

Submit a Copy To Appropriate District Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-50074
1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐		5. Indicate Type of Lease STATE ☐ FEE ☒
2. Name of Operator Silverback Operating II, LLC		6. State Oil & Gas Lease No.
3. Address of Operator IH10 West Suite 201, San Antonio, TX 78257		7. Lease Name or Unit Agreement Name MARGARET
4. Well Location Unit Letter <u>P</u> : <u>1105</u> feet from the <u>S</u> line and <u>178</u> feet from the <u>E</u> line Section <u>22</u> Township <u>18-S</u> Range <u>26-E</u> NMPM County <u>EDDY</u>		8. Well Number 202H
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3,317' GR		9. OGRID Number 330968
		10. Pool name or Wildcat ATOKA;GLORIETA-YESO

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK ☐	REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐	ALTERING CASING ☐
PULL OR ALTER CASING ☐	COMMENCE DRILLING OPNS. ☐
DOWNHOLE COMMINGLE ☐	P AND A ☐
CLOSED-LOOP SYSTEM ☐	CASING/CEMENT JOB ☐
OTHER: ☐	OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Silverback request to change SHL and BHL of the subject well. Please find attached the revised C-102 and the new directional survey plan. Also attached is the revised Natural Gas Management plan for the new pad location.

Also, please see below our updated casing and cement program.

	Type	Hole Size	Csg Size	Csg Wt	Set Depth	SKS +20% Excess	Est TOC
Margaret 202H	Surface	12.25	9.625	36	1250	239	0
	Production	8.75	7	32	4185	186	0
	Production	8.75	5.5	20	9257	1482	2848

Spud Date:

7/1/23

Rig Release Date:

7/10/23

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Fatma Abdallah TITLE Regulatory Manager DATE 01/24/2023

Type or print name Fatma Abdallah E-mail address: fabdallah@silverbackexp.com PHONE: 210-585-3316

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
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District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-50074	² Pool Code 3250	³ Pool Name ATOKA;GLORIETA-YESO
⁴ Property Code 333447	⁵ Property Name MARGARET	⁶ Well Number 202H
⁷ OGRID No. 330968	⁸ Operator Name SILVERBACK OPERATING II, LLC	⁹ Elevation 3,317'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	22	18-S	26-E		1,105'	SOUTH	178'	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	23	18-S	26-E		1,052'	SOUTH	100'	EAST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

SURFACE HOLE LOCATION (SHL) NAD 83, NM EAST ZONE, U.S. FOOT X: 532581.25 Y: 628983.35 LAT.: N32.729111 LONG.: W104.361808 FIRST TAKE POINT (FTP) NAD 83, NM EAST ZONE, U.S. FOOT X: 532859.19 Y: 628944.98 LAT.: N32.729006 LONG.: W104.360904 LAST TAKE POINT (LTP) BOTTOM HOLE LOCATION (BHL) NAD 83, NM EAST ZONE, U.S. FOOT X: 537927.61 Y: 628912.10 LAT.: N32.728918 LONG.: W104.344422	LINE TABLE <table border="1"> <thead> <tr> <th>LINE #</th> <th>BEARING</th> <th>LENGTH</th> </tr> </thead> <tbody> <tr><td>L1</td><td>S89°21'29"E</td><td>2,653'</td></tr> <tr><td>L2</td><td>N89°53'54"E</td><td>2,649'</td></tr> <tr><td>L3</td><td>S89°27'06"E</td><td>2,638'</td></tr> <tr><td>L4</td><td>S89°27'06"E</td><td>2,638'</td></tr> <tr><td>L5</td><td>S0°19'20"W</td><td>2,636'</td></tr> <tr><td>L6</td><td>S0°19'20"W</td><td>2,636'</td></tr> <tr><td>L7</td><td>N89°47'10"W</td><td>2,629'</td></tr> </tbody> </table>	LINE #	BEARING	LENGTH	L1	S89°21'29"E	2,653'	L2	N89°53'54"E	2,649'	L3	S89°27'06"E	2,638'	L4	S89°27'06"E	2,638'	L5	S0°19'20"W	2,636'	L6	S0°19'20"W	2,636'	L7	N89°47'10"W	2,629'	LINE TABLE <table border="1"> <thead> <tr> <th>LINE #</th> <th>BEARING</th> <th>LENGTH</th> </tr> </thead> <tbody> <tr><td>L8</td><td>N89°49'29"W</td><td>2,637'</td></tr> <tr><td>L9</td><td>N89°49'23"W</td><td>2,647'</td></tr> <tr><td>L10</td><td>N89°49'31"W</td><td>2,647'</td></tr> <tr><td>L11</td><td>N0°34'17"E</td><td>2,648'</td></tr> <tr><td>L12</td><td>N0°20'04"W</td><td>2,666'</td></tr> <tr><td>L13</td><td>N0°12'31"E</td><td>2,646'</td></tr> <tr><td>L14</td><td>N0°12'31"E</td><td>2,659'</td></tr> </tbody> </table>	LINE #	BEARING	LENGTH	L8	N89°49'29"W	2,637'	L9	N89°49'23"W	2,647'	L10	N89°49'31"W	2,647'	L11	N0°34'17"E	2,648'	L12	N0°20'04"W	2,666'	L13	N0°12'31"E	2,646'	L14	N0°12'31"E	2,659'	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Fatma Abdallah</i> 1/4/2023 Signature Date Fatma Abdallah Printed Name fabdallah@silverbackexp.com E-mail Address
LINE #	BEARING	LENGTH																																																	
L1	S89°21'29"E	2,653'																																																	
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¹⁸ SURVEYOR CERTIFICATION 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. 12/30/22 Date of Survey Signature and Seal of Professional Surveyor: <i>Matthew C. Bissett</i> MATTHEW C. BISSETT NEW MEXICO 20450 PROFESSIONAL SURVEYOR 20450 Certificate Number																																																			

Received to Imaging: 1/25/2023 10:53:22 AM

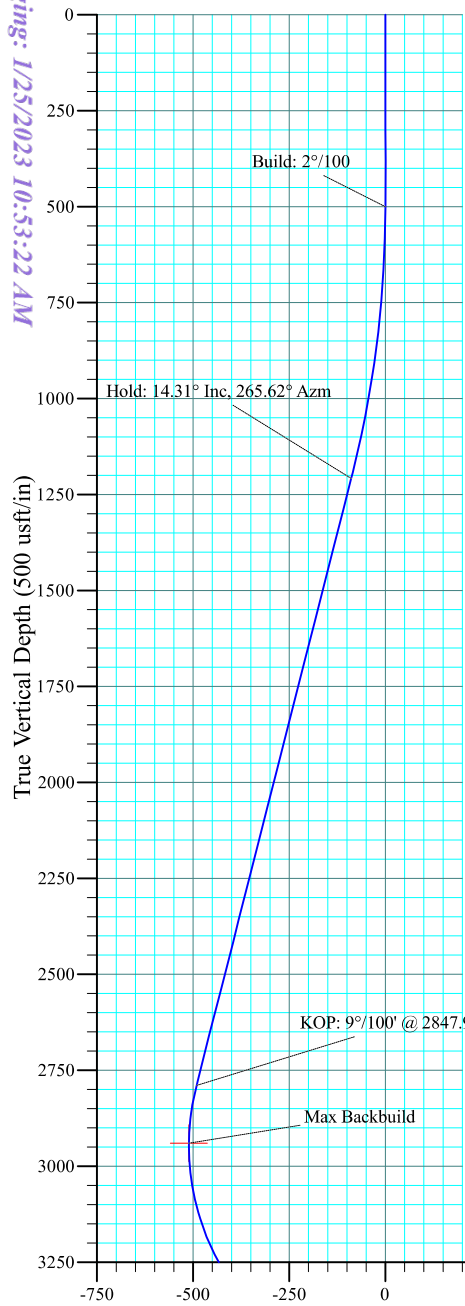


Silverback Exploration

Margaret 202H
Eddy County, NM (NAD 83 NME)
Job No. WT-22-***
Lateral 1r0



Received by OCD: 1/25/2023 9:09:39 AM



PROJECT DETAILS: Eddy County, NM (NAD 83 NME)

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

System Datum: Mean Sea Level

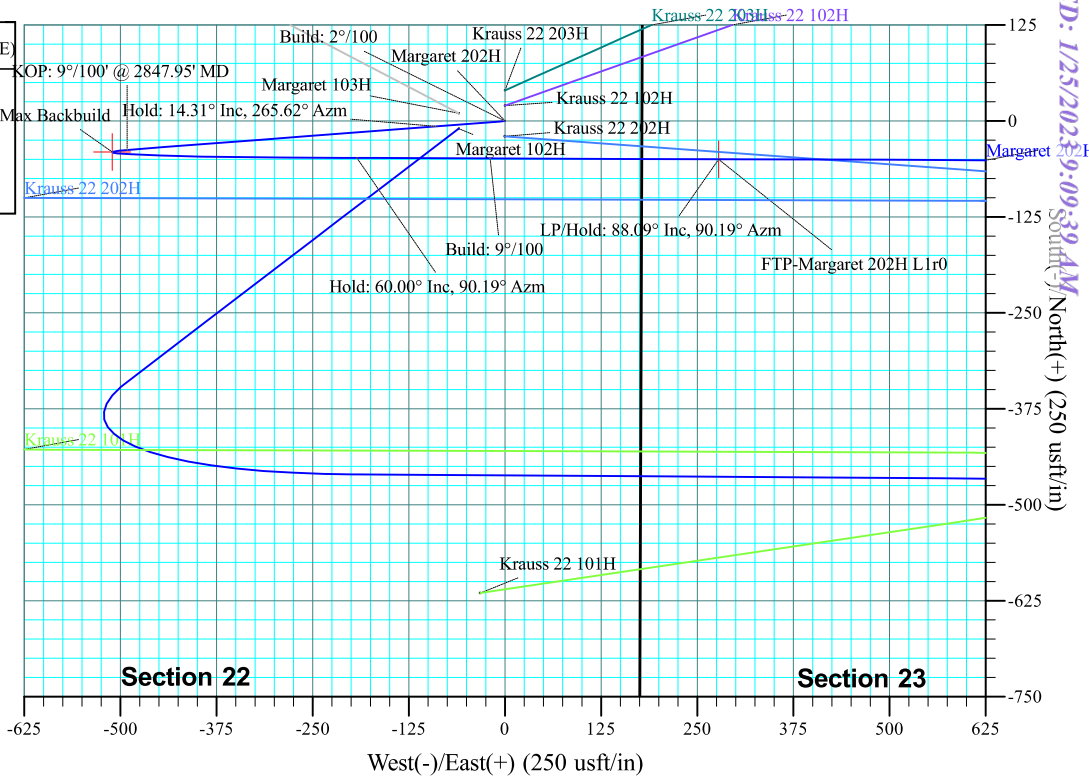
SITE DETAILS: Margaret 202H

Site Centre Northing: 628983.35
Easting: 532581.25

Positional Uncertainty: 0.00
Convergence: -0.02
Local North: Grid

Azimuths to Grid North
True North: 0.02°
Magnetic North: 6.85°

Magnetic Field
Strength: 47614.3nT
Dip Angle: 60.37°
Date: 2/15/2023
Model: MVHD



SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
1	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.00	0.00	
2	500.00	0.00	0.00	500.00	0.00	0.00	0.000	0.00	0.00	Build: 2°/100
3	1215.72	14.31	265.62	1208.30	-6.80	-88.68	2.000	265.62	-88.66	Hold: 14.31° Inc, 265.62° Azm
4	2847.95	14.31	265.62	2789.86	-37.64	-491.06	0.000	0.00	-490.93	KOP: 9°/100° @ 2847.95' MD
5	3673.22	60.00	90.19	3498.06	-48.17	-192.39	9.000	-175.88	-192.23	Hold: 60.00° Inc, 90.19° Azm
6	3873.22	60.00	90.19	3598.06	-48.75	-19.18	0.000	0.00	-19.02	Build: 9°/100
7	4185.33	88.09	90.19	3683.00	-49.76	277.91	9.000	0.00	278.07	LP/Hold: 88.09° Inc, 90.19° Azm
8	9256.65	88.09	90.19	3852.00	-66.98	5346.39	0.000	0.00	5346.58	PBHL

DESIGN TARGET DETAILS								
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	
Max Backbuild Margaret 202H L1r0	2940.24	-40.44	-510.67	628942.91	532070.58	32.72900	-104.36347	
FTP-Margaret 202H L1r0	3683.00	-49.76	277.91	628933.59	532859.16	32.72897	-104.36090	
PBHL-Margaret 202H L1r0	3852.00	-66.98	5346.39	628916.37	537927.64	32.72893	-104.34442	

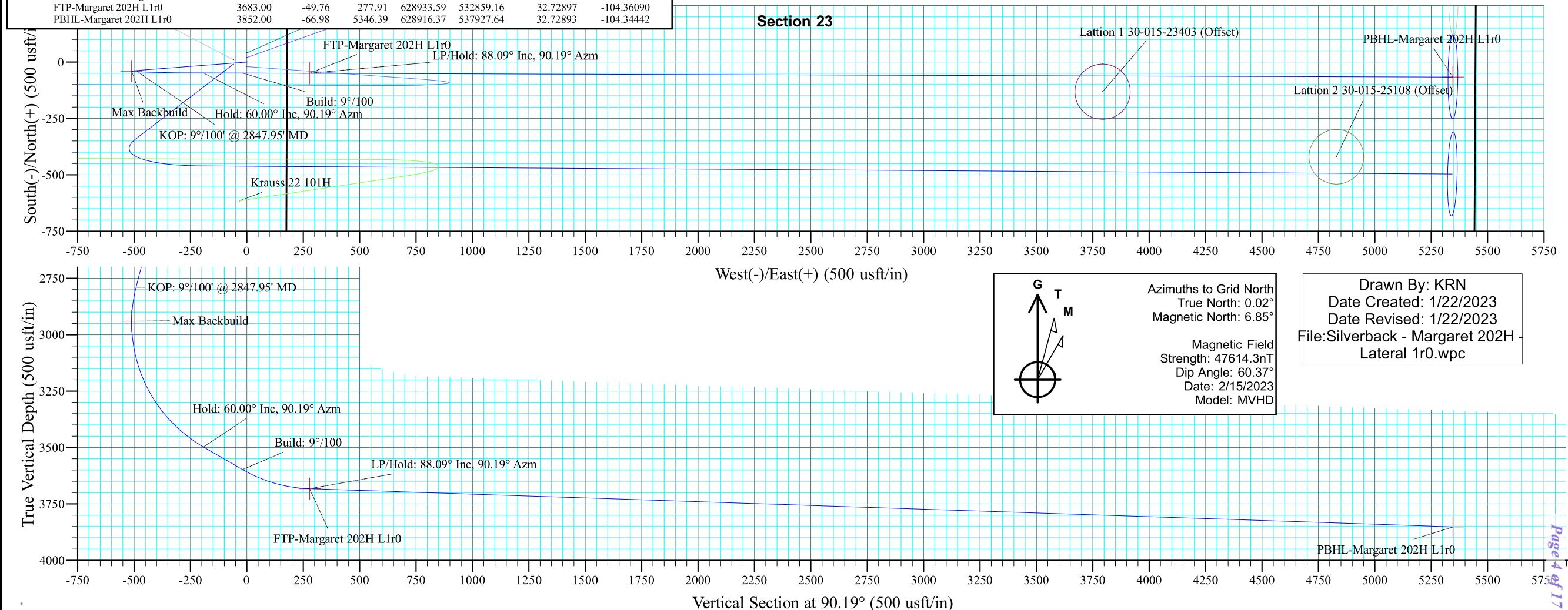
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SECTION DETAILS											
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target	Annotation
1	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.00	0.00		
2	500.00	0.00	0.00	500.00	0.00	0.00	0.000	0.00	0.00		Build: 2°/100
3	1215.72	14.31	265.62	1208.30	-6.80	-88.68	2.000	265.62	-88.66		Hold: 14.31° Inc, 265.62° Azm
4	2847.95	14.31	265.62	2789.86	-37.64	-491.06	0.000	0.00	-490.93		KOP: 9°/100' @ 2847.95' MD
5	3673.22	60.00	90.19	3498.06	-48.17	-192.39	9.000	-175.88	-192.23		Hold: 60.00° Inc, 90.19° Azm
6	3873.22	60.00	90.19	3598.06	-48.75	-19.18	0.000	0.00	-19.02		Build: 9°/100
7	4185.33	88.09	90.19	3683.00	-49.76	277.91	9.000	0.00	278.07	FTP-Margaret 202H L1r0	LP/Hold: 88.09° Inc, 90.19° Az
8	9256.65	88.09	90.19	3852.00	-66.98	5346.39	0.000	0.00	5346.58	PBHL-Margaret 202H L1r0	PBHL

DESIGN TARGET DETAILS							
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
Max Backbuild Margaret 202H L1r0	2940.24	-40.44	-510.67	628942.91	532070.58	32.72900	-104.36347
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PBHL-Margaret 202H L1r0	3852.00	-66.98	5346.39	628916.37	537927.64	32.72893	-104.34442

SITE DETAILS: Margaret 202H	
Site Centre Northing:	628983.35
Easting:	532581.25
Positional Uncertainty:	0.00
Convergence:	-0.02
Local North:	Grid

PROJECT DETAILS: Eddy County, NM (NAD 83 NME)	
Geodetic System:	US State Plane 1983
Datum:	North American Datum 1983
Ellipsoid:	GRS 1980
Zone:	New Mexico Eastern Zone
System Datum:	Mean Sea Level



Silverback Exploration

Eddy County, NM (NAD 83 NME)

Margaret 202H

Margaret 202H

OH

Plan: Lateral 1r0

Standard Planning Report

22 January, 2023

Aim Directional Services

Planning Report

Database:	EDM 5000.17-Aim-DB	Local Co-ordinate Reference:	Well Margaret 202H
Company:	Silverback Exploration	TVD Reference:	Well @ 3331.00usft (RKB 14')
Project:	Eddy County, NM (NAD 83 NME)	MD Reference:	Well @ 3331.00usft (RKB 14')
Site:	Margaret 202H	North Reference:	Grid
Well:	Margaret 202H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Lateral 1r0		

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

Site		Margaret 202H			
Site Position:		Northing:	628,983.35 usft	Latitude:	32.72911
From:	Map	Easting:	532,581.25 usft	Longitude:	-104.36181
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16 "		

Well	Margaret 202H					
Well Position	+N/-S	0.00 usft	Northing:	628,983.35 usft	Latitude:	32.72911
	+E/-W	0.00 usft	Easting:	532,581.25 usft	Longitude:	-104.36181
Position Uncertainty		0.00 usft	Wellhead Elevation:	usft	Ground Level:	3,317.00 usft
Grid Convergence:		-0.02 °				

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	MVHD	2/15/2023	6.83	60.37	47,614.31795042

Design	Lateral 1r0				
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	90.19	

Plan Survey Tool Program	Date	1/22/2023			
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks	
1	0.00	9,256.65 Lateral 1r0 (OH)	MWD+HRGM		
			OWSG MWD + HRGM		

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	0.000	0.000	0.000	0.00		
500.00	0.00	0.00	500.00	0.00	0.00	0.000	0.000	0.000	0.00		
1,215.72	14.31	265.62	1,208.30	-6.80	-88.68	2.000	2.000	0.000	265.62		
2,847.95	14.31	265.62	2,789.86	-37.64	-491.06	0.000	0.000	0.000	0.00		
3,673.22	60.00	90.19	3,498.06	-48.17	-192.39	9.000	5.536	-21.257	-175.88		
3,873.22	60.00	90.19	3,598.06	-48.75	-19.18	0.000	0.000	0.000	0.00		
4,185.33	88.09	90.19	3,683.00	-49.76	277.91	9.000	9.000	0.000	0.00	FTP-Margaret 202H	
9,256.65	88.09	90.19	3,852.00	-66.98	5,346.39	0.000	0.000	0.000	0.00	PBHL-Margaret 202H	

Aim Directional Services

Planning Report

Database:	EDM 5000.17-Aim-DB	Local Co-ordinate Reference:	Well Margaret 202H
Company:	Silverback Exploration	TVD Reference:	Well @ 3331.00usft (RKB 14')
Project:	Eddy County, NM (NAD 83 NME)	MD Reference:	Well @ 3331.00usft (RKB 14')
Site:	Margaret 202H	North Reference:	Grid
Well:	Margaret 202H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Lateral 1r0		

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	0.000	0.000	0.000
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.000	0.000	0.000
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.000	0.000	0.000
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.000	0.000	0.000
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.000	0.000	0.000
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.000	0.000	0.000
Build: 2°/100									
600.00	2.00	265.62	599.98	-0.13	-1.74	-1.74	2.000	2.000	0.000
700.00	4.00	265.62	699.84	-0.53	-6.96	-6.96	2.000	2.000	0.000
800.00	6.00	265.62	799.45	-1.20	-15.65	-15.64	2.000	2.000	0.000
900.00	8.00	265.62	898.70	-2.13	-27.80	-27.79	2.000	2.000	0.000
1,000.00	10.00	265.62	997.47	-3.33	-43.40	-43.38	2.000	2.000	0.000
1,100.00	12.00	265.62	1,095.62	-4.78	-62.42	-62.40	2.000	2.000	0.000
1,200.00	14.00	265.62	1,193.06	-6.50	-84.85	-84.83	2.000	2.000	0.000
1,215.72	14.31	265.62	1,208.30	-6.80	-88.68	-88.66	2.000	2.000	0.000
Hold: 14.31° Inc, 265.62° Azm									
1,300.00	14.31	265.62	1,289.96	-8.39	-109.46	-109.43	0.000	0.000	0.000
1,400.00	14.31	265.62	1,386.86	-10.28	-134.11	-134.07	0.000	0.000	0.000
1,500.00	14.31	265.62	1,483.75	-12.17	-158.76	-158.72	0.000	0.000	0.000
1,600.00	14.31	265.62	1,580.65	-14.06	-183.41	-183.37	0.000	0.000	0.000
1,700.00	14.31	265.62	1,677.54	-15.95	-208.07	-208.01	0.000	0.000	0.000
1,800.00	14.31	265.62	1,774.44	-17.84	-232.72	-232.66	0.000	0.000	0.000
1,900.00	14.31	265.62	1,871.33	-19.73	-257.37	-257.30	0.000	0.000	0.000
2,000.00	14.31	265.62	1,968.23	-21.62	-282.02	-281.95	0.000	0.000	0.000
2,100.00	14.31	265.62	2,065.12	-23.51	-306.67	-306.59	0.000	0.000	0.000
2,200.00	14.31	265.62	2,162.02	-25.40	-331.32	-331.24	0.000	0.000	0.000
2,300.00	14.31	265.62	2,258.92	-27.28	-355.98	-355.88	0.000	0.000	0.000
2,400.00	14.31	265.62	2,355.81	-29.17	-380.63	-380.53	0.000	0.000	0.000
2,500.00	14.31	265.62	2,452.71	-31.06	-405.28	-405.18	0.000	0.000	0.000
2,600.00	14.31	265.62	2,549.60	-32.95	-429.93	-429.82	0.000	0.000	0.000
2,700.00	14.31	265.62	2,646.50	-34.84	-454.58	-454.47	0.000	0.000	0.000
2,800.00	14.31	265.62	2,743.39	-36.73	-479.24	-479.11	0.000	0.000	0.000
2,847.95	14.31	265.62	2,789.86	-37.64	-491.06	-490.93	0.000	0.000	0.000
KOP: 9°/100' @ 2847.95' MD									
2,850.00	14.13	265.56	2,791.84	-37.68	-491.56	-491.43	9.000	-8.977	-2.647
2,900.00	9.65	263.61	2,840.76	-38.62	-501.81	-501.68	9.000	-8.965	-3.902
2,950.00	5.20	258.35	2,890.32	-39.54	-508.20	-508.06	9.000	-8.906	-10.533
3,000.00	1.18	209.92	2,940.24	-40.44	-510.67	-510.53	9.000	-8.033	-96.843
Max Backbuild									
3,050.00	4.04	104.18	2,990.20	-41.32	-509.22	-509.08	9.000	5.714	-211.478
3,100.00	8.47	96.46	3,039.89	-42.17	-503.86	-503.71	9.000	8.862	-15.453
3,150.00	12.94	94.04	3,089.01	-42.97	-494.61	-494.46	9.000	8.957	-4.841
3,200.00	17.43	92.85	3,137.25	-43.74	-481.53	-481.39	9.000	8.979	-2.378
3,250.00	21.93	92.14	3,184.32	-44.46	-464.71	-464.56	9.000	8.987	-1.427
3,300.00	26.42	91.66	3,229.92	-45.13	-444.25	-444.10	9.000	8.991	-0.961
3,350.00	30.92	91.31	3,273.78	-45.75	-420.28	-420.13	9.000	8.994	-0.698
3,400.00	35.42	91.04	3,315.62	-46.30	-392.94	-392.78	9.000	8.995	-0.536
3,450.00	39.92	90.82	3,355.19	-46.80	-362.39	-362.24	9.000	8.996	-0.429
3,500.00	44.41	90.65	3,392.24	-47.22	-328.84	-328.68	9.000	8.997	-0.355
3,550.00	48.91	90.49	3,426.55	-47.58	-292.49	-292.33	9.000	8.997	-0.303
3,600.00	53.41	90.36	3,457.89	-47.87	-253.55	-253.39	9.000	8.998	-0.264
3,650.00	57.91	90.25	3,486.09	-48.09	-212.28	-212.12	9.000	8.998	-0.235
3,673.22	60.00	90.19	3,498.06	-48.17	-192.39	-192.23	9.000	8.998	-0.218

Aim Directional Services

Planning Report

Database:	EDM 5000.17-Aim-DB	Local Co-ordinate Reference:	Well Margaret 202H
Company:	Silverback Exploration	TVD Reference:	Well @ 3331.00usft (RKB 14')
Project:	Eddy County, NM (NAD 83 NME)	MD Reference:	Well @ 3331.00usft (RKB 14')
Site:	Margaret 202H	North Reference:	Grid
Well:	Margaret 202H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Lateral 1r0		

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)
Hold: 60.00° Inc, 90.19° Azm									
3,700.00	60.00	90.19	3,511.45	-48.25	-169.19	-169.03	0.000	0.000	0.000
3,800.00	60.00	90.19	3,561.45	-48.54	-82.59	-82.43	0.000	0.000	0.000
3,873.22	60.00	90.19	3,598.06	-48.75	-19.18	-19.02	0.000	0.000	0.000
Build: 9°/100									
3,900.00	62.41	90.19	3,610.96	-48.83	4.29	4.45	9.000	9.000	0.000
3,950.00	66.91	90.19	3,632.36	-48.99	49.46	49.63	9.000	9.000	0.000
4,000.00	71.41	90.19	3,650.14	-49.15	96.18	96.34	9.000	9.000	0.000
4,050.00	75.91	90.19	3,664.20	-49.31	144.15	144.31	9.000	9.000	0.000
4,100.00	80.41	90.19	3,674.46	-49.48	193.07	193.24	9.000	9.000	0.000
4,150.00	84.91	90.19	3,680.84	-49.64	242.65	242.81	9.000	9.000	0.000
4,185.33	88.09	90.19	3,683.00	-49.76	277.91	278.07	9.000	9.000	0.000
LP/Hold: 88.09° Inc, 90.19° Azm									
4,200.00	88.09	90.19	3,683.49	-49.81	292.57	292.73	0.000	0.000	0.000
4,300.00	88.09	90.19	3,686.82	-50.15	392.52	392.68	0.000	0.000	0.000
4,400.00	88.09	90.19	3,690.15	-50.49	492.46	492.62	0.000	0.000	0.000
4,500.00	88.09	90.19	3,693.49	-50.83	592.40	592.57	0.000	0.000	0.000
4,600.00	88.09	90.19	3,696.82	-51.17	692.35	692.51	0.000	0.000	0.000
4,700.00	88.09	90.19	3,700.15	-51.51	792.29	792.46	0.000	0.000	0.000
4,800.00	88.09	90.19	3,703.48	-51.85	892.23	892.40	0.000	0.000	0.000
4,900.00	88.09	90.19	3,706.82	-52.19	992.18	992.35	0.000	0.000	0.000
5,000.00	88.09	90.19	3,710.15	-52.53	1,092.12	1,092.29	0.000	0.000	0.000
5,100.00	88.09	90.19	3,713.48	-52.87	1,192.07	1,192.24	0.000	0.000	0.000
5,200.00	88.09	90.19	3,716.81	-53.21	1,292.01	1,292.18	0.000	0.000	0.000
5,300.00	88.09	90.19	3,720.15	-53.55	1,391.95	1,392.12	0.000	0.000	0.000
5,400.00	88.09	90.19	3,723.48	-53.89	1,491.90	1,492.07	0.000	0.000	0.000
5,500.00	88.09	90.19	3,726.81	-54.23	1,591.84	1,592.01	0.000	0.000	0.000
5,600.00	88.09	90.19	3,730.14	-54.57	1,691.79	1,691.96	0.000	0.000	0.000
5,700.00	88.09	90.19	3,733.48	-54.91	1,791.73	1,791.90	0.000	0.000	0.000
5,800.00	88.09	90.19	3,736.81	-55.25	1,891.67	1,891.85	0.000	0.000	0.000
5,900.00	88.09	90.19	3,740.14	-55.58	1,991.62	1,991.79	0.000	0.000	0.000
6,000.00	88.09	90.19	3,743.47	-55.92	2,091.56	2,091.74	0.000	0.000	0.000
6,100.00	88.09	90.19	3,746.81	-56.26	2,191.51	2,191.68	0.000	0.000	0.000
6,200.00	88.09	90.19	3,750.14	-56.60	2,291.45	2,291.62	0.000	0.000	0.000
6,300.00	88.09	90.19	3,753.47	-56.94	2,391.39	2,391.57	0.000	0.000	0.000
6,400.00	88.09	90.19	3,756.80	-57.28	2,491.34	2,491.51	0.000	0.000	0.000
6,500.00	88.09	90.19	3,760.14	-57.62	2,591.28	2,591.46	0.000	0.000	0.000
6,600.00	88.09	90.19	3,763.47	-57.96	2,691.22	2,691.40	0.000	0.000	0.000
6,700.00	88.09	90.19	3,766.80	-58.30	2,791.17	2,791.35	0.000	0.000	0.000
6,800.00	88.09	90.19	3,770.13	-58.64	2,891.11	2,891.29	0.000	0.000	0.000
6,900.00	88.09	90.19	3,773.47	-58.98	2,991.06	2,991.24	0.000	0.000	0.000
7,000.00	88.09	90.19	3,776.80	-59.32	3,091.00	3,091.18	0.000	0.000	0.000
7,100.00	88.09	90.19	3,780.13	-59.66	3,190.94	3,191.12	0.000	0.000	0.000
7,200.00	88.09	90.19	3,783.46	-60.00	3,290.89	3,291.07	0.000	0.000	0.000
7,300.00	88.09	90.19	3,786.80	-60.34	3,390.83	3,391.01	0.000	0.000	0.000
7,400.00	88.09	90.19	3,790.13	-60.68	3,490.78	3,490.96	0.000	0.000	0.000
7,500.00	88.09	90.19	3,793.46	-61.02	3,590.72	3,590.90	0.000	0.000	0.000
7,600.00	88.09	90.19	3,796.79	-61.36	3,690.66	3,690.85	0.000	0.000	0.000
7,700.00	88.09	90.19	3,800.13	-61.70	3,790.61	3,790.79	0.000	0.000	0.000
7,800.00	88.09	90.19	3,803.46	-62.03	3,890.55	3,890.74	0.000	0.000	0.000
7,900.00	88.09	90.19	3,806.79	-62.37	3,990.50	3,990.68	0.000	0.000	0.000
8,000.00	88.09	90.19	3,810.12	-62.71	4,090.44	4,090.62	0.000	0.000	0.000
8,100.00	88.09	90.19	3,813.46	-63.05	4,190.38	4,190.57	0.000	0.000	0.000

Aim Directional Services

Planning Report

Database:	EDM 5000.17-Aim-DB	Local Co-ordinate Reference:	Well Margaret 202H
Company:	Silverback Exploration	TVD Reference:	Well @ 3331.00usft (RKB 14')
Project:	Eddy County, NM (NAD 83 NME)	MD Reference:	Well @ 3331.00usft (RKB 14')
Site:	Margaret 202H	North Reference:	Grid
Well:	Margaret 202H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Lateral 1r0		

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)	
8,200.00	88.09	90.19	3,816.79	-63.39	4,290.33	4,290.51	0.000	0.000	0.000	
8,300.00	88.09	90.19	3,820.12	-63.73	4,390.27	4,390.46	0.000	0.000	0.000	
8,400.00	88.09	90.19	3,823.45	-64.07	4,490.21	4,490.40	0.000	0.000	0.000	
8,500.00	88.09	90.19	3,826.78	-64.41	4,590.16	4,590.35	0.000	0.000	0.000	
8,600.00	88.09	90.19	3,830.12	-64.75	4,690.10	4,690.29	0.000	0.000	0.000	
8,700.00	88.09	90.19	3,833.45	-65.09	4,790.05	4,790.24	0.000	0.000	0.000	
8,800.00	88.09	90.19	3,836.78	-65.43	4,889.99	4,890.18	0.000	0.000	0.000	
8,900.00	88.09	90.19	3,840.11	-65.77	4,989.93	4,990.12	0.000	0.000	0.000	
9,000.00	88.09	90.19	3,843.45	-66.11	5,089.88	5,090.07	0.000	0.000	0.000	
9,100.00	88.09	90.19	3,846.78	-66.45	5,189.82	5,190.01	0.000	0.000	0.000	
9,200.00	88.09	90.19	3,850.11	-66.79	5,289.77	5,289.96	0.000	0.000	0.000	
9,256.65	88.09	90.19	3,852.00	-66.98	5,346.39	5,346.58	0.000	0.000	0.000	
PBHL										

Design Targets										
Target Name										
- hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
- Shape										
Max Backbuild Marga	0.00	0.00	2,940.24	-40.44	-510.67	628,942.91	532,070.58	32.72900	-104.36347	
- plan hits target center										
- Point										
FTP-Margaret 202H L	0.00	360.00	3,683.00	-49.76	277.91	628,933.59	532,859.16	32.72898	-104.36091	
- plan hits target center										
- Point										
PBHL-Margaret 202H	0.00	0.00	3,852.00	-66.98	5,346.39	628,916.37	537,927.64	32.72893	-104.34442	
- plan hits target center										
- Point										

Plan Annotations					
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates			
		+N/-S (usft)	+E/-W (usft)	Comment	
500.00	500.00	0.00	0.00	Build: 2°/100	
1,215.72	1,208.30	-6.80	-88.68	Hold: 14.31° Inc, 265.62° Azm	
2,847.95	2,789.86	-37.64	-491.06	KOP: 9°/100' @ 2847.95' MD	
3,000.00	2,940.24	-40.44	-510.67	Max Backbuild	
3,673.22	3,498.06	-48.17	-192.39	Hold: 60.00° Inc, 90.19° Azm	
3,873.22	3,598.06	-48.75	-19.18	Build: 9°/100	
4,185.33	3,683.00	-49.76	277.91	LP/Hold: 88.09° Inc, 90.19° Azm	
9,256.65	3,852.00	-66.98	5,346.39	PBHL	

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

Submit Electronically
Via E-permitting

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: Silverback Operating II, LLC **OGRID:** 330968 **Date:** 01 / 24 / 2023

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: _____

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 attached table						

IV. Central Delivery Point Name: MARGARET CDP [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 attached table						

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: <i>Fatma Abdallah</i>
Printed Name: Fatma Abdallah
Title: Regulatory Manager
E-mail Address: fabdallah@silverbackexp.com
Date: 01/24/2023
Phone: 210-585-3316
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

III. Wells

<u>Well Name</u>	<u>API</u>	<u>ULSTR</u>	<u>Footages</u>	<u>Anticipated Oil BBL/D</u>	<u>Anticipated Gas MCF/D</u>	<u>Anticipated Produced Water BBL/D</u>
Margaret 103H	30-15-53274	P-22-18S-26E	1115' S 238' E	515	800	3000
Margaret 102H	30-15-50076	P-22-18S-26E	1095' S 238' E	515	800	3000
Margaret 202H	30-15-50074	P-22-18S-26E	1105' S 178' E	515	800	3000
Margaret 104H	30-15-53273	P-22-18S-26E	2186' S 158' E	515	800	3000
Margaret 203H	30-15-53275	P-22-18S-26E	2126' S 158' E	515	800	3000

V. Anticipated Schedule

<u>Well Name</u>	<u>API</u>	<u>Spud date</u>	<u>TD Reached Date</u>	<u>Completion Commencement Date</u>	<u>Initial Flow Back Date</u>	<u>First Production Date</u>
Margaret 103H	30-15-53274	5/22/23	5/31/23	6/25/23	8/29/23	8/29/23
Margaret 102H	30-15-50076	5/13/23	5/21/23	7/14/23	8/29/23	8/29/23
Margaret 202H	30-15-50074	7/1/23	7/10/23	8/3/23	9/1/23	9/1/23
Margaret 104H	30-15-53273	2/9/23	2/18/23	3/6/23	3/26/23	3/26/23
Margaret 203H	30-15-53275	2/20/23	3/1/23	3/6/23	3/26/23	3/26/23

Separation Equipment

Silverback Operating II (LLC) has sampled existing producing wells and performed laboratory testing to determine composition. Performance of existing producing wells was analyzed to predict expected production volumes including a low probably, high volume production case (approximately 75% higher than type curve or most likely amount of production). Production composition and the volumes were utilized as inputs to a process model which predicts relative amounts of gas, oil and water throughout the process. The high volume case was used to size equipment, piping and instrumentation. Equipment sizing is based on drop settlement and limits the amount of carry over to the gas phase.

Each well has a dedicated 3 phase separator and gas from that separator is taken directly to gas sales. Facility piping and pipeline were sized to allow peak volumes to flow with minimal pressure loss and deliver to midstream gatherer at an acceptable pressure. Water is conveyed directly to tankage.

Oil from 3 phase separators is comingled and conveyed to a heated separator for enhanced liquid-liquid separation and degassing. Vapors from the heater treater are routed to a Vapor Recovery Unit (VRU).

Oil and water storage tanks vapor outlets are common and utilize a closed vent vapor system to ensure all working & breathing and flashing losses are routed to the Vapor Recovery Unit (VRU). Site VRUs are sized to accommodate peak expected production volume. Flash volumes were estimated using the high volume case and process modeling software. Gas from the VRU outlet is combined with 1st stage separation gas and sent to sales.

Venting and Flaring

Silverback Operating II, LLC 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 or flaring will only occur during start up and shut down, maintenance activities or equipment failure or upset. Silverback may utilize the following from list A-I of Section 3 for its operations to minimize flaring:

- a) Power generation on lease – Natural gas driven gen set to produce power required to run supply well pad electrical loads
- c) Compression on lease – gas lift or gas compression as required
- d) Liquids removal on lease – gas pressure will be used to convey fluids as needed

Best Management Practices

Silverback utilizes automate engineering controls included in facility design to minimize venting and flaring. Additionally, operational best practices support minimization of flare and venting as described below.

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 or evolved from the heater treater and tanks to the Vapor Recovery Unit (VRU) Compressor. If the VRU requires planned or unplanned maintenance, vapors will automatically be routed to the facility flare.

For maintenance activities, Silverback will utilize the facility flare to blowdown equipment and piping whenever practical to minimize venting

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

CONDITIONS

Action 179332

CONDITIONS

Operator: Silverback Operating II, LLC IH10 West, Suite 201 San Antonio, TX 78257	OGRID: 330968
	Action Number: 179332
	Action Type: [C-103] NOI Change of Plans (C-103A)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Adhere to previous NMOCD Conditions of Approval	1/25/2023