	326.87'
L7	N 86°53'50" E	526.70'

TIE TABLE		
TIE	BEARING	DISTANCE
TIE-1	N 87°52'04" E	655.24'
TIE-2	N 89°03'32" W	1,461.86'

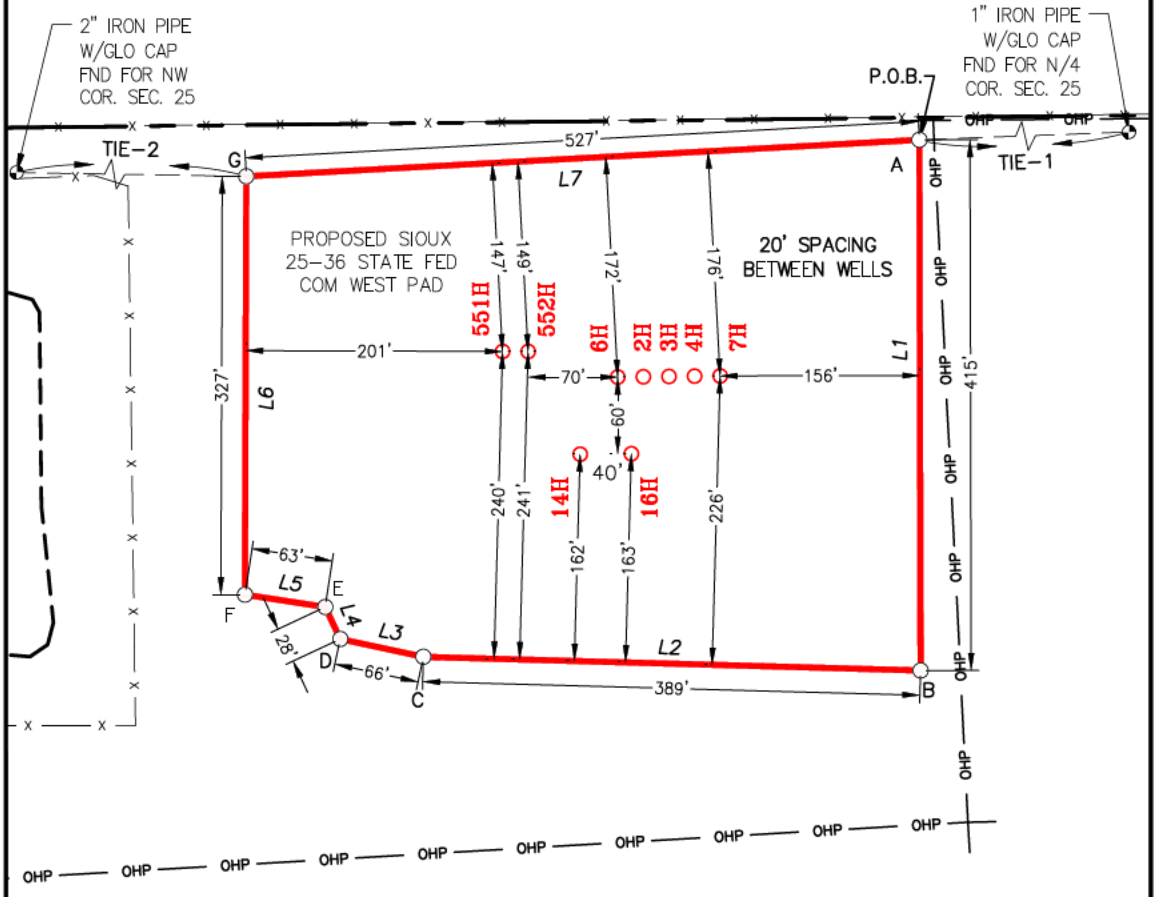
NAD 83		
A	X:854053.96 Y:404699.60	LAT:32.10857099 LON:-103.32336269
B	X:854054.87 Y:404284.92	LAT:32.10743121 LON:-103.32337232
C	X:853666.42 Y:404295.62	LAT:32.10747062 LON:-103.32462637
D	X:853601.44 Y:404309.57	LAT:32.10751062 LON:-103.32483579
E	X:853589.72 Y:404334.58	LAT:32.10757968 LON:-103.32487288
F	X:853526.98 Y:404344.22	LAT:32.10760777 LON:-103.32507518
G	X:853528.03 Y:404671.09	LAT:32.10850616 LON:-103.32506190

NAD 27		
A	X:812866.70 Y:404641.37	LAT:32.10844410 LON:-103.32290052
B	X:812867.58 Y:404226.71	LAT:32.10730432 LON:-103.32291021
C	X:812479.14 Y:404237.41	LAT:32.10734374 LON:-103.32416420
D	X:812414.16 Y:404251.36	LAT:32.10738375 LON:-103.32437362
E	X:812402.44 Y:404276.37	LAT:32.10745281 LON:-103.32441070
F	X:812339.71 Y:404286.01	LAT:32.10748090 LON:-103.32461299
G	X:812340.77 Y:404612.87	LAT:32.10837930 LON:-103.32459967

NOTES

THIS IS NOT A BOUNDARY SURVEY, APPARENT PROPERTY CORNERS AND PROPERTY LINES ARE SHOWN FOR INFORMATION ONLY.

SECTION 24
T-25-S, R-35-E



BECKHAM RANCH INC.

SECTION 25
T-25-S, R-35-E

WELL PAD AREA = 4.68 ACRES

CERTIFICATION

I, LLOYD P. SHORT, NEW MEXICO PROFESSIONAL SURVEYOR NO. 21653, DO HEREBY CERTIFY THAT THIS EASEMENT SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FUTHER CERTIFY THAT THIS SURVEY IS NOT A LAND DIVISION OR SUBDIVISION AS DEFINED IN THE NEW MEXICO SUBDIVISION ACT AND THAT THIS INSTRUMENT IS AN EASEMENT SURVEY PLAT CROSSING AN EXISTING TRACT OR TRACTS.

JUNE 06, 2025

BASIS OF BEARING

ALL BEARINGS AND COORDINATES REFER TO NAD 83, NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET. ALL BEARINGS, DISTANCES, COORDINATES AND AREAS ARE BASED GRID MEASUREMENTS UTILIZING A COMBINED SCALE FACTOR OF 0.99987673 AND A CONVERGENCE ANGLE OF 0.53882500°.

JOB NUMBER			
20251134	REV.	DATE	BY
SHEET 1 OF 1			
DRAWN BY: LRD			
DATE DRAWN: 05/12/2025			
CHECKED BY: MWS			

DELTA FIELD SERVICES
510 TRENTON STREET
WEST MONROE, LA 71291
(318) 323-6900

WELL PAD LOCATION PLAT

SIOUX 25-36 STATE FED COM (WEST)
SEC. 25 TWP. 25-S RGE. 35-E
SURVEY: N.M.P.M.
COUNTY: LEA
OPERATOR: 3R OPERATING LLC
U.S.G.S. TOPOGRAPHIC MAP: JAVELINA BASIN, N.M.

SIOUX 25 STATE FED COM 6H
CAZA OPERATING LLC
200' FNL 1,750' FWL, SECTION 25
NAD 83, SPCS NM EAST
X:853818.27' / Y:404514.30'
LAT:32.10806775 / LON:-103.32412941
NAD 27, SPCS NM EAST
X:812631.00' / Y:404456.08'
LAT:32.10794087 / LON:-103.32366724
ELEVATION = 3081'

SIOUX 25-36 STATE FED COM 2H
CAZA OPERATING LLC
200' FNL 1,770' FWL, SECTION 25
NAD 83, SPCS NM EAST
X:853838.29' / Y:404514.42'
LAT:32.10806758 / LON:-103.32406476
NAD 27, SPCS NM EAST
X:812651.02' / Y:404456.20'
LAT:32.10794070 / LON:-103.32360259
ELEVATION = 3081'

SIOUX 25-36 STATE FED COM 3H
CAZA OPERATING LLC
200' FNL 1,790' FWL, SECTION 25
NAD 83, SPCS NM EAST
X:853858.26' / Y:404514.63'
LAT:32.10806764 / LON:-103.32400025
NAD 27, SPCS NM EAST
X:812670.99' / Y:404456.41'
LAT:32.10794076 / LON:-103.32353808
ELEVATION = 3080'

SIOUX 25-36 STATE FED COM 4H
CAZA OPERATING LLC
200' FNL 1,810' FWL, SECTION 25
NAD 83, SPCS NM EAST
X:853878.25' / Y:404514.89'
LAT:32.10806785 / LON:-103.32393569
NAD 27, SPCS NM EAST
X:812690.98' / Y:404456.67'
LAT:32.10794096 / LON:-103.32347353
ELEVATION = 3080'

SIOUX 25-36 STATE FED COM 7H
CAZA OPERATING LLC
200' FNL 1,830' FWL, SECTION 25
NAD 83, SPCS NM EAST
X:853898.29' / Y:404515.07'
LAT:32.10806781 / LON:-103.32387099
NAD 27, SPCS NM EAST
X:812711.02' / Y:404456.85'
LAT:32.10794092 / LON:-103.32340882
ELEVATION = 3080'

SIOUX 25-36 STATE FED COM 14H
CAZA OPERATING LLC
260' FNL 1,720' FWL, SECTION 25
NAD 83, SPCS NM EAST
X:853788.85' / Y:404453.94'
LAT:32.10790262 / LON:-103.32422621
NAD 27, SPCS NM EAST
X:812601.58' / Y:404395.73'
LAT:32.10777574 / LON:-103.32376404
ELEVATION = 3083'

SIOUX 25-36 STATE FED COM 551H
CAZA OPERATING LLC
179' FNL 1,660' FWL, SECTION 25
NAD 83, SPCS NM EAST
X:853728.26' / Y:404534.23'
LAT:32.10812486 / LON:-103.32441946
NAD 27, SPCS NM EAST
X:812540.99' / Y:404476.02'
LAT:32.10799799 / LON:-103.32395727
ELEVATION = 3086'

SIOUX 25-36 STATE FED COM 16H
CAZA OPERATING LLC
260' FNL 1,760' FWL, SECTION 25
NAD 83, SPCS NM EAST
X:853828.84' / Y:404454.41'
LAT:32.10790286 / LON:-103.32409706
NAD 27, SPCS NM EAST
X:812641.57' / Y:404396.19'
LAT:32.10777598 / LON:-103.32363490
ELEVATION = 3081'

SIOUX 25-36 STATE FED COM 552H
CAZA OPERATING LLC
179' FNL 1,680' FWL, SECTION 25
NAD 83, SPCS NM EAST
X:853748.26' / Y:404534.23'
LAT:32.10812435 / LON:-103.32435488
NAD 27, SPCS NM EAST
X:812560.99' / Y:404476.01'
LAT:32.10799747 / LON:-103.32389269
ELEVATION = 3086'

BASIS OF BEARING
ALL BEARINGS AND COORDINATES REFER TO NAD 83, NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET. ALL BEARINGS, DISTANCES, COORDINATES AND AREAS ARE BASED GRID MEASUREMENTS UTILIZING A COMBINED SCALE FACTOR OF 0.99987673 AND A CONVERGENCE ANGLE OF 0.53882500'.

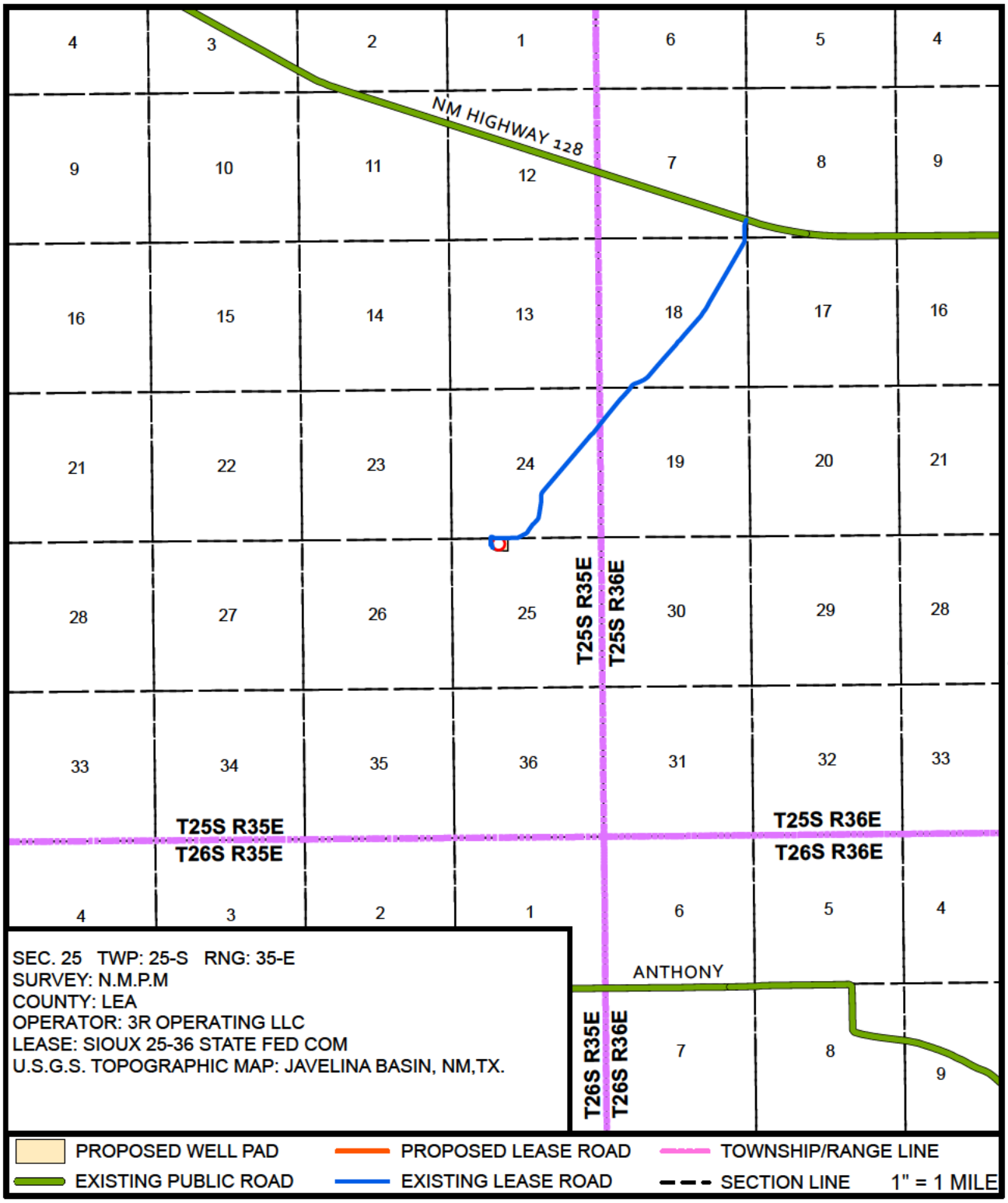
JOB NUMBER			
20251134	REV.	DATE	BY

NOTES
THIS IS NOT A BOUNDARY SURVEY, APPARENT PROPERTY CORNERS AND PROPERTY LINES ARE SHOWN FOR INFORMATION ONLY.

SHEET 2 OF 2
DRAWN BY: LRD
DATE DRAWN: 05/12/2025
CHECKED BY: MWS

DELTA FIELD SERVICES
510 TRENTON STREET
WEST MONROE, LA 71291
(318) 323-6900

VICINITY MAP



APPROXIMATELY 7.7 MILES WEST FROM JAL, NM

FROM THE INTERSECTION OF US HWY 128 AND NM HWY 18 IN JAL, NM, HEAD WEST ON US HWY 128 FOR 6.6 MILES, TO A CALICHE ROAD. TURN LEFT ONTO A CALICHE ROAD, HEADING SOUTHWEST ON THE MAIN ROAD FOR 2.9 MILES. VEER OFF THE LEASE ROAD TO THE LEFT AND CONTINUE 224 FEET TO THE SOUTHWEST CORNER OF THE SIOUX 25-36 STATE FED COM WELL PAD LOCATION.

PREPARED BY:
DELTA FIELD SERVICES, LLC
510 TRENTON STREET,
WEST MONROE, LA 71291
318-323-6900 OFFICE
JOB No. 20251134

3R Operating, LLC

Drilling Plan

Operator

3R Operating, LLC

Project Name

Sioux 25-36 Federal Com 552H

SHL: 179' FSL & 1680' FWL of Section 25-25S-35E, Lea County, NM
BHL: 100' FSL & 1980' FWL of Section 36-25S-35E, Lea County, NM

Prepared By

Austin Tramell

Please address any questions, inquiries, or deficiency statements to
Austin Tramell, address below:

3R Operating, LLC
20405 State Hwy 249 STE 820
Houston, TX 77070
832-810-1037

1.0 Estimated Formation Tops

Formation	Depth	Primary Lithology	Primary Mineral Resource
Rustler	1,053	Anhydrite	None
Salado	1,573	Salt	Usable Waer
Delaware	2,753	Limestone, Sandstone, Shale	None
Bone Spring	8,833	Limestone	Nat. Gas, Oil
1st Bone Spring Sand	9,993	Sandstone	Nat. Gas, Oil
2nd Bone Spring Carb	10,163	Limestone, Sandstone, Shale	Nat. Gas, Oil
2nd Bone Spring Sand	10,233	Sandstone	Nat. Gas, Oil
3rd Bone Spring Carb*	10,713	Limestone, Sandstone, Shale	Nat. Gas, Oil
Target CL	11,418	Sandstone	Nat. Gas, Oil
3rd Bone Spring Sand	11,613	Sandstone	Nat. Gas, Oil

Total Depth and Target Formation

Total Vertical Depth (ft): 11,588
Measured Depth (ft): 21,627
Formation: 3rd Bone Spring

2.0 Estimated Depths of Oil & Gas

Substance	Depth (ft)
Top of Hydrocarbons	8,883
Bottom of Hydrocarbons	TD

3.0 Pressure Control Equipment

Ten thousand (10M) psi working pressure Blind Rams & Pipe Rams and a five thousand (5M) psi Annular Preventer will be installed on all casing. Two (2) chokes, with at least one (1) being a remotely controlled hydraulic choke, will used. If a full 10M system is required by the BLM, three (3) chokes will be used.

A variance to the requirement of a rigid steel line connecting the BOP to the choke manifold is requested. Specifications for the flex hose are provided with the BOP schematic in the exhibit section.

Operator testing procedures will meet minimum standards for well control equipment testing per CFR § 3172.6(b)(9). Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing if BOP stack is not isolated from casing. Annular type preventers shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

Floor safety valves that are fully open and sized to fit drill pipe and collars will be available on the rig floor in the open position when the Kelly is not in use.

4.0 Proposed Casing and Design Analysis

4.1 Proposed Casing Program

Interval	Length (ft)	Size (in)	Weight/ft (lbs.)	Grade	Thread	Condition	Hole size (in)
Surface	1,100	13 3/8"	54.5	J-55	STC	New	17.5"
Inter.	4,900	9 5/8"	40	J-55	BTC	New	12.25"
Prod.	21,627	5 1/2"	23	P-110	Talon HTQ	New	8.75"

4.2 Casing Specifications

Interval	Total Vertical Depth (TVD)	Total Measured Depth (MD)	Weight/ft (lbs.)	Grade	Collapse (psi)	Internal Yield (psi)	Body Yield Strength (psi)	Joint Strength (psi)
Surface	1,100	1,100	54.5	J-55	1,130	2,730	853,000	514,000
Inter.	4,900	4,900	40	J-55	2,570	3,950	714,000	630,000
Prod.	11,588	21,627	23	P-110	16,470	16,500	829,000	803,000

5.0 Proposed Cement Program

Surface Casing Cement

Lead / Tail	TOC (MD)	Bottom of CMT (MD)	Density (lbs/gal)	Yield (ft3/sk)	Excess (%)	Volume (ft3)	# of sks CMT
Sur. Lead	0	600	13.50	1.79	100	833	466
Sur. Tail	600	1,100	14.80	1.33	100	695	522

Lead Cmt Type: Class C
Lead Additives: 4% Gel + 5% Salt +0.2% SA-1 + 0.25pps Pol-E Flake + 0.005gps NOFoam V1A
Tail Cmt Type: Class C
Tail Additives: 1% calcium chloride + 0.005gps NoFoam V1A

Intermediate Casing Cement

Lead / Tail	TOC (MD)	Bottom of CMT (MD)	Density (lbs/gal)	Yield (ft3/sk)	Excess (%)	Volume (ft3)	# of sks CMT
Int. Lead	0	4,400	12.70	1.53	50	1,965	1,285
Int. Tail	4,400	4,900	14.80	1.33	50	235	177

Lead Cmt Type: 40% Class C + 60% POZ
Lead Additives: 5% Salt + 1% SMS + 2% CS-9 + 0.1% R-1300 + 0.25pps Pol-E Flake + 0.005gps NoFoam V1A
Tail Cmt Type: Class C
Tail Additives: 1% calcium chloride + 0.005gps NoFoam V1A

Production Casing Cement

Lead / Tail	TOC (MD)	Bottom of CMT (MD)	Density (lbs/gal)	Yield (ft3/sk)	Excess (%)	Volume (ft3)	# of sks CMT
Prod. Lead	0'	10,379	10.70	3.34	15	2,908	871
Prod. Tail	10,379	21,627	13.50	1.54	15	3,265	2,120

Lead Cmt Type: 100% ProLite

Lead Additives: 5pps Plexcrete STE + 2% SMS + 0.1% RCKCAS-100 + .85% R-1300 + 0.2% FL-24 + .25pps Pol-E Flake + 0.005gps NoFoam V1A

Tail Cmt Type: 50% Class H + 50% B POZ

Tail Additives: 6% Gell + 5% Slat + .2% SMS + .55% FR-5 + .4% FL-24 + 0.005gps NoFoam V1A

***Operator reserves the right to change cement designs as hole conditions may warrant**

6.0 Proposed Mud Program

Interval	Top (MD)	Bottom (MD)	Type	Max Mud Weight Pressure Control Design	Max Mud Weight Hole Control Design	Viscosity (cP)	Formation Fracture Gradient	Fluid Loss
Surface	0'	1,100	FW	8.60	8.40	32-36	0.75	NC
Inter.	1,100	4,900	FW	8.60	8.40	28-30	0.75	NC
Prod.	4,900	21,627	OBM	9.60	9.20	50-70	0.75	8-10 cc

Mud weight increases at shoe depths are for pressure control. Mud weight increases in the curve and lateral section of the hole are for hole stability, not pressure control. Mud weight assumptions for casing load designs exceed anticipated maximum mud weight for balanced drilling in all hole sections. Expected mud weights in producing formation will be 0.5 to
1.0 lbs/gal greater than formation pressure (i.e. overbalanced drilling).

The mud system will run as a closed loop system with PVT monitoring. All drill cuttings and liquid mud will be hauled to an approved site for disposal or soil farmed upon receiving appropriate approval.

An industry accepted medium will be stored on location in the event that there is a loss of circulation in the well bore.

7.0 Drilling Design Analysis

7.1 Casing Desgin Analysis

*see separate Safety Factor attachment

Interval	Burst Safety Factor	Collapse Safety Factor	Pipe Body Tensile Safety Factor	Joint Tension Safety Factor
Surface	5.55	2.30	14.23	8.57
Inter.	1.80	2.35	3.64	3.21
Prod.	2.85	2.85	3.11	3.01

7.2 Casing Design Assumptions

7.2.1 Surface Casing Design Assumptions

Burst Design Assumptions:

Calculations assume complete evacuation behind pipe.

Collapse Design Assumptions:

Calculations assume complete evacuation behind pipe.

Tension Design Assumptions:

Calculations assume string held in suspension to TVD.

7.2.2 Intermediate Casing Design Assumptions

Burst Design Assumptions:

Calculations assume complete evacuation behind pipe.

Collapse Design Assumptions:

Calculations assume complete evacuation behind pipe.

Tension Design Assumptions:

Calculations assume string held in suspension to TVD.

7.2.3 Production Casing Design Assumptions

Burst Design Assumptions:

Calculations assume complete evacuation behind pipe. Safety factor calculated using offset pressure gradient variance factor of a maximum of 0.22psi/ft.

Collapse Design Assumptions:

Calculations assume complete evacuation behind pipe. Safety factor calculated using offset pressure gradient variance factor of a maximum of 0.22psi/ft.

Tension Design Assumptions:

Calculations assume string held in suspension to TVD.

8.0 Completion Program and Casing Design

Hydraulic fracturing will occur through the production casing. The burst design calculation assumes TOC at 0 ft., therefore, the backside of the production casing is not evacuated. The maximum pumping pressure is 9500 psi with a maximum proppant fluid weight of 9.5 lbs/gal.

Upon request, operator will provide proof of cement bonding by bond log. Operator is responsible for log interpretation and certification prior to frac treatment.

Upon request, operator will provide estimated fracture lengths, flowback storage, volumes of fluids and amount of sand to be used, and number of stages of frac procedure. Furthermore, a report of the annulus pressures before and after each stage of treatment may be requested by the BLM. The report may include chemical additives (other than proprietary), dissolved solids in frac fluid, and depth of perforations.

9.0 Drilling Evaluation Program

Required Testing, Logging, and Coring procedures noted below:
*Mud Logging/Gamma Ray/MWD – (MWD on horizontal wells only).
*Open hole logs (GR/SP/DIL/LDT/CNL/ML) from TD (horizontal well - vertical portion of hole) to the top of the uppermost potential hydrocarbon intervals
*Open hole logs (GR/SP/DIL) from the top of the uppermost hydrocarbon interval to the base of the surface casing and (GR) log from base of surface casing to surface.
*Cased hole CBL on production casing.

Note: The above referenced logging requirements are mandatory unless:
1) The well is located off unit, or
2) The operator can provide the BLM adequate geologic information in which they based the location and drilling of the well, or
3) The operator can provide the BLM logging data from a well that is within a 1-mile radius from the proposed surface hole location. The logging data can be no more than 30 years old and must be at least to TD of the proposed well.

10.0 Downhole Conditions

Zones of Possible Lost Circulation:	N/A	
Zones of Possible Abnormal Pressure:	N/A	
Maximum Bottom Hole Temperature:	195	degrees F
Maximum Bottom Hole Pressure:	8,457	psi
Anticipated Surface Downhoe Pressure:	4,000	psi

Casing Program: RRR-Sioux 25-36 Fed Com 552H- 13/8" x 9 5/8" x 5 1/2")

Open Hole Size (Inches)	Casing Depth; From (ft)	Casing Setting Depth (ft) MD	Casing Setting Depth (ft) TVD	Casing Size (inches)	Casing Weight (lb/ft)	Casing Grade	Thread	Condition	Anticipated Mud Weight (ppg)	Burst (psi)	Burst SF (1.125)	Collapse (psi)	Collapse SF (1.125)	Tension Joint (klbs)	Air Weight (lbs)	Tension Joint SF (1.8)	Tension Body (klbs)	Air Weight (lbs)	Tension Body SF (1.8)
Surface																			
17.5"	0'	1,100'	1,100'	13 3/8"	54.5	J-55	STC	New	8.6	2,730	5.55	1,130	2.30	514,000	59,950	8.57	853,000	59,950	14.23
Intermediate																			
12.25"	0'	4,900'	4,900'	9 5/8"	40	J-55	BTC	New	8.6	3,950	1.80	2,570	2.35	630,000	196,000	3.21	714,000	196,000	3.64
Production																			
8.75"	0'	21,627'	11,588'	5 1/2"	23	P-110	Talon HTQ	New	9.6	16,500	2.85	16,470	2.85	803,000	266,524	3.01	829,000	266,524	3.11

Casing Design Criteria and Casing Loading Assumptions:

Surface

Tension	A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of:	8.6 ppg
Collapse	A 1.125 design factor with full internal evacuation and collapse force equal to a mud gradient of:	8.6 ppg
Burst	A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of:	8.6 ppg

Intermediate

Tension	A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of:	8.6 ppg
Collapse	A 1.125 design factor with 1/2 TVD internal evacuation and collapse force equal to a mud gradient of:	8.6 ppg
Burst	A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of:	8.6 ppg

Production

Tension	A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of:	9.6 ppg
Collapse	A 1.125 design factor with full internal evacuation and collapse force equal to a mud gradient of:	9.6 ppg
Burst	A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of:	9.6 ppg

U. S. Steel Tubular Products

6/4/2025 4:36:25 PM

5.500" 23.00lb/ft (0.415" Wall) P110 HP USS-TALON HTQ™ RD

MECHANICAL PROPERTIES	Pipe	USS-TALON HTQ™ RD		[6]
Minimum Yield Strength	125,000	--	psi	--
Maximum Yield Strength	140,000	--	psi	--
Minimum Tensile Strength	130,000	--	psi	--
DIMENSIONS	**Pipe**	**USS-TALON HTQ™ RD**		**--**
Outside Diameter	5.500	5.900	in.	--
Wall Thickness	0.415	--	in.	--
Inside Diameter	4.670	4.670	in.	--
Standard Drift	4.545	4.545	in.	--
Alternate Drift	--	--	in.	--
Nominal Linear Weight, T&C	23.00	--	lb/ft	--
Plain End Weight	22.56	--	lb/ft	--
SECTION AREA	**Pipe**	**USS-TALON HTQ™ RD**		**--**
Critical Area	6.630	6.425	sq. in.	--
Joint Efficiency	--	96.9	%	[2]
PERFORMANCE	**Pipe**	**USS-TALON HTQ™ RD**		**--**
Minimum Collapse Pressure	16,470	16,470	psi	--
Minimum Internal Yield Pressure	16,500	16,500	psi	--
Minimum Pipe Body Yield Strength	829,000	--	lb	--
Joint Strength	--	803,000	lb	--
Compression Rating	--	803,000	lb	--
Reference Length	--	23,280	ft	[5]
Maximum Uniaxial Bend Rating	--	100.9	deg/100 ft	[3]
MAKE-UP DATA	**Pipe**	**USS-TALON HTQ™ RD**		**--**
Make-Up Loss	--	5.58	in.	--
Minimum Make-Up Torque	--	22,500	ft-lb	[4]
Maximum Make-Up Torque	--	25,500	ft-lb	[4]
Maximum Operating Torque	--	44,700	ft-lb	[4]

UNCONTROLLED

Notes

1. Other than proprietary collapse and connection values, performance properties have been calculated using standard equations defined by API 5C3 and do not incorporate any additional design or safety factors. Calculations assume nominal pipe OD, nominal wall thickness, and Specified Minimum Yield Strength (SMYS).
2. Joint efficiencies are calculated by dividing the connection critical area by the pipe body area.
3. Uniaxial bend rating shown is structural only.
4. Torques have been calculated assuming a thread compound friction factor of 1.0 and are recommended only. Field make-up torques may require adjustment based on actual field conditions (e.g. make-up speed, temperature, thread compound, etc.).
5. Reference length is calculated by Joint Strength divided by Nominal Linear Weight, T&C with a 1.5 Safety factor.
6. Coupling must meet minimum mechanical properties of the pipe.

Legal Notice

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U. S. Steel Tubular Products
460 Wildwood Forest Drive, Suite 300S
Spring, Texas 77380

1-877-893-9461
connections@uss.com
www.usstubular.com

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description
Effective May 25, 2021

I. Operator: 3R Operating, LLC **OGRID:** 331569 **Date:** 07 / 14 / 2025

II. Type: ☐ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☑ Other.

If Other, please describe: APD Sundry Change

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
See attachment						

IV. Central Delivery Point Name: Sioux 25-36 Production CTB [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
See Attachment						

VI. Separation Equipment: ☑ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☑ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☑ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan
EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☑ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☑ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☑ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. ***If Operator checks this box, Operator will select one of the following:***

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- **(a)** power generation on lease;
- **(b)** power generation for grid;
- **(c)** compression on lease;
- **(d)** liquids removal on lease;
- **(e)** reinjection for underground storage;
- **(f)** reinjection for temporary storage;
- **(g)** reinjection for enhanced oil recovery;
- **(h)** fuel cell production; and
- **(i)** other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:	Austin Tramell
Printed Name:	Austin Tramell
Title:	Director Environmental & Regulatory
E-mail Address:	atramell@3roperating.com
Date:	07/14/2025
Phone:	832-810-1037

OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)

Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

VI. Separation Equipment

Separation equipment will be sized by construction engineering staff based on stated manufacturer daily throughput capacities and anticipated daily production rates to ensure adequate capacity. Closed vent system piping, compression needs, and VRUs will be sized utilizing modeling software to ensure adequate capacity for anticipated production volumes and conditions. Production composition and the volumes will be utilized as inputs to a process model which predicts relative amounts of gas, oil and water throughout the process. The high-volume case will be used to size equipment, piping and instrumentation.

Each well has a dedicated 3-phase separator and gas from that separator is taken directly to gas sales. Facility piping and pipeline will be sized to allow peak volumes to flow with minimal pressure loss and deliver to the midstream gatherer at an acceptable pressure. Water will be conveyed directly to tankage. Oil from 3-phase separators will be conveyed to a heated separator for enhanced liquid-liquid separation and degassing. Vapors from the heater treater are routed to flare. Oil and water storage tanks vapor outlets utilize a closed vent vapor system to ensure all working & breathing and flashing losses are routed to the flare which is sized to accommodate peak expected production volume. Flash volumes are estimated using the high-volume case.

VII. Operational Practices

The operator will ensure pipeline connectivity before producing hydrocarbons and will operate a closed vent vapor capture system that is designed to capture all associated and evolved gas during normal operation. Venting will only occur during maintenance activities or equipment failure. The operator may utilize the following from Section 3 for its operations to minimize flaring:

A. The operator will maximize the recovery of natural gas by minimizing the waste, as defined by 19.15.2 NMAC, of natural gas through venting and flaring. The operator will ensure that well(s) will be connected to a natural gas gathering system with sufficient capacity to transport natural gas. If there is no adequate takeaway for the gas, compression will be added to deliver volumes that are produced. Well production may also be curtailed to manage the flow of gas and not overrun compression.

B. All drilling operations will be equipped with a rig flare located at least 100' from the nearest surface hole. Rig flare will be utilized to combust any natural gas that is brought to surface during normal drilling operations.

C. During completion operations any natural gas brought to surface will be flared. Immediately following the finish of completion operations, all well flowback will be directed to permanent separation equipment. Produced natural gas from separation equipment will be sent to sales. It is not anticipated that gas will not meet pipeline standards; however, if natural gas does not meet gathering pipeline quality specifications, the operator will flare the natural gas for up to 60 days or until the natural gas meets the pipeline quality specifications, whichever is sooner. The operator will ensure that the flare is sized properly and is equipped with automatic igniter or continuous pilot. The gas sample will be analyzed twice per week and the gas will be routed into a gathering system as soon as pipeline specifications are met.

D. Natural gas will not be flared with the exceptions and provisions listed in the 19.15.27.8 D.(l) through (4). If there is no adequate takeaway for the separator gas, well(s) will be curtailed until the natural gas gathering system is available with exception of emergency or malfunction situations. Venting and/or flaring volumes will be measured using a total flow meter and reported appropriately.

E. The operator will comply with the performance standards requirements and provisions listed in 19.15.27.8 E.(l) through (8). All equipment will be designed and sized to handle maximum anticipated pressures and throughputs to minimize the waste. Production storage tanks constructed after May 25, 2021, will be equipped with automatic gauging system. Flares constructed after May 25, 2021, will be equipped with automatic igniter or continuous pilot. Flares will be located at least 100' from the well and storage tanks unless otherwise approved by the division. The operator will conduct AVO inspections as described in 19.15.27.8 E (5) (a) with frequencies specified in 19.15.27.8 E (5) (b) and (c). All emergencies will be resolved as quickly and safely as feasible to minimize waste.

F. The volume of natural gas that is vented or flared as the result of malfunction or emergency during drilling and completions operations will be estimated. The volume of natural gas that is vented, flared, or beneficially used during production operations, will be measured, or estimated. The operator will install equipment to measure the volume of natural gas flared from existing process piping, or a flowline piped from equipment such as high-

pressure separators, heater treaters, or vapor recovery units associated with a well or facility associated with a well authorized by an APD issued after May 25, 2021, that has an average daily production greater than 60 Mcf/day. If metering is not practicable due to circumstances such as low flow rate or low pressure venting and flaring, the operator will estimate the volume of vented or flared natural gas. Measuring equipment will conform to industry standards and will not be designed or equipped with a manifold that allows the diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing the measurement equipment.

VIII. Best Management Practices

The operator utilizes automated engineering controls included in facility design to minimize venting and flaring. Additionally, operator's SOP support the minimization of flare and venting.

If the main gas outlet becomes unavailable and pressure increases on the outlet sales line, produced gas will be routed directly to the facility flare. The facility control system will alert personnel to the need for maintenance and appropriate response to the temporary flaring event. The facility design includes a closed vent vapor capture system to route flash from the heater treater and tanks to the flare. For maintenance activities, the operator will utilize the facility flare to blowdown equipment and piping whenever practical to minimize venting.

XIV. Confidentiality

Uniqueness and variability of the formation encountered for this well is such that the Operator requests confidentiality in order to protect its proprietary data. After the responsible agency has conducted its review, the Operator requests the following information be REDACTED from the approved and posted permit(s), including anticipated production volumes and the Operator's planned development schedule. This information is expected to remain private between the submitting operator and the reviewing agency only.

III. Wells

Well Name	Legal Description	API	Anticipated Initial Oil Production BBL/D	Anticipated Initial Gas MCF/D	Anticipate Produced Water BBL/D
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Well Name	Anticipated Oil Prod. after 3 years BBL/D	Anticipated Gas Prod. after 3 years MCF/D	
[redacted]	[redacted]	[redacted]	See provided decline curve on next page for estimated production volumes over 36 months.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flowback Date	First Production Date
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

BLACK GOLD®

GATES ENGINEERING & SERVICES NORTH AMERICA
7603 Prairie Oak Dr. Suite 190
Houston, TX. 77086

PHONE: +1 (281) 602-4100
FAX: +1 (281) 602-4147
EMAIL: gesna.quality@gates.com
WEB: gates.com/oilandgas

CERTIFICATE OF CONFORMANCE

This is to verify that all Parts and/or Materials included in this shipment have been manufactured and/or processed in Conformance with applicable drawings and specifications, and that Records of Required Tests are on file and subject to examination. The following items were assembled at **Gates Engineering & Services North America** facilities in Houston, TX, USA. This hose assembly was designed and manufactured to meet requirements of API Spec 16C, 3rd Edition.

CUSTOMER:	A-7 AUSTIN INC DBA AUSTIN HOSE
CUSTOMER P.O.#:	00620920 (MENA REF# 01LB10050, 01-012870, HOSE BATCH NO. 120463-07/20)
CUSTOMER P/N:	16C3.035.0CK4116FX-FLTSC/S
PART DESCRIPTION:	3" X 35' GATES API 16C FSL3 TEMP B CHOKE & KILL HOSE ASSEMBLY C/W 4 1/16" 10K FIXED X SWIVEL H2S SUITED FLANGE ENDS WITH BX 155 RING GROOVE SUPPLIED WITH SAFETY CLAMPS & SLINGS ATTACHED
SALES ORDER #:	522832
QUANTITY:	1
SERIAL #:	F-041522-1

SIGNATURE: _____

TITLE: QUALITY ASSURANCE

DATE: 8/15/2022

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GATES ENGINEERING & SERVICES FZCO
MENA HEADQUARTERS
JEBEL ALI FREE ZONE, P. O. BOX 61046
DUBAI, UNITED ARAB EMIRATES
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F: +971 4 886 1413
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جيتس للهندسة و الخدمات ش م ح
المقر الرئيسي للشرق الأوسط و شمال أفريقيا
جبل علي المنطقة الحرة، ص. ب. ٦١٠٤٦
دبي، الامارات العربية المتحدة
هاتف: ٤ ٨٨٦ ١٤١٤ ٩٧١+
فاكس: ٤ ٨٨٦ ١٤١٣ ٩٧١+
GATES.COM

PRESSURE TEST CERTIFICATE

Certificate #	01-012870	Test Date	15-Apr-2022
Customer Name	GATES E & S NORTH AMERICA INC		
Customer Ref. #	1786392/ 2	Gates Ref. #	01CCLBSOA-10007
Gates Job #	01LB10050		
Product Description	3" X 35' GATES API 16C FSL3 TEMP B CHOKE & KILL HOSE ASSEMBLY C/W 4 1/16" 10K FIXED X SWIVEL H2S SUITED FLANGE ENDS WITH BX 155 RING GROOVE		
Part #	RAB000884-23	Quantity	1
Assembly Code / Serial No.	F-041522-1	Hose Batch No.	120463-07/20
Working Pressure	10000 PSI	Test Pressure	15000.0 PSI
Medium	Water	Duration	1 HOUR
Ref. Specifications			
Observation	No Leakage or Pressure Drop observed under testing condition.		

Gates Engineering & Services certifies that the hose has been assembled, inspected and tested as per Gates Technical Specification. The hose assembly has successfully passed the 60 minutes hydrostatic test as per as per API Spec 16C standard, 3rd edition, March 2021.

Pr. Gauage Sr.#	288223022	Calibrn. Exp.Date	13-Jul-2022
Chart Recorder Sr.#	11.02117.1-01	Calibrn. Exp.Date	13-Jul-2022

Reviewed By		Witnessed By
Clifford G	GATES ENGINEERING & SERVICES FZCO P. O. BOX 61046, JEBEL ALI, DUBAI, UAE	Siva Mahalingam
Supervisor / 15-Apr-2022		Operations / Quality Lead /15-Apr-2022

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جيتس للهندسة و الخدمات ش م ح
المقر الرئيسي للشرق الأوسط و شمال أفريقيا
جبل علي المنطقة الحرة، ص. ب. ٦١٠٤٦
دبي، الامارات العربية المتحدة
هاتف: ٨٨٦ ١٤١٤ ٤ ٩٧١+
فاكس: ٨٨٦ ١٤١٣ ٤ ٩٧١+
GATES.COM

CERTIFICATE OF CONFORMANCE

Certificate #	01-012870	Date	15-Apr-2022
Customer Name	GATES E & S NORTH AMERICA INC		
Customer Ref. #	1786392/ 2	Gates Ref. #	01CCLBSOA-10007

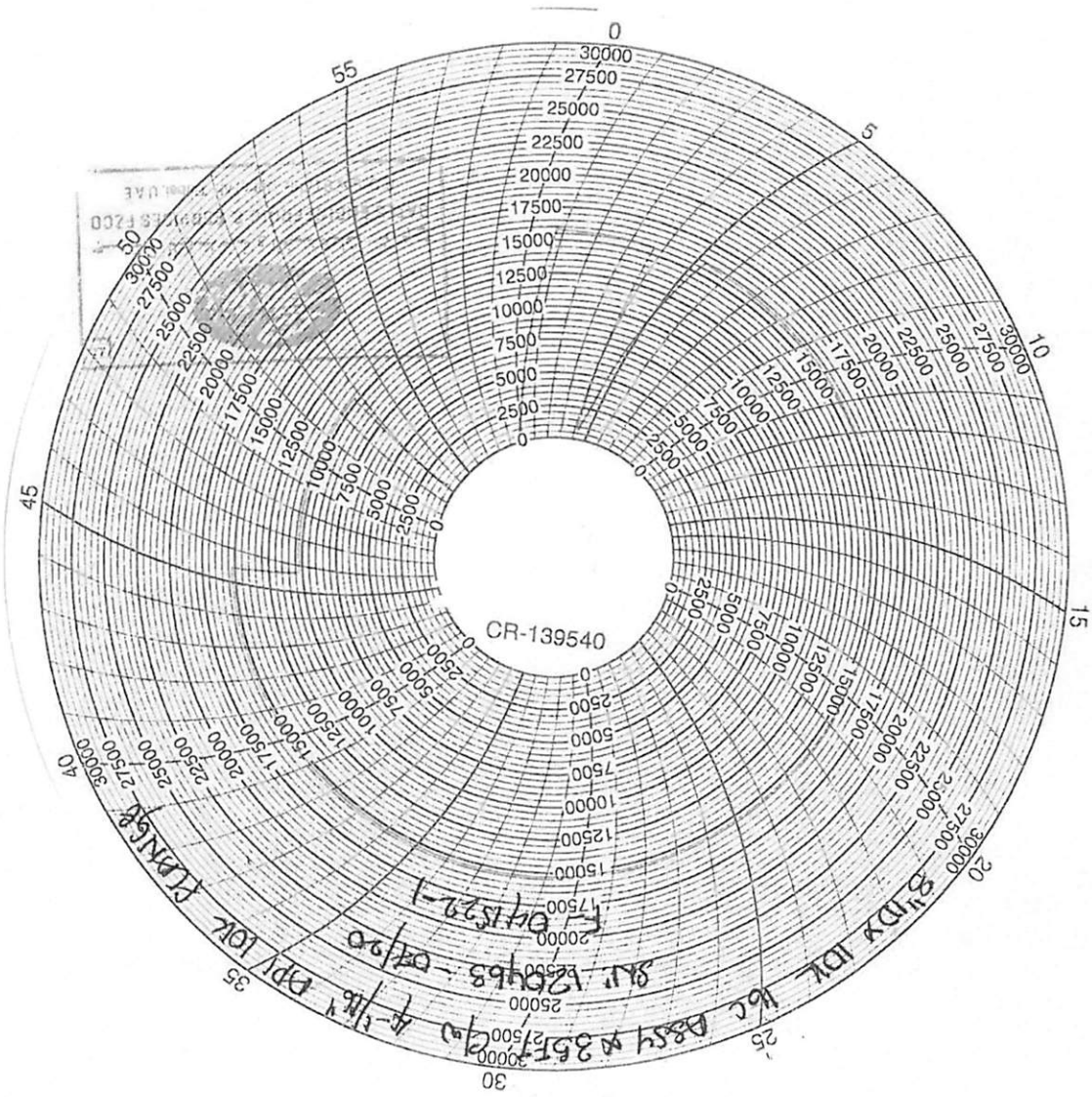
Gates Engineering & Services certifies that the hose has been assembled, inspected and tested as per Gates Technical Specification. The hose assembly has successfully passed the 60 minutes hydrostatic test as per as per API Spec 16C standard, 3rd edition, March 2021.

Item Code	Product Description	Quantity
RNB-30E-16C-4F3T2-FG	3" X 35' GATES API 16C FSL3 TEMP B CHOKE & KILL HOSE ASSEMBLY C/W 4 1/16" 10K FIXED X SWIVEL H2S SUITED FLANGE ENDS WITH BX 155 RING GROOVE Hose Batch No. 120463-07/20 Assembly Code / Serial No. F-041522-1 Gates Job # 01LB10050	1

جيتس للهندسة و الخدمات ش م ح
GATES ENGINEERING & SERVICES FZCO
P. O. BOX 61046, JEBEL ALI, DUBAI, UAE

15-Apr-2022
Date

Sajid Rasheed
QHSE Manager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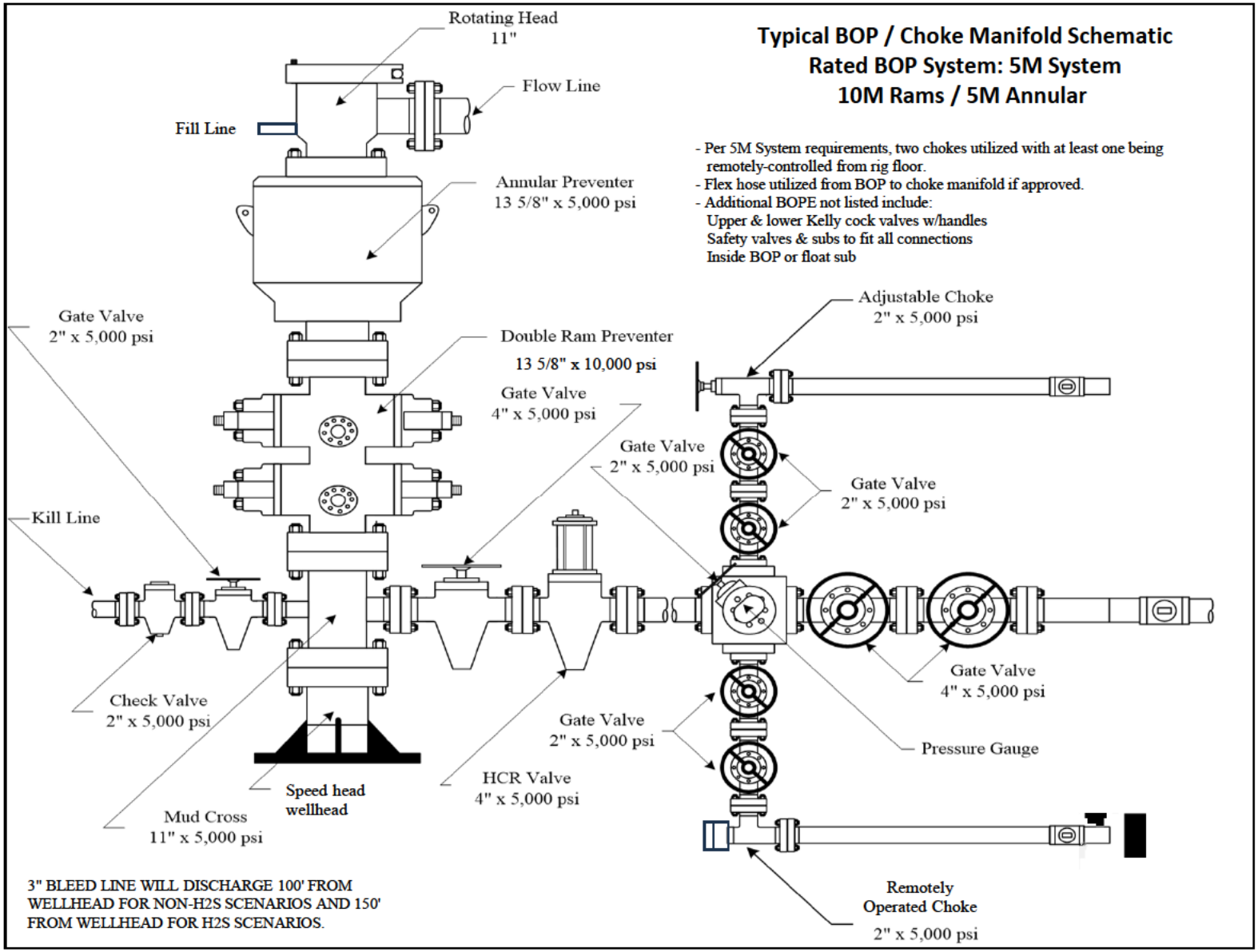

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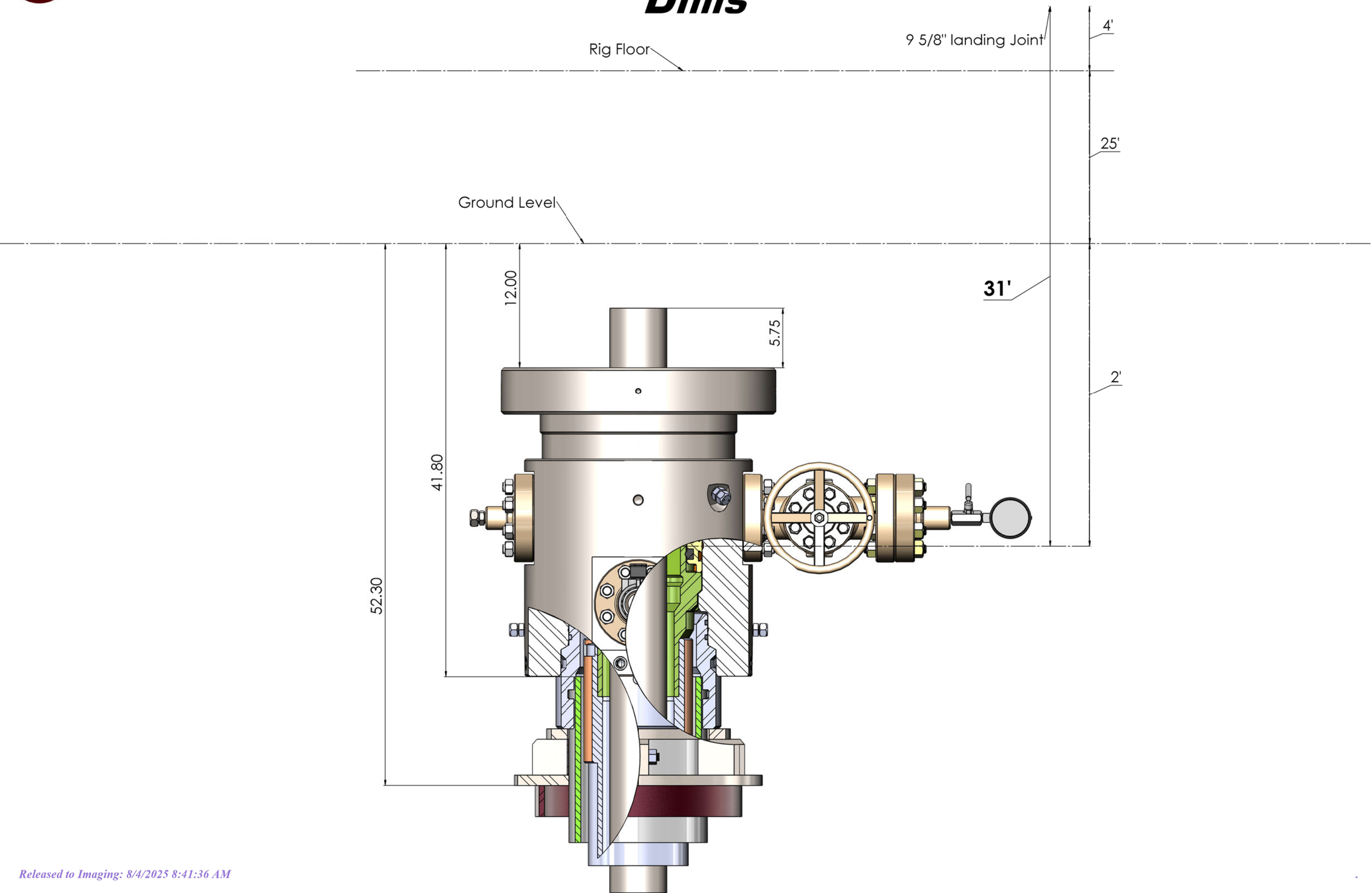
ATLAS

13 5/8" 5k Multi-Lock Dims

3R Operating, LLC



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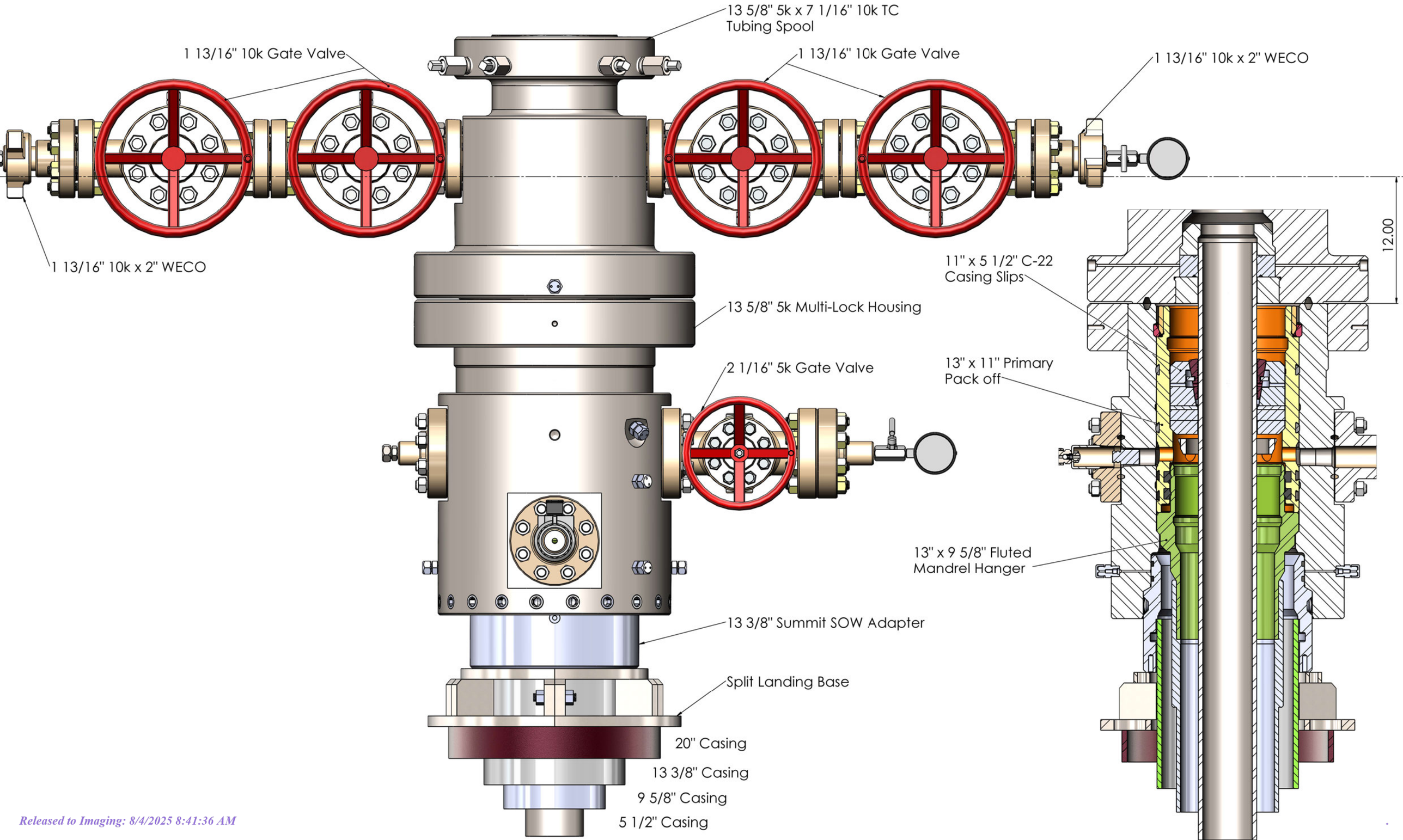
13 5/8" 5k Multi-Lock

ATLAS

3R Operating, LLC



Released to Imaging: 8/4/2025 8:41:36 AM

3R Operating, LLC

Company: 3R Operating, LLC
Field: Lea County, NM (NAD 83)
Location: Sioux 25-36
Well: Sioux 25-36 Federal Com 552H
OH
Plan: Plan 1
GL 3108 + 25' KB @ 3133.00usft

RIG: TBD

Azimuths to Grid North
True North: -0.54°
Magnetic North: 5.58°

Magnetic Field
Strength: 46969.1nT
Dip Angle: 59.68°
Date: 7/28/2025
Model: IGRF2025

To convert a Magnetic Direction to a Grid Direction, Add 5.58°

LEGACY DIRECTIONAL

WELL DETAILS: Sioux 25-36 Federal Com 552H

GL 3108 + 25' KB @ 3133.00usft 3108.00

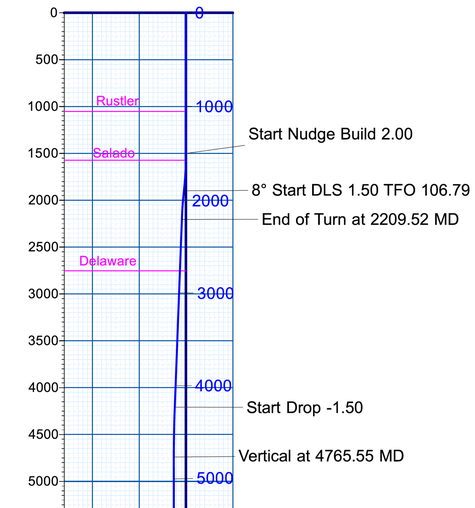
+N/-S	+E/-W	Northing	Easting	Latittude	Longitude	Slot
0.00	0.00	404534.23	853748.26	32.108124	-103.324355	552H

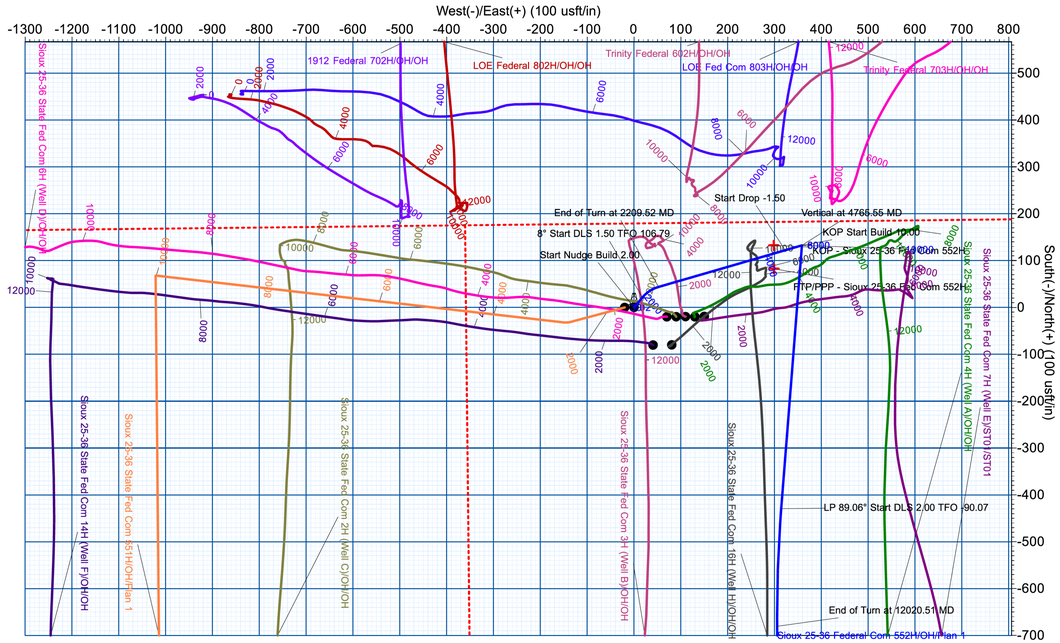
PROJECT DETAILS: Lea County, NM (NAD 83)

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone
System Datum: Mean Sea Level

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	1500.00	0.00	0.00	1500.00	0.00	0.00	0.00	0.00	0.00	
3	1900.00	8.00	40.00	1898.70	21.36	17.92	2.00	40.00	-21.19	
4	2209.52	8.00	73.84	2205.37	43.86	52.47	1.50	106.79	-43.37	
5	4232.35	8.00	73.84	4208.54	122.17	322.80	0.00	0.00	-119.18	
6	4765.55	0.00	0.00	4740.00	132.51	358.49	1.50	180.00	-129.19	
7	10878.55	0.00	0.00	10853.00	132.51	358.49	0.00	0.00	-129.19	
8	11769.15	89.06	184.50	11425.88	-429.31	314.27	10.00	184.50	432.20	
9	12020.51	89.06	179.47	11430.01	-680.41	305.57	2.00	-90.07	683.21	
10	21626.78	89.06	179.47	11588.00	-10284.97	394.08	0.00	0.00	10288.18	LTP/ BHL - Sioux 25-36 Fed Com 552H





Plan: Plan 1 (Sioux 25-36 Federal Com 552H/OH)
Created By: Jenise Kirkpatrick Date: 10:12, July 28 2025

3R Operating, LLC

Lea County, NM (NAD 83)
Sioux 25-36
Sioux 25-36 Federal Com 552H - Slot 552H

OH

Plan: Plan 1

Standard Planning Report

28 July, 2025

Legacy Directional Drilling
Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Federal Com 552H - Slot 552H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Federal Com 552H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1		

Project	Lea County, NM (NAD 83)		
Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Sioux 25-36				
Site Position:		**Northing:**	404,514.28 usft	**Latitude:**	32.108068
From:	Map	**Easting:**	853,818.27 usft	**Longitude:**	-103.324130
Position Uncertainty:	0.00 usft	**Slot Radius:**	13-3/16 "		

Well	Sioux 25-36 Federal Com 552H - Slot 552H					
Well Position	**+N/-S**	0.00 usft	**Northing:**	404,534.23 usft	**Latitude:**	32.108124
	+E/-W	0.00 usft	**Easting:**	853,748.26 usft	**Longitude:**	-103.324355
Position Uncertainty		0.00 usft	**Wellhead Elevation:**	usft	**Ground Level:**	3,108.00 usft
Grid Convergence:		0.54 °				

Wellbore	OH				
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF2025	7/28/2025	6.12	59.68	46,969.05536520

Design	Plan 1				
Audit Notes:					
Version:		**Phase:**	PLAN	**Tie On Depth:**	0.00
Vertical Section:	**Depth From (TVD) (usft)**	**+N/-S (usft)**	**+E/-W (usft)**	**Direction (°)**	
	0.00	0.00	0.00	179.47	

Plan Survey Tool Program **Date** 5/27/2025

	Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	21,626.78	Plan 1 (OH)	MWD+IFR1+MS	
				OWSG MWD + IFR1 + Multi-St	

Legacy Directional Drilling

Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Federal Com 552H - Slot 552H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Federal Com 552H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1		

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,900.00	8.00	40.00	1,898.70	21.36	17.92	2.00	2.00	0.00	40.00	
2,209.52	8.00	73.84	2,205.37	43.86	52.47	1.50	0.00	10.93	106.79	
4,232.35	8.00	73.84	4,208.54	122.17	322.80	0.00	0.00	0.00	0.00	
4,765.55	0.00	0.00	4,740.00	132.51	358.49	1.50	-1.50	0.00	180.00	
10,878.55	0.00	0.00	10,853.00	132.51	358.49	0.00	0.00	0.00	0.00	
11,769.15	89.06	184.50	11,425.88	-429.31	314.27	10.00	10.00	0.00	184.50	
12,020.51	89.06	179.47	11,430.01	-680.41	305.57	2.00	0.00	-2.00	-90.07	
21,626.78	89.06	179.47	11,588.00	-10,284.97	394.08	0.00	0.00	0.00	0.00	LTP/ BHL - Sioux 25-3

Legacy Directional Drilling

Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Federal Com 552H - Slot 552H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Federal Com 552H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,053.00	0.00	0.00	1,053.00	0.00	0.00	0.00	0.00	0.00	0.00
Rustler									
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
Start Nudge Build 2.00									
1,573.01	1.46	40.00	1,573.00	0.71	0.60	-0.71	2.00	2.00	0.00
Salado									
1,600.00	2.00	40.00	1,599.98	1.34	1.12	-1.33	2.00	2.00	0.00
1,700.00	4.00	40.00	1,699.84	5.35	4.49	-5.30	2.00	2.00	0.00
1,800.00	6.00	40.00	1,799.45	12.02	10.09	-11.93	2.00	2.00	0.00
1,900.00	8.00	40.00	1,898.70	21.36	17.92	-21.19	2.00	2.00	0.00
8° Start DLS 1.50 TFO 106.79									
2,000.00	7.70	50.78	1,997.77	30.92	27.58	-30.67	1.50	-0.30	10.78
2,100.00	7.69	62.00	2,096.88	38.30	38.68	-37.94	1.50	-0.01	11.22
2,209.52	8.00	73.84	2,205.37	43.86	52.47	-43.37	1.50	0.28	10.81
End of Turn at 2209.52 MD									
2,300.00	8.00	73.84	2,294.98	47.36	64.56	-46.76	0.00	0.00	0.00
2,400.00	8.00	73.84	2,394.01	51.23	77.92	-50.51	0.00	0.00	0.00
2,500.00	8.00	73.84	2,493.03	55.11	91.29	-54.26	0.00	0.00	0.00
2,600.00	8.00	73.84	2,592.06	58.98	104.65	-58.01	0.00	0.00	0.00
2,700.00	8.00	73.84	2,691.09	62.85	118.02	-61.75	0.00	0.00	0.00
2,762.52	8.00	73.84	2,753.00	65.27	126.37	-64.10	0.00	0.00	0.00
Delaware									
2,800.00	8.00	73.84	2,790.11	66.72	131.38	-65.50	0.00	0.00	0.00
2,900.00	8.00	73.84	2,889.14	70.59	144.74	-69.25	0.00	0.00	0.00
3,000.00	8.00	73.84	2,988.17	74.46	158.11	-73.00	0.00	0.00	0.00
3,100.00	8.00	73.84	3,087.20	78.33	171.47	-76.74	0.00	0.00	0.00
3,200.00	8.00	73.84	3,186.22	82.21	184.84	-80.49	0.00	0.00	0.00
3,300.00	8.00	73.84	3,285.25	86.08	198.20	-84.24	0.00	0.00	0.00
3,400.00	8.00	73.84	3,384.28	89.95	211.57	-87.99	0.00	0.00	0.00
3,500.00	8.00	73.84	3,483.31	93.82	224.93	-91.74	0.00	0.00	0.00
3,600.00	8.00	73.84	3,582.33	97.69	238.29	-95.48	0.00	0.00	0.00
3,700.00	8.00	73.84	3,681.36	101.56	251.66	-99.23	0.00	0.00	0.00
3,800.00	8.00	73.84	3,780.39	105.43	265.02	-102.98	0.00	0.00	0.00
3,900.00	8.00	73.84	3,879.42	109.31	278.39	-106.73	0.00	0.00	0.00
4,000.00	8.00	73.84	3,978.44	113.18	291.75	-110.47	0.00	0.00	0.00
4,100.00	8.00	73.84	4,077.47	117.05	305.12	-114.22	0.00	0.00	0.00
4,200.00	8.00	73.84	4,176.50	120.92	318.48	-117.97	0.00	0.00	0.00

Legacy Directional Drilling

Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Federal Com 552H - Slot 552H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Federal Com 552H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
4,232.35	8.00	73.84	4,208.54	122.17	322.80	-119.18	0.00	0.00	0.00
Start Drop -1.50									
4,300.00	6.98	73.84	4,275.60	124.63	331.27	-121.56	1.50	-1.50	0.00
4,400.00	5.48	73.84	4,375.01	127.65	341.70	-124.48	1.50	-1.50	0.00
4,500.00	3.98	73.84	4,474.67	129.94	349.63	-126.70	1.50	-1.50	0.00
4,600.00	2.48	73.84	4,574.50	131.51	355.04	-128.22	1.50	-1.50	0.00
4,700.00	0.98	73.84	4,674.46	132.35	357.95	-129.04	1.50	-1.50	0.00
4,765.55	0.00	0.00	4,740.00	132.51	358.49	-129.19	1.50	-1.50	0.00
Vertical at 4765.55 MD									
4,800.00	0.00	0.00	4,774.45	132.51	358.49	-129.19	0.00	0.00	0.00
4,900.00	0.00	0.00	4,874.45	132.51	358.49	-129.19	0.00	0.00	0.00
5,000.00	0.00	0.00	4,974.45	132.51	358.49	-129.19	0.00	0.00	0.00
5,100.00	0.00	0.00	5,074.45	132.51	358.49	-129.19	0.00	0.00	0.00
5,200.00	0.00	0.00	5,174.45	132.51	358.49	-129.19	0.00	0.00	0.00
5,300.00	0.00	0.00	5,274.45	132.51	358.49	-129.19	0.00	0.00	0.00
5,400.00	0.00	0.00	5,374.45	132.51	358.49	-129.19	0.00	0.00	0.00
5,500.00	0.00	0.00	5,474.45	132.51	358.49	-129.19	0.00	0.00	0.00
5,600.00	0.00	0.00	5,574.45	132.51	358.49	-129.19	0.00	0.00	0.00
5,700.00	0.00	0.00	5,674.45	132.51	358.49	-129.19	0.00	0.00	0.00
5,800.00	0.00	0.00	5,774.45	132.51	358.49	-129.19	0.00	0.00	0.00
5,900.00	0.00	0.00	5,874.45	132.51	358.49	-129.19	0.00	0.00	0.00
6,000.00	0.00	0.00	5,974.45	132.51	358.49	-129.19	0.00	0.00	0.00
6,100.00	0.00	0.00	6,074.45	132.51	358.49	-129.19	0.00	0.00	0.00
6,200.00	0.00	0.00	6,174.45	132.51	358.49	-129.19	0.00	0.00	0.00
6,300.00	0.00	0.00	6,274.45	132.51	358.49	-129.19	0.00	0.00	0.00
6,400.00	0.00	0.00	6,374.45	132.51	358.49	-129.19	0.00	0.00	0.00
6,500.00	0.00	0.00	6,474.45	132.51	358.49	-129.19	0.00	0.00	0.00
6,600.00	0.00	0.00	6,574.45	132.51	358.49	-129.19	0.00	0.00	0.00
6,700.00	0.00	0.00	6,674.45	132.51	358.49	-129.19	0.00	0.00	0.00
6,800.00	0.00	0.00	6,774.45	132.51	358.49	-129.19	0.00	0.00	0.00
6,900.00	0.00	0.00	6,874.45	132.51	358.49	-129.19	0.00	0.00	0.00
7,000.00	0.00	0.00	6,974.45	132.51	358.49	-129.19	0.00	0.00	0.00
7,100.00	0.00	0.00	7,074.45	132.51	358.49	-129.19	0.00	0.00	0.00
7,200.00	0.00	0.00	7,174.45	132.51	358.49	-129.19	0.00	0.00	0.00
7,300.00	0.00	0.00	7,274.45	132.51	358.49	-129.19	0.00	0.00	0.00
7,400.00	0.00	0.00	7,374.45	132.51	358.49	-129.19	0.00	0.00	0.00
7,500.00	0.00	0.00	7,474.45	132.51	358.49	-129.19	0.00	0.00	0.00
7,600.00	0.00	0.00	7,574.45	132.51	358.49	-129.19	0.00	0.00	0.00
7,700.00	0.00	0.00	7,674.45	132.51	358.49	-129.19	0.00	0.00	0.00
7,800.00	0.00	0.00	7,774.45	132.51	358.49	-129.19	0.00	0.00	0.00
7,900.00	0.00	0.00	7,874.45	132.51	358.49	-129.19	0.00	0.00	0.00
8,000.00	0.00	0.00	7,974.45	132.51	358.49	-129.19	0.00	0.00	0.00
8,100.00	0.00	0.00	8,074.45	132.51	358.49	-129.19	0.00	0.00	0.00
8,200.00	0.00	0.00	8,174.45	132.51	358.49	-129.19	0.00	0.00	0.00
8,300.00	0.00	0.00	8,274.45	132.51	358.49	-129.19	0.00	0.00	0.00
8,400.00	0.00	0.00	8,374.45	132.51	358.49	-129.19	0.00	0.00	0.00
8,500.00	0.00	0.00	8,474.45	132.51	358.49	-129.19	0.00	0.00	0.00
8,600.00	0.00	0.00	8,574.45	132.51	358.49	-129.19	0.00	0.00	0.00
8,700.00	0.00	0.00	8,674.45	132.51	358.49	-129.19	0.00	0.00	0.00
8,800.00	0.00	0.00	8,774.45	132.51	358.49	-129.19	0.00	0.00	0.00
8,858.55	0.00	0.00	8,833.00	132.51	358.49	-129.19	0.00	0.00	0.00
Bone Spring									

Legacy Directional Drilling

Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Federal Com 552H - Slot 552H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Federal Com 552H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
8,900.00	0.00	0.00	8,874.45	132.51	358.49	-129.19	0.00	0.00	0.00
9,000.00	0.00	0.00	8,974.45	132.51	358.49	-129.19	0.00	0.00	0.00
9,100.00	0.00	0.00	9,074.45	132.51	358.49	-129.19	0.00	0.00	0.00
9,200.00	0.00	0.00	9,174.45	132.51	358.49	-129.19	0.00	0.00	0.00
9,300.00	0.00	0.00	9,274.45	132.51	358.49	-129.19	0.00	0.00	0.00
9,400.00	0.00	0.00	9,374.45	132.51	358.49	-129.19	0.00	0.00	0.00
9,500.00	0.00	0.00	9,474.45	132.51	358.49	-129.19	0.00	0.00	0.00
9,600.00	0.00	0.00	9,574.45	132.51	358.49	-129.19	0.00	0.00	0.00
9,700.00	0.00	0.00	9,674.45	132.51	358.49	-129.19	0.00	0.00	0.00
9,800.00	0.00	0.00	9,774.45	132.51	358.49	-129.19	0.00	0.00	0.00
9,900.00	0.00	0.00	9,874.45	132.51	358.49	-129.19	0.00	0.00	0.00
10,000.00	0.00	0.00	9,974.45	132.51	358.49	-129.19	0.00	0.00	0.00
10,018.55	0.00	0.00	9,993.00	132.51	358.49	-129.19	0.00	0.00	0.00
1st Bone Spring Sand									
10,100.00	0.00	0.00	10,074.45	132.51	358.49	-129.19	0.00	0.00	0.00
10,188.55	0.00	0.00	10,163.00	132.51	358.49	-129.19	0.00	0.00	0.00
2nd Bone Spring Carb									
10,200.00	0.00	0.00	10,174.45	132.51	358.49	-129.19	0.00	0.00	0.00
10,258.55	0.00	0.00	10,233.00	132.51	358.49	-129.19	0.00	0.00	0.00
2nd Bone Spring Sand									
10,300.00	0.00	0.00	10,274.45	132.51	358.49	-129.19	0.00	0.00	0.00
10,400.00	0.00	0.00	10,374.45	132.51	358.49	-129.19	0.00	0.00	0.00
10,500.00	0.00	0.00	10,474.45	132.51	358.49	-129.19	0.00	0.00	0.00
10,600.00	0.00	0.00	10,574.45	132.51	358.49	-129.19	0.00	0.00	0.00
10,700.00	0.00	0.00	10,674.45	132.51	358.49	-129.19	0.00	0.00	0.00
10,738.55	0.00	0.00	10,713.00	132.51	358.49	-129.19	0.00	0.00	0.00
3rd Bone Spring Carb*									
10,800.00	0.00	0.00	10,774.45	132.51	358.49	-129.19	0.00	0.00	0.00
10,878.55	0.00	0.00	10,853.00	132.51	358.49	-129.19	0.00	0.00	0.00
KOP Start Build 10.00									
10,900.00	2.15	184.50	10,874.45	132.11	358.46	-128.79	10.00	10.00	0.00
10,950.00	7.15	184.50	10,924.27	128.07	358.14	-124.76	10.00	10.00	0.00
11,000.00	12.15	184.50	10,973.55	119.73	357.48	-116.41	10.00	10.00	0.00
11,050.00	17.15	184.50	11,021.91	107.13	356.49	-103.82	10.00	10.00	0.00
11,100.00	22.15	184.50	11,068.98	90.37	355.17	-87.08	10.00	10.00	0.00
11,150.00	27.15	184.50	11,114.41	69.59	353.54	-66.32	10.00	10.00	0.00
11,200.00	32.15	184.50	11,157.85	44.95	351.60	-41.69	10.00	10.00	0.00
11,250.00	37.15	184.50	11,198.97	16.62	349.37	-13.39	10.00	10.00	0.00
11,300.00	42.15	184.50	11,237.46	-15.17	346.87	18.38	10.00	10.00	0.00
11,350.00	47.15	184.50	11,273.02	-50.19	344.11	53.37	10.00	10.00	0.00
11,400.00	52.15	184.50	11,305.39	-88.16	341.12	91.31	10.00	10.00	0.00
11,450.00	57.15	184.50	11,334.31	-128.80	337.92	131.92	10.00	10.00	0.00
11,500.00	62.15	184.50	11,359.57	-171.80	334.54	174.89	10.00	10.00	0.00
11,550.00	67.15	184.50	11,380.98	-216.83	331.00	219.89	10.00	10.00	0.00
11,600.00	72.15	184.50	11,398.36	-263.55	327.32	266.57	10.00	10.00	0.00
11,650.00	77.15	184.50	11,411.60	-311.60	323.54	314.58	10.00	10.00	0.00
11,682.94	80.44	184.50	11,418.00	-343.81	321.00	346.77	10.00	10.00	0.00
Target CL									
11,700.00	82.15	184.50	11,420.58	-360.62	319.68	363.56	10.00	10.00	0.00
11,750.00	87.15	184.50	11,425.25	-410.23	315.78	413.14	10.00	10.00	0.00
11,769.15	89.06	184.50	11,425.88	-429.31	314.27	432.20	10.00	10.00	0.00
Start DLS 2.00 TFO -90.07									

Legacy Directional Drilling

Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Federal Com 552H - Slot 552H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Federal Com 552H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
11,800.00	89.06	183.88	11,426.39	-460.08	312.02	462.94	2.00	0.00	-2.00
11,900.00	89.06	181.88	11,428.03	-559.93	306.99	562.75	2.00	0.00	-2.00
12,000.00	89.06	179.88	11,429.68	-659.90	305.45	662.70	2.00	0.00	-2.00
12,020.51	89.06	179.47	11,430.01	-680.41	305.57	683.21	2.00	0.00	-2.00
End of Turn at 12020.51 MD									
12,100.00	89.06	179.47	11,431.32	-759.88	306.30	762.68	0.00	0.00	0.00
12,200.00	89.06	179.47	11,432.96	-859.87	307.22	862.67	0.00	0.00	0.00
12,300.00	89.06	179.47	11,434.61	-959.85	308.14	962.66	0.00	0.00	0.00
12,400.00	89.06	179.47	11,436.25	-1,059.83	309.06	1,062.64	0.00	0.00	0.00
12,500.00	89.06	179.47	11,437.90	-1,159.81	309.98	1,162.63	0.00	0.00	0.00
12,600.00	89.06	179.47	11,439.54	-1,259.79	310.91	1,262.62	0.00	0.00	0.00
12,700.00	89.06	179.47	11,441.19	-1,359.78	311.83	1,362.60	0.00	0.00	0.00
12,800.00	89.06	179.47	11,442.83	-1,459.76	312.75	1,462.59	0.00	0.00	0.00
12,900.00	89.06	179.47	11,444.48	-1,559.74	313.67	1,562.58	0.00	0.00	0.00
13,000.00	89.06	179.47	11,446.12	-1,659.72	314.59	1,662.56	0.00	0.00	0.00
13,100.00	89.06	179.47	11,447.77	-1,759.71	315.51	1,762.55	0.00	0.00	0.00
13,200.00	89.06	179.47	11,449.41	-1,859.69	316.43	1,862.54	0.00	0.00	0.00
13,300.00	89.06	179.47	11,451.06	-1,959.67	317.36	1,962.52	0.00	0.00	0.00
13,400.00	89.06	179.47	11,452.70	-2,059.65	318.28	2,062.51	0.00	0.00	0.00
13,500.00	89.06	179.47	11,454.34	-2,159.63	319.20	2,162.50	0.00	0.00	0.00
13,600.00	89.06	179.47	11,455.99	-2,259.62	320.12	2,262.48	0.00	0.00	0.00
13,700.00	89.06	179.47	11,457.63	-2,359.60	321.04	2,362.47	0.00	0.00	0.00
13,800.00	89.06	179.47	11,459.28	-2,459.58	321.96	2,462.45	0.00	0.00	0.00
13,900.00	89.06	179.47	11,460.92	-2,559.56	322.88	2,562.44	0.00	0.00	0.00
14,000.00	89.06	179.47	11,462.57	-2,659.55	323.81	2,662.43	0.00	0.00	0.00
14,100.00	89.06	179.47	11,464.21	-2,759.53	324.73	2,762.41	0.00	0.00	0.00
14,200.00	89.06	179.47	11,465.86	-2,859.51	325.65	2,862.40	0.00	0.00	0.00
14,300.00	89.06	179.47	11,467.50	-2,959.49	326.57	2,962.39	0.00	0.00	0.00
14,400.00	89.06	179.47	11,469.15	-3,059.47	327.49	3,062.37	0.00	0.00	0.00
14,500.00	89.06	179.47	11,470.79	-3,159.46	328.41	3,162.36	0.00	0.00	0.00
14,600.00	89.06	179.47	11,472.44	-3,259.44	329.33	3,262.35	0.00	0.00	0.00
14,700.00	89.06	179.47	11,474.08	-3,359.42	330.26	3,362.33	0.00	0.00	0.00
14,800.00	89.06	179.47	11,475.72	-3,459.40	331.18	3,462.32	0.00	0.00	0.00
14,900.00	89.06	179.47	11,477.37	-3,559.39	332.10	3,562.31	0.00	0.00	0.00
15,000.00	89.06	179.47	11,479.01	-3,659.37	333.02	3,662.29	0.00	0.00	0.00
15,100.00	89.06	179.47	11,480.66	-3,759.35	333.94	3,762.28	0.00	0.00	0.00
15,200.00	89.06	179.47	11,482.30	-3,859.33	334.86	3,862.27	0.00	0.00	0.00
15,300.00	89.06	179.47	11,483.95	-3,959.32	335.78	3,962.25	0.00	0.00	0.00
15,400.00	89.06	179.47	11,485.59	-4,059.30	336.71	4,062.24	0.00	0.00	0.00
15,500.00	89.06	179.47	11,487.24	-4,159.28	337.63	4,162.22	0.00	0.00	0.00
15,600.00	89.06	179.47	11,488.88	-4,259.26	338.55	4,262.21	0.00	0.00	0.00
15,700.00	89.06	179.47	11,490.53	-4,359.24	339.47	4,362.20	0.00	0.00	0.00
15,800.00	89.06	179.47	11,492.17	-4,459.23	340.39	4,462.18	0.00	0.00	0.00
15,900.00	89.06	179.47	11,493.82	-4,559.21	341.31	4,562.17	0.00	0.00	0.00
16,000.00	89.06	179.47	11,495.46	-4,659.19	342.23	4,662.16	0.00	0.00	0.00
16,100.00	89.06	179.47	11,497.11	-4,759.17	343.16	4,762.14	0.00	0.00	0.00
16,200.00	89.06	179.47	11,498.75	-4,859.16	344.08	4,862.13	0.00	0.00	0.00
16,300.00	89.06	179.47	11,500.39	-4,959.14	345.00	4,962.12	0.00	0.00	0.00
16,400.00	89.06	179.47	11,502.04	-5,059.12	345.92	5,062.10	0.00	0.00	0.00
16,500.00	89.06	179.47	11,503.68	-5,159.10	346.84	5,162.09	0.00	0.00	0.00
16,600.00	89.06	179.47	11,505.33	-5,259.08	347.76	5,262.08	0.00	0.00	0.00
16,700.00	89.06	179.47	11,506.97	-5,359.07	348.68	5,362.06	0.00	0.00	0.00
16,800.00	89.06	179.47	11,508.62	-5,459.05	349.61	5,462.05	0.00	0.00	0.00

Legacy Directional Drilling

Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Federal Com 552H - Slot 552H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Federal Com 552H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
16,900.00	89.06	179.47	11,510.26	-5,559.03	350.53	5,562.04	0.00	0.00	0.00
17,000.00	89.06	179.47	11,511.91	-5,659.01	351.45	5,662.02	0.00	0.00	0.00
17,100.00	89.06	179.47	11,513.55	-5,759.00	352.37	5,762.01	0.00	0.00	0.00
17,200.00	89.06	179.47	11,515.20	-5,858.98	353.29	5,861.99	0.00	0.00	0.00
17,300.00	89.06	179.47	11,516.84	-5,958.96	354.21	5,961.98	0.00	0.00	0.00
17,400.00	89.06	179.47	11,518.49	-6,058.94	355.13	6,061.97	0.00	0.00	0.00
17,500.00	89.06	179.47	11,520.13	-6,158.92	356.06	6,161.95	0.00	0.00	0.00
17,600.00	89.06	179.47	11,521.77	-6,258.91	356.98	6,261.94	0.00	0.00	0.00
17,700.00	89.06	179.47	11,523.42	-6,358.89	357.90	6,361.93	0.00	0.00	0.00
17,800.00	89.06	179.47	11,525.06	-6,458.87	358.82	6,461.91	0.00	0.00	0.00
17,900.00	89.06	179.47	11,526.71	-6,558.85	359.74	6,561.90	0.00	0.00	0.00
18,000.00	89.06	179.47	11,528.35	-6,658.84	360.66	6,661.89	0.00	0.00	0.00
18,100.00	89.06	179.47	11,530.00	-6,758.82	361.58	6,761.87	0.00	0.00	0.00
18,200.00	89.06	179.47	11,531.64	-6,858.80	362.51	6,861.86	0.00	0.00	0.00
18,300.00	89.06	179.47	11,533.29	-6,958.78	363.43	6,961.85	0.00	0.00	0.00
18,400.00	89.06	179.47	11,534.93	-7,058.76	364.35	7,061.83	0.00	0.00	0.00
18,500.00	89.06	179.47	11,536.58	-7,158.75	365.27	7,161.82	0.00	0.00	0.00
18,600.00	89.06	179.47	11,538.22	-7,258.73	366.19	7,261.81	0.00	0.00	0.00
18,700.00	89.06	179.47	11,539.87	-7,358.71	367.11	7,361.79	0.00	0.00	0.00
18,800.00	89.06	179.47	11,541.51	-7,458.69	368.03	7,461.78	0.00	0.00	0.00
18,900.00	89.06	179.47	11,543.15	-7,558.68	368.96	7,561.76	0.00	0.00	0.00
19,000.00	89.06	179.47	11,544.80	-7,658.66	369.88	7,661.75	0.00	0.00	0.00
19,100.00	89.06	179.47	11,546.44	-7,758.64	370.80	7,761.74	0.00	0.00	0.00
19,200.00	89.06	179.47	11,548.09	-7,858.62	371.72	7,861.72	0.00	0.00	0.00
19,300.00	89.06	179.47	11,549.73	-7,958.60	372.64	7,961.71	0.00	0.00	0.00
19,400.00	89.06	179.47	11,551.38	-8,058.59	373.56	8,061.70	0.00	0.00	0.00
19,500.00	89.06	179.47	11,553.02	-8,158.57	374.48	8,161.68	0.00	0.00	0.00
19,600.00	89.06	179.47	11,554.67	-8,258.55	375.40	8,261.67	0.00	0.00	0.00
19,700.00	89.06	179.47	11,556.31	-8,358.53	376.33	8,361.66	0.00	0.00	0.00
19,800.00	89.06	179.47	11,557.96	-8,458.52	377.25	8,461.64	0.00	0.00	0.00
19,900.00	89.06	179.47	11,559.60	-8,558.50	378.17	8,561.63	0.00	0.00	0.00
20,000.00	89.06	179.47	11,561.25	-8,658.48	379.09	8,661.62	0.00	0.00	0.00
20,100.00	89.06	179.47	11,562.89	-8,758.46	380.01	8,761.60	0.00	0.00	0.00
20,200.00	89.06	179.47	11,564.53	-8,858.44	380.93	8,861.59	0.00	0.00	0.00
20,300.00	89.06	179.47	11,566.18	-8,958.43	381.85	8,961.58	0.00	0.00	0.00
20,400.00	89.06	179.47	11,567.82	-9,058.41	382.78	9,061.56	0.00	0.00	0.00
20,500.00	89.06	179.47	11,569.47	-9,158.39	383.70	9,161.55	0.00	0.00	0.00
20,600.00	89.06	179.47	11,571.11	-9,258.37	384.62	9,261.53	0.00	0.00	0.00
20,700.00	89.06	179.47	11,572.76	-9,358.36	385.54	9,361.52	0.00	0.00	0.00
20,800.00	89.06	179.47	11,574.40	-9,458.34	386.46	9,461.51	0.00	0.00	0.00
20,900.00	89.06	179.47	11,576.05	-9,558.32	387.38	9,561.49	0.00	0.00	0.00
21,000.00	89.06	179.47	11,577.69	-9,658.30	388.30	9,661.48	0.00	0.00	0.00
21,100.00	89.06	179.47	11,579.34	-9,758.28	389.23	9,761.47	0.00	0.00	0.00
21,200.00	89.06	179.47	11,580.98	-9,858.27	390.15	9,861.45	0.00	0.00	0.00
21,300.00	89.06	179.47	11,582.63	-9,958.25	391.07	9,961.44	0.00	0.00	0.00
21,400.00	89.06	179.47	11,584.27	-10,058.23	391.99	10,061.43	0.00	0.00	0.00
21,500.00	89.06	179.47	11,585.92	-10,158.21	392.91	10,161.41	0.00	0.00	0.00
21,600.00	89.06	179.47	11,587.56	-10,258.20	393.83	10,261.40	0.00	0.00	0.00
21,626.76	89.06	179.47	11,588.00	-10,284.95	394.08	10,288.16	0.00	0.00	0.00
LTP/BHL at 21626.78									
21,626.78	89.06	179.47	11,588.00	-10,284.97	394.08	10,288.18	0.00	0.00	0.00

Legacy Directional Drilling
Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Federal Com 552H - Slot 552H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3108 + 25' KB @ 3133.00usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Federal Com 552H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
KOP - Sioux 25-36 Fed - plan misses target center by 60.00usft at 10878.64usft MD (10853.09 TVD, 132.51 N, 358.49 E) - Point	0.00	0.00	10,853.00	132.51	298.49	404,666.74	854,046.75	32.108481	-103.323387
FTP/PPP - Sioux 25-36 - plan misses target center by 201.65usft at 11350.00usft MD (11273.02 TVD, -50.19 N, 344.11 E) - Point	0.00	0.00	11,418.00	82.51	298.99	404,616.74	854,047.25	32.108344	-103.323387
LTP/ BHL - Sioux 25-36 - plan hits target center - Point	0.00	0.00	11,588.00	-10,284.97	394.08	394,249.26	854,142.34	32.079846	-103.323394

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,053.00	1,053.00	Rustler			
1,573.01	1,573.00	Salado			
2,762.52	2,753.00	Delaware			
8,858.55	8,833.00	Bone Spring			
10,018.55	9,993.00	1st Bone Spring Sand			
10,188.55	10,163.00	2nd Bone Spring Carb			
10,258.55	10,233.00	2nd Bone Spring Sand			
10,738.55	10,713.00	3rd Bone Spring Carb*			
11,682.94	11,418.00	Target CL			

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
1,500.00	1,500.00	0.00	0.00	Start Nudge Build 2.00
1,900.00	1,898.70	21.36	17.92	8° Start DLS 1.50 TFO 106.79
2,209.52	2,205.37	43.86	52.47	End of Turn at 2209.52 MD
4,232.35	4,208.54	122.17	322.80	Start Drop -1.50
4,765.55	4,740.00	132.51	358.49	Vertical at 4765.55 MD
10,878.55	10,853.00	132.51	358.49	KOP Start Build 10.00
11,769.15	11,425.88	-429.31	314.27	Start DLS 2.00 TFO -90.07
12,020.51	11,430.01	-680.41	305.57	End of Turn at 12020.51 MD
21,626.76	11,588.00	-10,284.95	394.08	LTP/BHL at 21626.78

Sante Fe Main Office
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General Information
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Online Phone Directory
https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Operator: 3R Operating, LLC 20405 State Highway 249 Houston, TX 77070	OGRID: 331569
	Action Number: 489432
	Action Type: [C-103] NOI Change of Plans (C-103A)

CONDITIONS

Created By	Condition	Condition Date
matthew.gomez	If cement is not circulated to surface during cementing operations, a Cement Bond Log (CBL) is required.	8/4/2025
matthew.gomez	Notify the OCD 24 hours prior to casing & cement.	8/4/2025
matthew.gomez	A [C-103] Sub. Drilling (C-103N) is required within (10) days of spud.	8/4/2025
matthew.gomez	Any previous COA's not addressed within the updated COA's still apply.	8/4/2025