Form 3160-3
(June 2015)

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☐ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Other

1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☐ Multiple Zone

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

8. Lease Name and Well No.

[329930]

2. Name of Operator

[372043]

9. API Well No.

30-025-50986

3a. Address	3b. Phone No. *(include area code)*	10. Field and Pool, or Exploratory
		[98098]

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface

At proposed prod. zone

11. Sec., T. R. M. or Blk. and Survey or Area

14. Distance in miles and direction from nearest town or post office*	12. County or Parish	13. State

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be requested by the BLM.

25. Signature	Name *(Printed/Typed)*	Date

Title

Approved by *(Signature)*	Name *(Printed/Typed)*	Date

Title	Office

Application approval 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.
Conditions of approval, if any, are attached.

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.

NGMP Rec 01/16/2023

KZ
01/26/2023

SL

APPROVED WITH CONDITIONS

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 01/12/2023

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
Phone: (575) 748-1283 Fax: (575) 748-9720
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	[2]Pool Code	[3]Pool Name
30-025- 50986	98098	WC-025 G-09 S243532M; WOLFBONE

[4]Property Code	[5]Property Name	[6]Well Number
329930	YADA FED COM	222H

[7]OGRID No.	[8]Operator Name	[9]Elevation
372043	TAP ROCK OPERATING, LLC.	3255'

[10]Surface Location

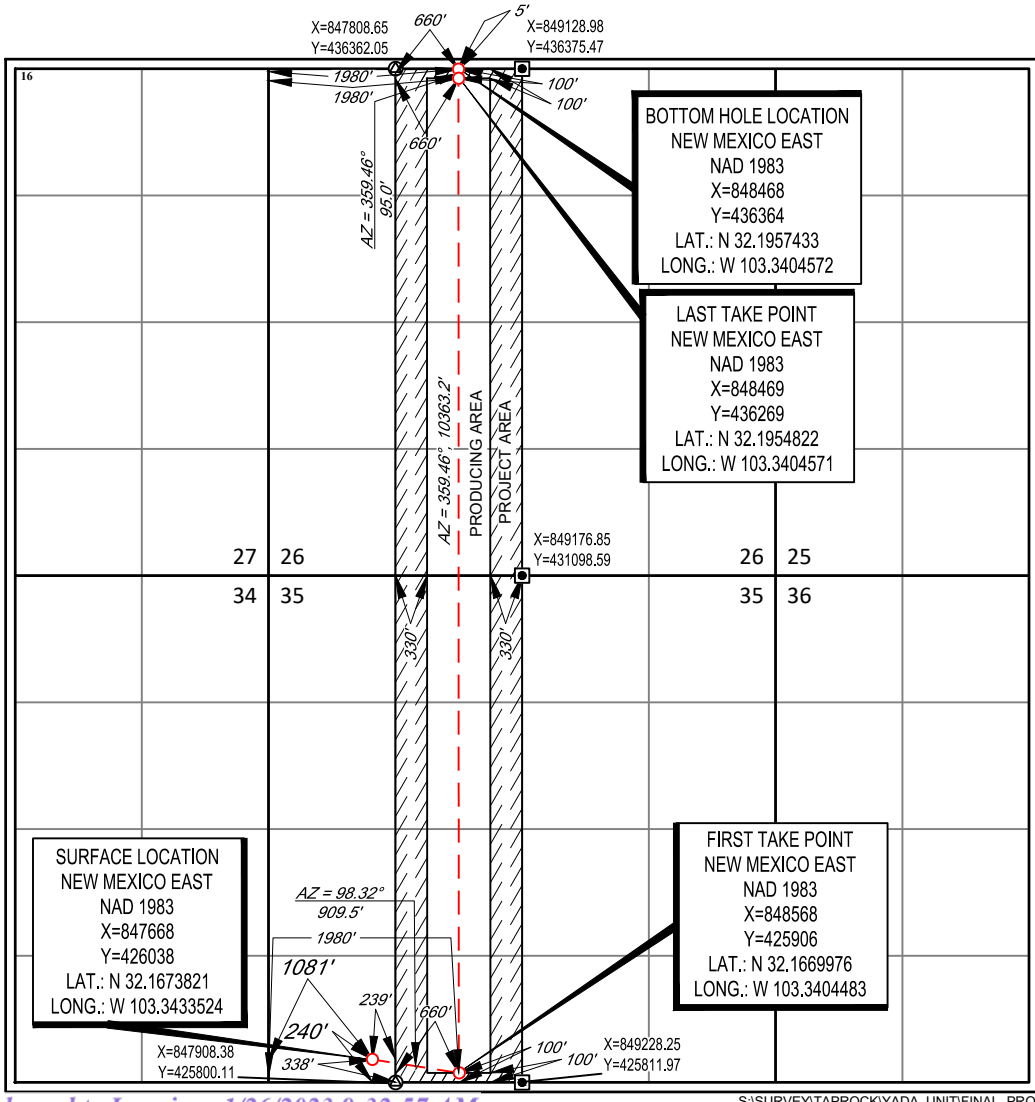
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	35	24-S	35-E	–	240'	SOUTH	1081'	WEST	LEA

[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
C	26	24-S	35-E	–	5'	NORTH	1980'	WEST	LEA

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

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.



[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.

Cory Walk — 12-14-21
Signature — Date

Cory Walk
Printed Name

cory@permitswest.com
E-mail Address

[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 to the best of my belief.

08/27/2021
Date of Survey
Signature and Seal of Professional Surveyor

RAMON A. DOMINGUEZ NEW MEXICO 24508 PROFESSIONAL SURVEYOR

Certificate Number

S:\SURVEY\TAPROCK\YADA_UNIT\FINAL_PRODUCTS\LO_YADA_FED_COM_222H.DWG 9/2/2021 10:17:19 AM kmatheny

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: _____Tap Rock Operating LLC_____ **OGRID:** _____372043_____ **Date:** _12/12/22

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
Yada Fed Com 222H	**30-025-50986**	Sec 35 T24S R35E	240 FSL, 1081 FWL	1256	1466	16290

IV. Central Delivery Point Name: ___Yada Fed Com 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
Yada Fed Com 222H	**30-025-50986**	3/27/23	4/21/23	7/10/23	8/20/23	8/20/23

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: 
Printed Name: Jeff Trlica
Title: Regulatory Analyst
E-mail Address: jtrlica@taprk.com
Date: 12/12/2022
Phone: 720-772-5910

OIL CONSERVATION DIVISION **(Only applicable when submitted as a standalone form)**
Approved By:
Title:
Approval Date:
Conditions of Approval:

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

Each surface facility design includes the following process equipment: 3-phase separators (1 separator per well), a sales gas scrubber, one or two 3-phase heater treaters, a vapor recovery tower (VRT), a VRU compressor, multiple water and oil tanks, as well as flare knockouts (HP & LP), and flares (HP & LP). All process vessels will be sized to separate oil, water, gas based upon typical/historical & predicted well performance. Each process vessel will be fitted with an appropriately sized PSV as per ASME code requirements to mitigate vessel rupture and loss of containment. Additionally, the process vessels will be fitted with pressure transmitters tied to the facility control system which will allow operations to monitor pressures and when necessary, shut-in the facility to avoid vessel over-pressure and the potential vent of natural gas. Natural gas will preferentially be sold to pipeline, and only during upset/emergency conditions will gas be directed to the HP flare system. Flash gas from both the 3-phase heater treater and the VRT will be recompressed using a VRU compressor and this gas will also preferentially be directed to the gas sales pipeline. Oil tanks & water tanks will be fitted with 16 oz thief hatches as well as PVRVs to protect the tanks from rupture/collapse. Additionally, the tank vapor outlets and tank vapor capture system will be sized to keep tank pressures below 12 oz. The tank vapor capture system will include a tank vapor blower & knockout as well as a low-pressure flare and knockout. Tank vapors will preferentially be directed to the VRU and the sales gas pipeline. Only during process upsets/emergency conditions will tank vapors be directed to the LP flare system.

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. ← See attached reg for requirements.

- During drilling operations- Gas meters will be installed at the shakers and Volume Totalizers will be installed on the pits. In the event that elevated gas levels, or a pit gain are observed, returns will be diverted to a gas buster. Gas coming off the gas buster will be combusted at the flare stack. A 10’ or taller flare will be located at least 100’ from the SHL.

- During completions operations, including stimulation and frac plug drill out operations, hydrocarbon production to surface is minimized. When gas production does occur, gas will be combusted at a flare stack. A 10’ or taller flare will be located at least 100’ from the SHL.

- During production operations, all process vessels (separators, heater treaters, VRTs, Tanks) will recompress (where necessary) and route gas outlets into the natural gas gathering pipeline. Gas will preferentially be routed to natural gas gathering pipeline and the flare system will be used only during emergency, malfunction, or if the gas does not meet pipeline specifications. In the event of flaring off-specification gas, operations will pull gas samples twice a week and will also route gas back to pipeline as soon as the gas meets specification. Exceptions to this will include only those qualified exceptions per the regulation 19.15.27.8 Subsection D.

- To comply with state performance standards, separation and storage equipment will be designed to handle the maximum anticipated throughput and pressure to minimize waste and reduce the likelihood of venting gas to atmosphere. Additionally, each storage atmospheric tank (Oil & Water) will be fitted with a level transmitter to facilitate gauging of the tank without opening of the thief hatch. Any gas collected through the tank vent system is expected to be recompressed and routed to sales. However, in the event of an emergency, the tank vapor capture system will be designed to combust the gas using a flare stack fitted with a continuous or automatic ignitor. The flare stack will be properly anchored and will be located a minimum of 100 feet from the well and storage tanks. Operators will conduct weekly AVO inspections. These AVO inspection records will be stored for the required 5-year period and will be made available upon Division request.

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

- When performing routine or preventive maintenance on a vessel or tank, initially all inlet valves are closed, and the vessel or tank is allowed to depressurize through the normal outlet connections to gas sales and/or liquid tanks. Once the vessel or tank is depressurized to lowest acceptable sales outlet pressure, usually around 20 psig, a temporary low-pressure flowline is connected from the vessel or tank to the Vapor Recovery Unit (VRU) for further pressure reduction. Once depressurized to less than 1-2 psig, the remaining natural gas in the vessel or tank is vented to atmosphere through a controlled pressure relief valve. Once the vessel or tank is depressurized to atmospheric pressure, the vessel or tank can be safely opened, and maintenance performed.

Drilling Operations Plan
Yada Fed Com #222H
Tap Rock Operating, LLC
SHL 240' FSL & 1081' FWL, Sec. 35
BHL 5' FNL & 1980' FWL, Sec. 26
T. 24S., R. 35E Lea County, NM

Elevation above Sea Level: 3255'

DRILLING PROGRAM

1. Estimated Tops

Formation	TVD	MD	Lithologies	Bearing
Quaternary Deposits	0	0	Surface	None
Rustler Anhydrite	590	590		Salt
Salado	1252	1252	Salt	Salt
Base Salt	4782	4806	Salt	Salt
Bell Canyon	5018	5044	Sandstone	None
Lamar	5018	5044	Sandstone	Hydrocarbons
Cherry Canyon	5961	5995	Sandstone	Hydrocarbons
Brushy Canyon	7403	7450	Sandstone	Hydrocarbons
Bone Spring	8746	8798	Limestone	Hydrocarbons
1st Bone Spring	9997	10049	Sandstone	Hydrocarbons
2nd Bone Spring	10315	10367	Limestone	Hydrocarbons
3rd Bone Spring	11636	11688	Sandstone	Hydrocarbons
Wolfcamp	11941	11993	Shale	Hydrocarbons
KOP	12012	12064	Sandstone	Hydrocarbons
TD	12411	22878	Shale	Hydrocarbons

2. Notable Zones

Wolfcamp B is the formation target.

3. Pressure Control

Pressure Control Equipment (See Schematics):
A 23,000', 10,000 psi BOP stack consisting of 3 rams with 2 pipe rams, 1 blind ram, and 1 annular preventer will be used below surface casing to TD. See attachments for BOP and choke manifold diagrams. Also present will be an accumulator that meets the requirements of Onshore Order #2 for the pressure rating of the BOP stack. A rotating head will also be installed as needed. BOP will be inspected and operated as recommended in Onshore Order #2. A top drive check valve and sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position. The wellhead will be a multi-bowl speed head.

BOP Test procedure will be as follows:
After surface casing is set and the BOP is nippled up, the BOP pressure tests will be made with a third party tester to 250 psi low, 5000 psi high, and the annular preventer will be tested to 2,500 psi. The BOP will be tested in this manner after nipple-up if any break of the stack occurs. Before drilling out from 7.625" casing shoe, the BOP pressure tests will be made with a third party tester to 250 psi low, 10,000 psi high, and the annular preventer will be tested to 5,000 psi. The BOP will be tested in this manner if passage of allotted time occurs.

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T. 24S., R. 35E Lea County, NM

Variance Requests:
Tap Rock requests a variance to run a multi-bowl speed head for setting the Intermediate 1, Intermediate 2, and Production Strings. Tap Rock requests a variance to drill this well using a co-flex line between the BOP and choke manifold. Certification for proposed co-flex hose is attached. The hose is not required by the manufacturer to be anchored. In the event the specific hose is not available, one of equal or higher rating will be used. Tap Rock requests a variance to have the option of batch drilling this well with other wells on the same pad. In the event that this well is batch drilled, after drilling surface, 1st intermediate, and 2nd intermediate hole sections and cementing 2nd intermediate casing, a 10M dry hole cap with bleed off valve will be installed. The rig will then walk to another well on the pad. When the rig returns to this well and BOPs are installed, the operator will perform a full BOP test. Tap Rock requests a variance to run 7-5/8" BTC casing inside 9-5/8" BTC casing will be less than the 0.422" stand off regulation. Through conversations with BLM representatives, Tap Rock has received approval for this design as long as the 7-5/8" flush casing was run throughout the entire 300' cement tie back section between 9-5/8" and 7-5/8" casing. Tap Rock requests a variance to use a 5000 psi annular BOP on a 10M BOP stack. The annular will be tested to 250 psi low and 5000 psi high.

4. Casing & Cement

All Casing will be new.
Primary Casing Design:

Section	Drilled Interval			Casing Size	Standard	Tapered	Casing Set Depths				Casing Details					
	Hole Size	Top	Btm				Top MD	Bottom MD	Top TVD	BTM TVD	Grade	Weight	Thread	Collapse	Burst	Tension
Surface	17 1/2	0	950	13 3/8	API	No	0	950	0	950	J-55	54.5	BUTT	1.13	1.15	1.6
Intermediate	9 7/8	950	8500	7 5/8	API	No	0	8200	0	8153	P-110	29.7	BUTT	1.13	1.15	1.6
	8 3/4	8500	11974	7 5/8	NON API	Yes	8200	11964	8153	11912	P-110	29.7	W-441	1.13	1.15	1.6
Production	6 3/4	11974	22878	5 1/2	NON API	No	0	11764	0	11712	P-110	20	TXP	1.13	1.15	1.6
Production	6 3/4			5 1/2	NON API	No	11764	22878	11712	12411	P-110	20	W-441	1.13	1.15	1.6

Alternative Casing Design:

Section	Hole Size	Casing Size	Standard	Tapered	Top MD	Bottom MD	Top TVD	BTM TVD	Grade	Weight	Thread	Collapse	Burst	Tension
Surface	17 1/2	13 3/8	API	No	0	950	0	950	J-55	54.5	BUTT	1.13	1.15	1.6
1st Intermediate	12 1/4	9 5/8	API	No	0	5094	0	5068	J-55	40	BUTT	1.13	1.15	1.6
2nd Intermediate	8 3/4	7 5/8	API	No	0	4794	0	4768	P-110	29.7	BUTT	1.13	1.15	1.6
2nd Intermediate	8 3/4	7 5/8	NON API	Yes	4794	11964	4768	11912	P-110	29.7	W-441	1.13	1.15	1.6
Production	6 3/4	5 1/2	NON API	No	0	11764	0	11712	P-110	20	TXP	1.13	1.15	1.6
Production	6 3/4	5 1/2	NON API	No	11764	22878	11712	12411	P-110	20	W-441	1.13	1.15	1.6

Primary Cement Volumes:

Name		Type	Top MD	Sacks	Yield	Cu. Ft	Weight	Excess	Cement	Additives
Surface		Lead	0	463	1.65	764	13.5	100%	C	5% NCl + LCM
		Tail	550	412	1.35	556	14.8	100%	C	5% NCl + LCM
Intermediate	Stage 1	Lead	0	1083	3.35	3628	10.5	75%	C	Fluid Loss + Dispersant + Retarder + LCM
		Tail	10964	113	1.56	176	13.2	75%	C	Fluid Loss + Dispersant + Retarder + LCM
	Stage 2	Primary	0	780	2.4	1871	11.5	75%	C	Bentonite + 1% CaCL2 + 8% NaCl + LCM
	DVT	5044								
Production		Primary	11464	697	1.71	1191	14.2	25%	H	Fluid Loss + Dispersant + Retarder + LCM

Drilling Operations Plan
Yada Fed Com #222H
Tap Rock Operating, LLC
SHL 240' FSL & 1081' FWL, Sec. 35
BHL 5' FNL & 1980' FWL, Sec. 26
T. 24S., R. 35E Lea County, NM

Alternative Cement Volumes:

Name	Type	Top MD	Sacks	Yield	Cu. Ft	Weight	Excess	Cement	Additives
Surface	Lead	0	463	1.65	764	13.5	100%	C	5% NCl + LCM
	Tail	550	412	1.35	556	14.8	100%	C	5% NCl + LCM
1st Intermediate	Lead	0	966	2.18	2106	11.0	65%	C	Bentonite + 1% CaCL2 + 8% NaCl + LCM
	Tail	4075	396	1.33	526	14.8	65%	C	5% NaCl + LCM
2nd Intermediate	Lead	4794	292	2.87	837	11.5	35%	TXI	Fluid Loss + Dispersant + Retarder + LCM
	Tail	10964	87	1.56	136	13.2	35%	H	Fluid Loss + Dispersant + Retarder + LCM
Production	Tail	11464	697	1.71	1191	14.2	25%	H	Fluid Loss + Dispersant + Retarder + LCM

If a DV tool is ran, the depth will be adjusted depending on current hole conditions. Cement volumes will be adjusted proportionally. The DV tool will be set a minimum of 50' below the previous casing shoe and a maximum of 200' above the current casing shoe. If cement is not circulated to surface on the 1st cement job, the 2nd stage will be pumped as planned. If cement does not return to surface on the 2nd stage the BLM will be notified immediately.

5. Mud Program

Primary Mud Design:

Name	Top	Bottom	Type	Mud Weight	Visc	Fluid Loss
Surface	0	950	FW Gel	8.30	28	NC
Intermediate	950	11974	DBE	9.00	30-32	NC
Production	11974	22878	Oil Base Mud	11.50	50-70	<10

Alternative Design:

Name	Top	Bottom	Type	Mud Weight	Visc	Fluid Loss
Surface	0	950	FW Spud Mud	8.30	28	NC
Intermediate	950	5094	Brine Water	10.00	30-32	NC
Intermediate 2	5094	11964	FW/Cut Brine	9.00	30-32	NC
Production	11964	22878	Oil Base Mud	11.50	50-70	<10

Electronic Pason mud monitor system complying with Onshore Order 1 will be used. All necessary mud products (e. g., barite, cedar bark) for weight addition and fluid loss control will always be on site. Mud program is subject to change due to hole conditions. A closed loop system will be used.

6. Cores, Tests, & Logs

- Electric Logging Program: No open-hole logs are planned at this time for the pilot hole.
- GR will be collected while drilling through the MWD tools from 9.625" casing shoe to TD.
- A 2-person mud logging program will be used from 9.625" casing shoe to TD.
- No DSTs or cores are planned at this time.
- CBL w/ CCL from as far as gravity will let it fall to TOC.

Drilling Operations Plan
Yada Fed Com #222H
Tap Rock Operating, LLC
SHL 240' FSL & 1081' FWL, Sec. 35
BHL 5' FNL & 1980' FWL, Sec. 26
T. 24S., R. 35E Lea County, NM

7. Down Hole Conditions

No abnormal pressure or temperature is expected. Maximum expected bottom hole pressure is ≈7,422 psi. Expected bottom hole temperature is ≈170° F.

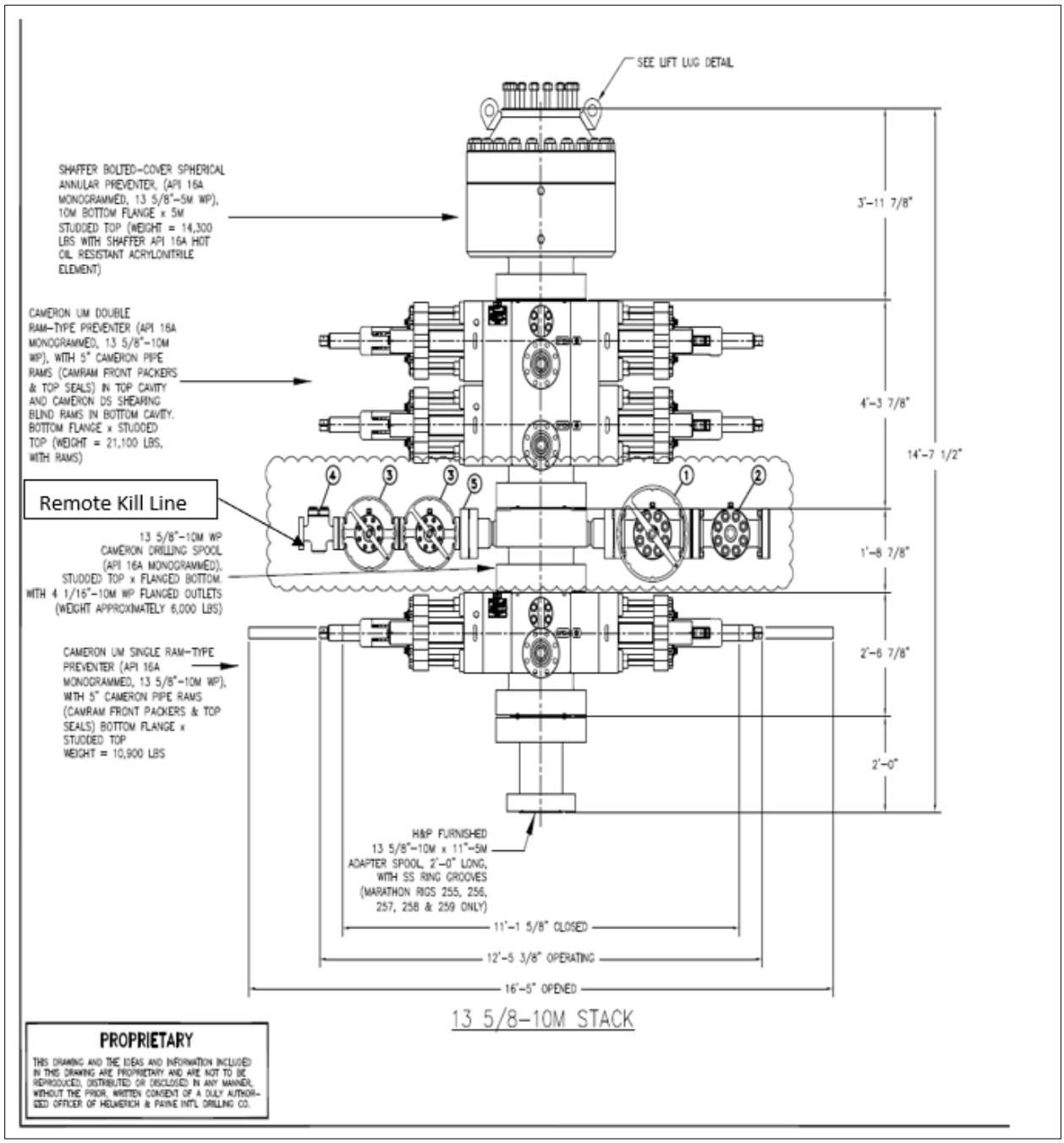
Tap Rock does not anticipate that there will be enough H2S from the surface to the Wolfcamp formations to meet the BLM's Onshore Order 6 requirements for the submission of an "H2S Drilling Operation Plan" or "Public Protection Plan" for drilling and completing this well. Tap Rock has an H2S safety package on all wells and an "H2S Drilling Operations Plan" is attached. Adequate flare lines will be installed off the mud/gas separator where gas may be safely flared. All personnel will be familiar with all aspects of safe operation of equipment being used.

8. Other Information

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 30 days. If production casing is run an additional 60 days will be required to complete and construct surface facilities.

Drilling Operations Plan
Yada Fed Com #222H
Tap Rock Operating, LLC
SHL 240' FSL & 1081' FWL, Sec. 35
BHL 5' FNL & 1980' FWL, Sec. 26
T. 24S., R. 35E Lea County, NM

10,000 psi BOP Stack



Drilling Operations Plan
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Tap Rock Operating, LLC
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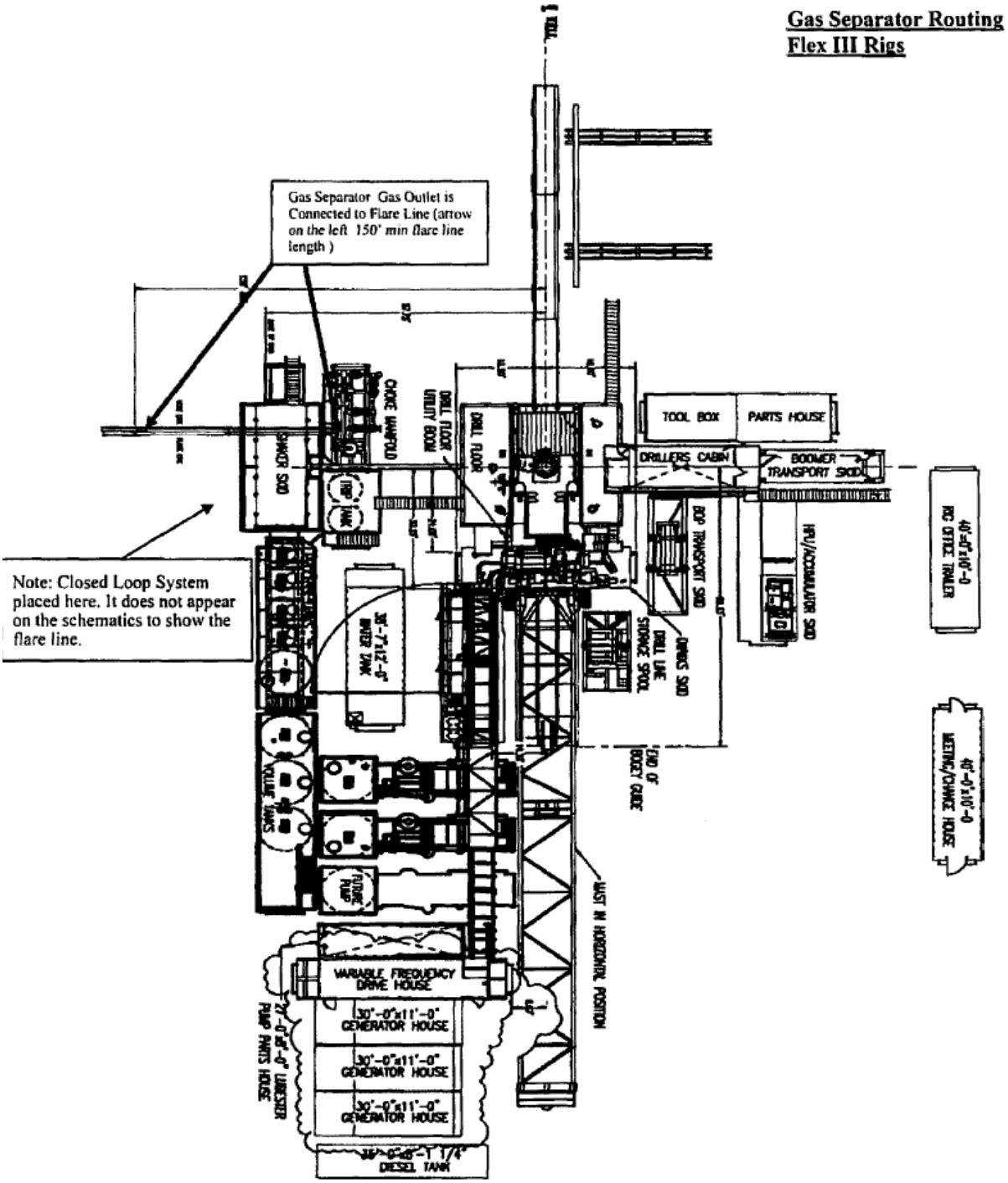
T. 24S., R. 35E Lea County, NM



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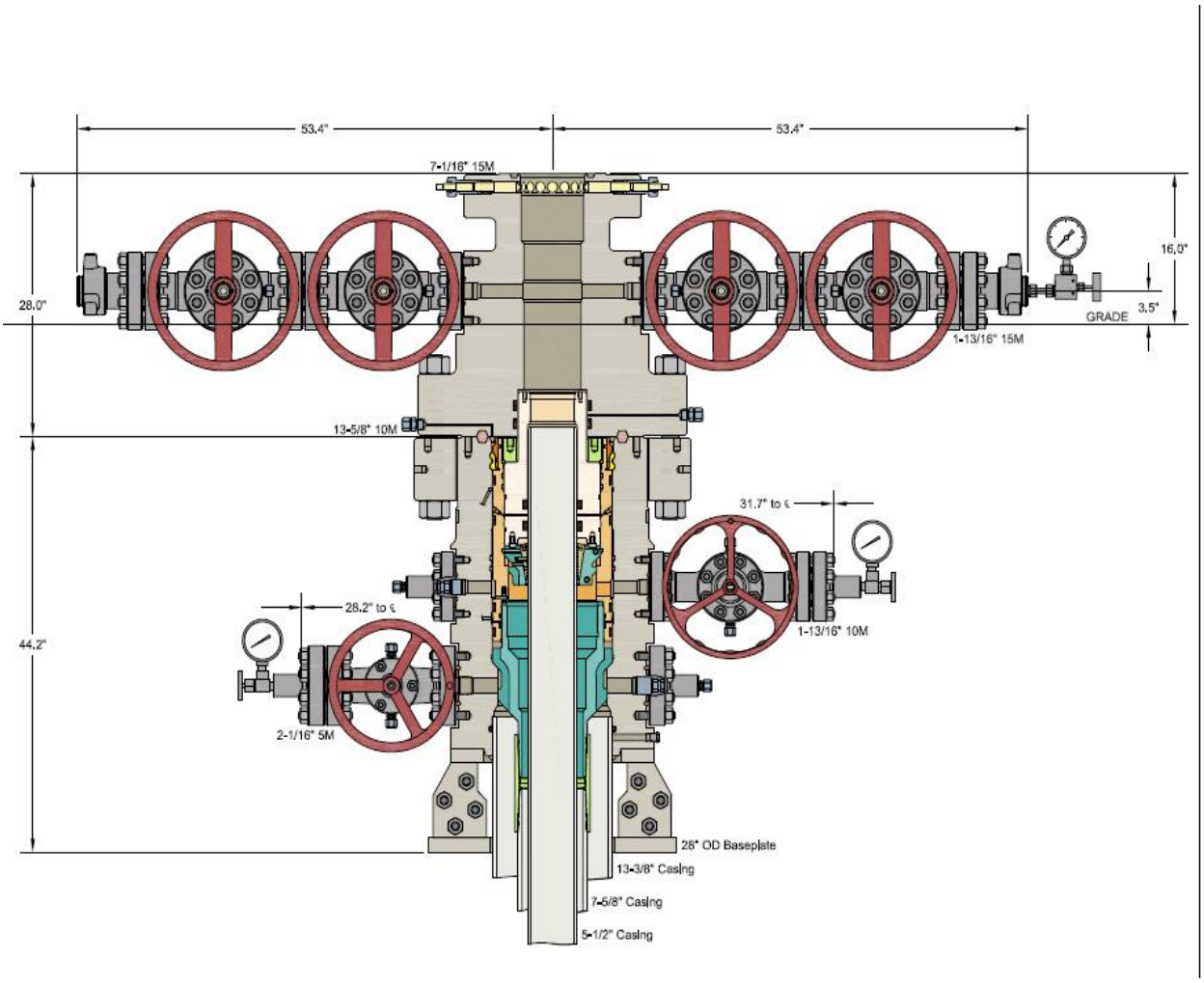
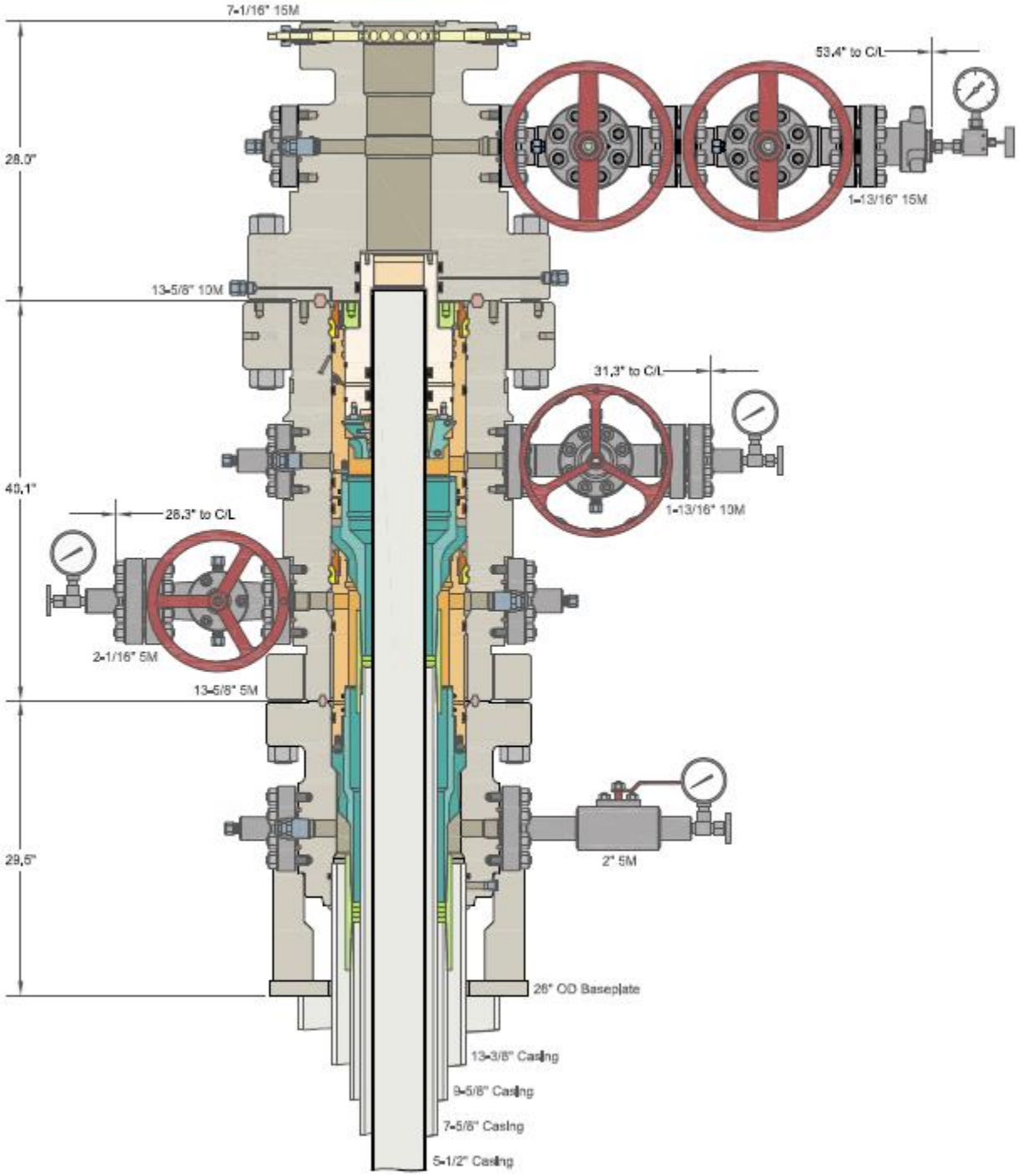
Yada Fed Com #222H
Tap Rock Operating, LLC
SHL 240' FSL & 1081' FWL, Sec. 35
BHL 5' FNL & 1980' FWL, Sec. 26
T. 24S., R. 35E Lea County, NM

Multi-bowl Wellhead- Primary Design



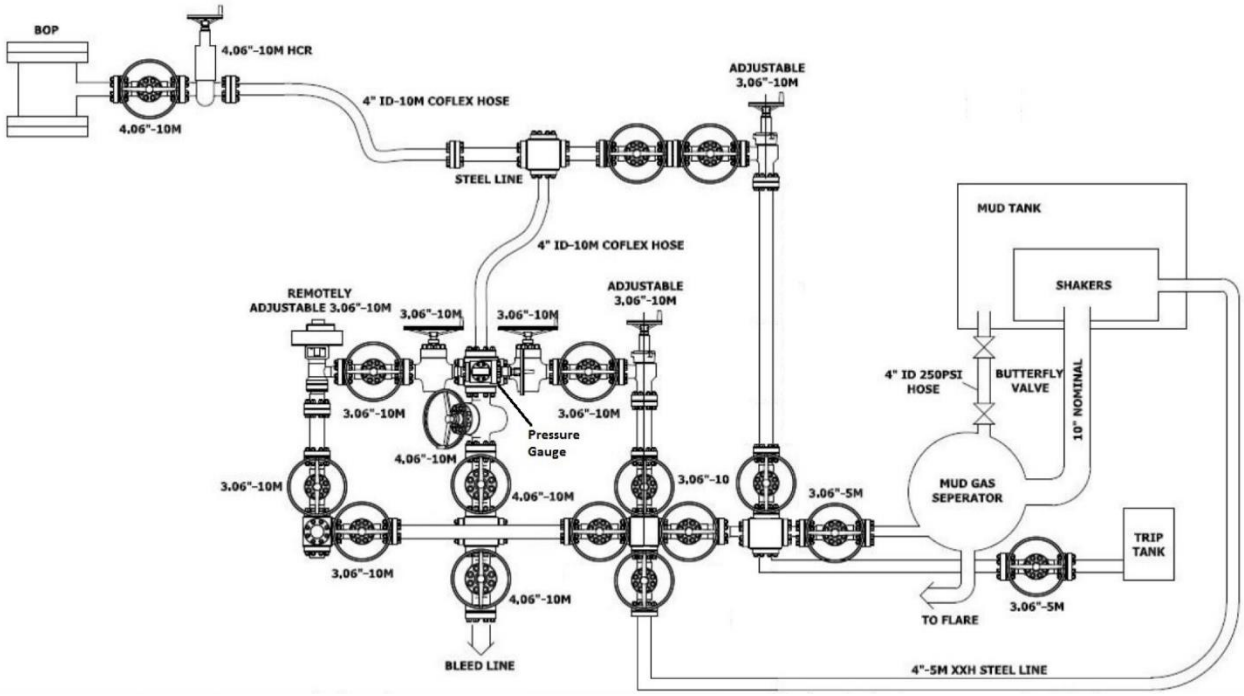
Drilling Operations Plan
Yada Fed Com #222H
Tap Rock Operating, LLC
SHL 240' FSL & 1081' FWL, Sec. 35
BHL 5' FNL & 1980' FWL, Sec. 26
T. 24S., R. 35E Lea County, NM

Multi-bowl Wellhead- Alternative Design



10M Choke Layout

Drilling Operations Plan
Yada Fed Com #222H
Tap Rock Operating, LLC
SHL 240’ FSL & 1081’ FWL, Sec. 35
BHL 5’ FNL & 1980’ FWL, Sec. 26
T. 24S., R. 35E Lea County, NM



Casing/Cementing Variance Request

If a DV tool is ran, the depth will be adjusted depending on current hole conditions. Cement volumes will be adjusted proportionally. The DV tool will be set a minimum of 50' below the previous casing shoe and a maximum of 200' above the current casing shoe. If cement is not circulated to surface on the 1st cement job, the 2nd stage will be pumped as planned. If cement does not return to surface on the 2nd stage the BLM will be notified immediately.

Alternative Casing Design

Section	Hole Size	Casing Size	Standard	Tapered	Top MD	Bottom MD	Top TVD	BTM TVD	Grade	Weight	Thread	Collapse	Burst	Tension
Surface	17 1/2	13 3/8	API	No	0	700	0	700	J-55	54.5	BUTT	1.13	1.15	1.6
1st Intermediate	12 1/4	9 5/8	API	No	0	5094	0	5068	J-55	40	BUTT	1.13	1.15	1.6
2nd Intermediate	8 3/4	7 5/8	API	No	0	4794	0	4768	P-110	29.7	BUTT	1.13	1.15	1.6
2nd Intermediate	8 3/4	7 5/8	NON API	Yes	4794	11964	4768	11912	P-110	29.7	W-441	1.13	1.15	1.6
Production	6 3/4	5 1/2	NON API	No	0	11764	0	11712	P-110	20	TXP	1.13	1.15	1.6
Production	6 3/4	5 1/2	NON API	No	11764	22878	11712	12411	P-110	20	W-441	1.13	1.15	1.6

Alternative Cement Volumes

Name	Type	Top MD	Sacks	Yield	Cu. Ft	Weight	Excess	Cement	Additives
Surface	Lead	0	253	1.65	417	13.5	100%	C	5% NCl + LCM
	Tail	300	412	1.35	556	14.8	100%	C	5% NCl + LCM
1st Intermediate	Lead	0	966	2.18	2106	12.7	65%	C	Bentonite + 1% CaCL2 + 8% NaCl + LCM
	Tail	4075	396	1.33	526	14.8	65%	C	5% NaCl + LCM
2nd Intermediate	Lead	4794	292	2.87	837	11.5	35%	TXI	Fluid Loss + Dispersant + Retarder + LCM
	Tail	10964	87	1.56	136	13.2	35%	H	Fluid Loss + Dispersant + Retarder + LCM
Production	Tail	11464	697	1.71	1191	14.2	25%	H	Fluid Loss + Dispersant + Retarder + LCM

Alternative Mud Program

Name	Top	Bottom	Type	Mud Weight	Visc	Fluid Loss
Surface	0	700	FW Spud Mud	8.30	28	NC
Intermediate	700	5094	Brine Water	10.00	30-32	NC
Intermediate 2	5094	11964	FW/Cut Brine	9.00	30-32	NC
Production	11964	22878	Oil Base Mud	11.50	50-70	<10

Tap Rock Resources, LLC

Lea County, NM (NAD 83 NME)
(Yada Fed Com) Sec-35_T-24-S_R-35-E
Yada Fed Com #222H

OWB

Plan: Plan #1

Standard Planning Report

25 October, 2021

Intrepid
Planning Report

Database:	EDM 5000.15 Single User Db	**Local Co-ordinate Reference:**	Well Yada Fed Com #222H
Company:	Tap Rock Resources, LLC	**TVD Reference:**	KB @ 3281.0usft
Project:	Lea County, NM (NAD 83 NME)	**MD Reference:**	KB @ 3281.0usft
Site:	(Yada Fed Com) Sec-35_T-24-S_R-35-E	**North Reference:**	Grid
Well:	Yada Fed Com #222H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OWB		
Design:	Plan #1		

Project Lea 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 (Yada Fed Com) Sec-35_T-24-S_R-35-E

Site Position:		**Northing:**	426,095.00 usft	**Latitude:**	32° 10' 2.829 N
From:	Map	**Easting:**	851,098.00 usft	**Longitude:**	103° 19' 56.158 W
Position Uncertainty:	0.0 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	0.53 °

Well Yada Fed Com #222H

Well Position	**+N/-S**	-57.0 usft	**Northing:**	426,038.00 usft	**Latitude:**	32° 10' 2.579 N
	+E/-W	-3,430.0 usft	**Easting:**	847,668.00 usft	**Longitude:**	103° 20' 36.064 W
Position Uncertainty		0.0 usft	**Wellhead Elevation:**		**Ground Level:**	3,255.0 usft

Wellbore OWB

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2015	10/14/21	6.37	59.99	47,484.39678072

Design Plan #1

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0.0

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.0	0.0	0.0	359.45

Plan Survey Tool Program **Date** 10/25/21

	Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.0	22,878.2	Plan #1 (OWB)	MWD	
				OWSG MWD - Standard	

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
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,252.1	7.52	100.83	2,249.9	-9.3	48.4	1.00	1.00	0.00	100.83	
7,800.0	7.52	100.83	7,750.1	-145.7	761.6	0.00	0.00	0.00	0.00	
8,552.0	0.00	0.00	8,500.0	-155.0	810.0	1.00	-1.00	0.00	180.00	
12,064.0	0.00	0.00	12,012.0	-155.0	810.0	0.00	0.00	0.00	0.00	
12,974.0	91.00	6.30	12,584.9	424.4	874.0	10.00	10.00	0.00	6.30	
13,316.3	91.00	359.45	12,578.9	766.0	891.1	2.00	0.00	-2.00	-89.93	
22,878.2	91.00	359.45	12,411.9	10,326.0	800.0	0.00	0.00	0.00	0.00	PBHL (Yada Fed C

Intrepid
Planning Report

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Site:	(Yada Fed Com) Sec-35_T-24-S_R-35-E	**North Reference:**	Grid
Well:	Yada Fed Com #222H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OWB		
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)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	1.00	100.83	1,600.0	-0.2	0.9	-0.2	1.00	1.00	0.00
1,700.0	2.00	100.83	1,700.0	-0.7	3.4	-0.7	1.00	1.00	0.00
1,800.0	3.00	100.83	1,799.9	-1.5	7.7	-1.5	1.00	1.00	0.00
1,900.0	4.00	100.83	1,899.7	-2.6	13.7	-2.8	1.00	1.00	0.00
2,000.0	5.00	100.83	1,999.4	-4.1	21.4	-4.3	1.00	1.00	0.00
2,100.0	6.00	100.83	2,098.9	-5.9	30.8	-6.2	1.00	1.00	0.00
2,200.0	7.00	100.83	2,198.3	-8.0	41.9	-8.4	1.00	1.00	0.00
2,252.1	7.52	100.83	2,249.9	-9.3	48.4	-9.7	1.00	1.00	0.00
2,300.0	7.52	100.83	2,297.4	-10.4	54.6	-11.0	0.00	0.00	0.00
2,400.0	7.52	100.83	2,396.6	-12.9	67.4	-13.5	0.00	0.00	0.00
2,500.0	7.52	100.83	2,495.7	-15.4	80.3	-16.1	0.00	0.00	0.00
2,600.0	7.52	100.83	2,594.8	-17.8	93.1	-18.7	0.00	0.00	0.00
2,700.0	7.52	100.83	2,694.0	-20.3	106.0	-21.3	0.00	0.00	0.00
2,800.0	7.52	100.83	2,793.1	-22.7	118.8	-23.9	0.00	0.00	0.00
2,900.0	7.52	100.83	2,892.3	-25.2	131.7	-26.5	0.00	0.00	0.00
3,000.0	7.52	100.83	2,991.4	-27.7	144.6	-29.0	0.00	0.00	0.00
3,100.0	7.52	100.83	3,090.5	-30.1	157.4	-31.6	0.00	0.00	0.00
3,200.0	7.52	100.83	3,189.7	-32.6	170.3	-34.2	0.00	0.00	0.00
3,300.0	7.52	100.83	3,288.8	-35.0	183.1	-36.8	0.00	0.00	0.00
3,400.0	7.52	100.83	3,388.0	-37.5	196.0	-39.4	0.00	0.00	0.00
3,500.0	7.52	100.83	3,487.1	-40.0	208.8	-42.0	0.00	0.00	0.00
3,600.0	7.52	100.83	3,586.2	-42.4	221.7	-44.5	0.00	0.00	0.00
3,700.0	7.52	100.83	3,685.4	-44.9	234.5	-47.1	0.00	0.00	0.00
3,800.0	7.52	100.83	3,784.5	-47.3	247.4	-49.7	0.00	0.00	0.00
3,900.0	7.52	100.83	3,883.7	-49.8	260.3	-52.3	0.00	0.00	0.00
4,000.0	7.52	100.83	3,982.8	-52.3	273.1	-54.9	0.00	0.00	0.00
4,100.0	7.52	100.83	4,081.9	-54.7	286.0	-57.5	0.00	0.00	0.00
4,200.0	7.52	100.83	4,181.1	-57.2	298.8	-60.0	0.00	0.00	0.00
4,300.0	7.52	100.83	4,280.2	-59.6	311.7	-62.6	0.00	0.00	0.00
4,400.0	7.52	100.83	4,379.4	-62.1	324.5	-65.2	0.00	0.00	0.00
4,500.0	7.52	100.83	4,478.5	-64.6	337.4	-67.8	0.00	0.00	0.00
4,600.0	7.52	100.83	4,577.6	-67.0	350.2	-70.4	0.00	0.00	0.00
4,700.0	7.52	100.83	4,676.8	-69.5	363.1	-73.0	0.00	0.00	0.00
4,800.0	7.52	100.83	4,775.9	-71.9	375.9	-75.5	0.00	0.00	0.00
4,900.0	7.52	100.83	4,875.1	-74.4	388.8	-78.1	0.00	0.00	0.00
5,000.0	7.52	100.83	4,974.2	-76.9	401.7	-80.7	0.00	0.00	0.00
5,100.0	7.52	100.83	5,073.3	-79.3	414.5	-83.3	0.00	0.00	0.00
5,200.0	7.52	100.83	5,172.5	-81.8	427.4	-85.9	0.00	0.00	0.00

Intrepid
Planning Report

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Wellbore:	OWB		
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)
5,300.0	7.52	100.83	5,271.6	-84.2	440.2	-88.5	0.00	0.00	0.00
5,400.0	7.52	100.83	5,370.8	-86.7	453.1	-91.0	0.00	0.00	0.00
5,500.0	7.52	100.83	5,469.9	-89.2	465.9	-93.6	0.00	0.00	0.00
5,600.0	7.52	100.83	5,569.0	-91.6	478.8	-96.2	0.00	0.00	0.00
5,700.0	7.52	100.83	5,668.2	-94.1	491.6	-98.8	0.00	0.00	0.00
5,800.0	7.52	100.83	5,767.3	-96.5	504.5	-101.4	0.00	0.00	0.00
5,900.0	7.52	100.83	5,866.5	-99.0	517.3	-104.0	0.00	0.00	0.00
6,000.0	7.52	100.83	5,965.6	-101.5	530.2	-106.5	0.00	0.00	0.00
6,100.0	7.52	100.83	6,064.7	-103.9	543.1	-109.1	0.00	0.00	0.00
6,200.0	7.52	100.83	6,163.9	-106.4	555.9	-111.7	0.00	0.00	0.00
6,300.0	7.52	100.83	6,263.0	-108.8	568.8	-114.3	0.00	0.00	0.00
6,400.0	7.52	100.83	6,362.2	-111.3	581.6	-116.9	0.00	0.00	0.00
6,500.0	7.52	100.83	6,461.3	-113.8	594.5	-119.5	0.00	0.00	0.00
6,600.0	7.52	100.83	6,560.4	-116.2	607.3	-122.0	0.00	0.00	0.00
6,700.0	7.52	100.83	6,659.6	-118.7	620.2	-124.6	0.00	0.00	0.00
6,800.0	7.52	100.83	6,758.7	-121.1	633.0	-127.2	0.00	0.00	0.00
6,900.0	7.52	100.83	6,857.9	-123.6	645.9	-129.8	0.00	0.00	0.00
7,000.0	7.52	100.83	6,957.0	-126.1	658.8	-132.4	0.00	0.00	0.00
7,100.0	7.52	100.83	7,056.1	-128.5	671.6	-135.0	0.00	0.00	0.00
7,200.0	7.52	100.83	7,155.3	-131.0	684.5	-137.5	0.00	0.00	0.00
7,300.0	7.52	100.83	7,254.4	-133.4	697.3	-140.1	0.00	0.00	0.00
7,400.0	7.52	100.83	7,353.6	-135.9	710.2	-142.7	0.00	0.00	0.00
7,500.0	7.52	100.83	7,452.7	-138.4	723.0	-145.3	0.00	0.00	0.00
7,600.0	7.52	100.83	7,551.8	-140.8	735.9	-147.9	0.00	0.00	0.00
7,700.0	7.52	100.83	7,651.0	-143.3	748.7	-150.5	0.00	0.00	0.00
7,800.0	7.52	100.83	7,750.1	-145.7	761.6	-153.0	0.00	0.00	0.00
7,900.0	6.52	100.83	7,849.4	-148.0	773.6	-155.5	1.00	-1.00	0.00
8,000.0	5.52	100.83	7,948.8	-150.0	783.9	-157.5	1.00	-1.00	0.00
8,100.0	4.52	100.83	8,048.4	-151.7	792.5	-159.3	1.00	-1.00	0.00
8,200.0	3.52	100.83	8,148.2	-153.0	799.4	-160.6	1.00	-1.00	0.00
8,300.0	2.52	100.83	8,248.0	-154.0	804.6	-161.7	1.00	-1.00	0.00
8,400.0	1.52	100.83	8,348.0	-154.6	808.0	-162.4	1.00	-1.00	0.00
8,500.0	0.52	100.83	8,448.0	-155.0	809.8	-162.7	1.00	-1.00	0.00
8,552.0	0.00	0.00	8,500.0	-155.0	810.0	-162.8	1.00	-1.00	0.00
8,600.0	0.00	0.00	8,548.0	-155.0	810.0	-162.8	0.00	0.00	0.00
8,700.0	0.00	0.00	8,648.0	-155.0	810.0	-162.8	0.00	0.00	0.00
8,800.0	0.00	0.00	8,748.0	-155.0	810.0	-162.8	0.00	0.00	0.00
8,900.0	0.00	0.00	8,848.0	-155.0	810.0	-162.8	0.00	0.00	0.00
9,000.0	0.00	0.00	8,948.0	-155.0	810.0	-162.8	0.00	0.00	0.00
9,100.0	0.00	0.00	9,048.0	-155.0	810.0	-162.8	0.00	0.00	0.00
9,200.0	0.00	0.00	9,148.0	-155.0	810.0	-162.8	0.00	0.00	0.00
9,300.0	0.00	0.00	9,248.0	-155.0	810.0	-162.8	0.00	0.00	0.00
9,400.0	0.00	0.00	9,348.0	-155.0	810.0	-162.8	0.00	0.00	0.00
9,500.0	0.00	0.00	9,448.0	-155.0	810.0	-162.8	0.00	0.00	0.00
9,600.0	0.00	0.00	9,548.0	-155.0	810.0	-162.8	0.00	0.00	0.00
9,700.0	0.00	0.00	9,648.0	-155.0	810.0	-162.8	0.00	0.00	0.00
9,800.0	0.00	0.00	9,748.0	-155.0	810.0	-162.8	0.00	0.00	0.00
9,900.0	0.00	0.00	9,848.0	-155.0	810.0	-162.8	0.00	0.00	0.00
10,000.0	0.00	0.00	9,948.0	-155.0	810.0	-162.8	0.00	0.00	0.00
10,100.0	0.00	0.00	10,048.0	-155.0	810.0	-162.8	0.00	0.00	0.00
10,200.0	0.00	0.00	10,148.0	-155.0	810.0	-162.8	0.00	0.00	0.00
10,300.0	0.00	0.00	10,248.0	-155.0	810.0	-162.8	0.00	0.00	0.00
10,400.0	0.00	0.00	10,348.0	-155.0	810.0	-162.8	0.00	0.00	0.00
10,500.0	0.00	0.00	10,448.0	-155.0	810.0	-162.8	0.00	0.00	0.00

Intrepid
Planning Report

Database:	EDM 5000.15 Single User Db	**Local Co-ordinate Reference:**	Well Yada Fed Com #222H
Company:	Tap Rock Resources, LLC	**TVD Reference:**	KB @ 3281.0usft
Project:	Lea County, NM (NAD 83 NME)	**MD Reference:**	KB @ 3281.0usft
Site:	(Yada Fed Com) Sec-35_T-24-S_R-35-E	**North Reference:**	Grid
Well:	Yada Fed Com #222H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OWB		
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)
10,600.0	0.00	0.00	10,548.0	-155.0	810.0	-162.8	0.00	0.00	0.00
10,700.0	0.00	0.00	10,648.0	-155.0	810.0	-162.8	0.00	0.00	0.00
10,800.0	0.00	0.00	10,748.0	-155.0	810.0	-162.8	0.00	0.00	0.00
10,900.0	0.00	0.00	10,848.0	-155.0	810.0	-162.8	0.00	0.00	0.00
11,000.0	0.00	0.00	10,948.0	-155.0	810.0	-162.8	0.00	0.00	0.00
11,100.0	0.00	0.00	11,048.0	-155.0	810.0	-162.8	0.00	0.00	0.00
11,200.0	0.00	0.00	11,148.0	-155.0	810.0	-162.8	0.00	0.00	0.00
11,300.0	0.00	0.00	11,248.0	-155.0	810.0	-162.8	0.00	0.00	0.00
11,400.0	0.00	0.00	11,348.0	-155.0	810.0	-162.8	0.00	0.00	0.00
11,500.0	0.00	0.00	11,448.0	-155.0	810.0	-162.8	0.00	0.00	0.00
11,600.0	0.00	0.00	11,548.0	-155.0	810.0	-162.8	0.00	0.00	0.00
11,700.0	0.00	0.00	11,648.0	-155.0	810.0	-162.8	0.00	0.00	0.00
11,800.0	0.00	0.00	11,748.0	-155.0	810.0	-162.8	0.00	0.00	0.00
11,900.0	0.00	0.00	11,848.0	-155.0	810.0	-162.8	0.00	0.00	0.00
12,000.0	0.00	0.00	11,948.0	-155.0	810.0	-162.8	0.00	0.00	0.00
12,064.0	0.00	0.00	12,012.0	-155.0	810.0	-162.8	0.00	0.00	0.00
12,100.0	3.60	6.30	12,047.9	-153.9	810.1	-161.6	10.00	10.00	0.00
12,150.0	8.60	6.30	12,097.6	-148.6	810.7	-156.4	10.00	10.00	0.00
12,200.0	13.60	6.30	12,146.7	-139.0	811.8	-146.8	10.00	10.00	0.00
12,250.0	18.60	6.30	12,194.7	-125.3	813.3	-133.1	10.00	10.00	0.00
12,300.0	23.60	6.30	12,241.3	-107.4	815.3	-115.2	10.00	10.00	0.00
12,350.0	28.60	6.30	12,286.2	-85.5	817.7	-93.4	10.00	10.00	0.00
12,400.0	33.60	6.30	12,329.0	-59.9	820.5	-67.7	10.00	10.00	0.00
12,450.0	38.60	6.30	12,369.4	-30.6	823.7	-38.5	10.00	10.00	0.00
12,500.0	43.60	6.30	12,407.1	2.1	827.3	-5.9	10.00	10.00	0.00
12,550.0	48.60	6.30	12,441.8	37.9	831.3	29.9	10.00	10.00	0.00
12,600.0	53.60	6.30	12,473.1	76.5	835.6	68.5	10.00	10.00	0.00
12,650.0	58.60	6.30	12,501.0	117.8	840.1	109.7	10.00	10.00	0.00
12,700.0	63.60	6.30	12,525.2	161.2	844.9	153.1	10.00	10.00	0.00
12,750.0	68.60	6.30	12,545.4	206.7	849.9	198.5	10.00	10.00	0.00
12,800.0	73.60	6.30	12,561.6	253.7	855.1	245.4	10.00	10.00	0.00
12,850.0	78.60	6.30	12,573.6	301.9	860.4	293.6	10.00	10.00	0.00
12,900.0	83.60	6.30	12,581.4	351.0	865.9	342.7	10.00	10.00	0.00
12,950.0	88.60	6.30	12,584.8	400.5	871.3	392.2	10.00	10.00	0.00
12,974.0	91.00	6.30	12,584.9	424.4	874.0	416.0	10.00	10.00	0.00
13,000.0	91.00	5.78	12,584.4	450.2	876.7	441.8	2.00	0.00	-2.00
13,100.0	91.00	3.78	12,582.7	549.9	885.0	541.4	2.00	0.00	-2.00
13,200.0	91.00	1.78	12,580.9	649.7	889.9	641.2	2.00	0.00	-2.00
13,300.0	91.00	359.78	12,579.2	749.7	891.2	741.1	2.00	0.00	-2.00
13,316.3	91.00	359.45	12,578.9	766.0	891.1	757.4	2.00	0.00	-2.00
13,400.0	91.00	359.45	12,577.4	849.7	890.3	841.1	0.00	0.00	0.00
13,500.0	91.00	359.45	12,575.7	949.7	889.4	941.1	0.00	0.00	0.00
13,600.0	91.00	359.45	12,573.9	1,049.7	888.4	1,041.1	0.00	0.00	0.00
13,700.0	91.00	359.45	12,572.2	1,149.6	887.5	1,141.1	0.00	0.00	0.00
13,800.0	91.00	359.45	12,570.4	1,249.6	886.5	1,241.0	0.00	0.00	0.00
13,900.0	91.00	359.45	12,568.7	1,349.6	885.6	1,341.0	0.00	0.00	0.00
14,000.0	91.00	359.45	12,566.9	1,449.6	884.6	1,441.0	0.00	0.00	0.00
14,100.0	91.00	359.45	12,565.2	1,549.6	883.7	1,541.0	0.00	0.00	0.00
14,200.0	91.00	359.45	12,563.5	1,649.5	882.7	1,641.0	0.00	0.00	0.00
14,300.0	91.00	359.45	12,561.7	1,749.5	881.8	1,741.0	0.00	0.00	0.00
14,400.0	91.00	359.45	12,560.0	1,849.5	880.8	1,841.0	0.00	0.00	0.00
14,500.0	91.00	359.45	12,558.2	1,949.5	879.9	1,940.9	0.00	0.00	0.00
14,600.0	91.00	359.45	12,556.5	2,049.5	878.9	2,040.9	0.00	0.00	0.00
14,700.0	91.00	359.45	12,554.7	2,149.4	877.9	2,140.9	0.00	0.00	0.00

Intrepid
Planning Report

Database:	EDM 5000.15 Single User Db	**Local Co-ordinate Reference:**	Well Yada Fed Com #222H
Company:	Tap Rock Resources, LLC	**TVD Reference:**	KB @ 3281.0usft
Project:	Lea County, NM (NAD 83 NME)	**MD Reference:**	KB @ 3281.0usft
Site:	(Yada Fed Com) Sec-35_T-24-S_R-35-E	**North Reference:**	Grid
Well:	Yada Fed Com #222H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OWB		
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)
14,800.0	91.00	359.45	12,553.0	2,249.4	877.0	2,240.9	0.00	0.00	0.00
14,900.0	91.00	359.45	12,551.2	2,349.4	876.0	2,340.9	0.00	0.00	0.00
15,000.0	91.00	359.45	12,549.5	2,449.4	875.1	2,440.9	0.00	0.00	0.00
15,100.0	91.00	359.45	12,547.7	2,549.4	874.1	2,540.8	0.00	0.00	0.00
15,200.0	91.00	359.45	12,546.0	2,649.3	873.2	2,640.8	0.00	0.00	0.00
15,300.0	91.00	359.45	12,544.2	2,749.3	872.2	2,740.8	0.00	0.00	0.00
15,400.0	91.00	359.45	12,542.5	2,849.3	871.3	2,840.8	0.00	0.00	0.00
15,500.0	91.00	359.45	12,540.8	2,949.3	870.3	2,940.8	0.00	0.00	0.00
15,600.0	91.00	359.45	12,539.0	3,049.3	869.4	3,040.8	0.00	0.00	0.00
15,700.0	91.00	359.45	12,537.3	3,149.2	868.4	3,140.8	0.00	0.00	0.00
15,800.0	91.00	359.45	12,535.5	3,249.2	867.5	3,240.7	0.00	0.00	0.00
15,900.0	91.00	359.45	12,533.8	3,349.2	866.5	3,340.7	0.00	0.00	0.00
16,000.0	91.00	359.45	12,532.0	3,449.2	865.6	3,440.7	0.00	0.00	0.00
16,100.0	91.00	359.45	12,530.3	3,549.2	864.6	3,540.7	0.00	0.00	0.00
16,200.0	91.00	359.45	12,528.5	3,649.1	863.7	3,640.7	0.00	0.00	0.00
16,300.0	91.00	359.45	12,526.8	3,749.1	862.7	3,740.7	0.00	0.00	0.00
16,400.0	91.00	359.45	12,525.0	3,849.1	861.7	3,840.7	0.00	0.00	0.00
16,500.0	91.00	359.45	12,523.3	3,949.1	860.8	3,940.6	0.00	0.00	0.00
16,600.0	91.00	359.45	12,521.5	4,049.1	859.8	4,040.6	0.00	0.00	0.00
16,700.0	91.00	359.45	12,519.8	4,149.0	858.9	4,140.6	0.00	0.00	0.00
16,800.0	91.00	359.45	12,518.0	4,249.0	857.9	4,240.6	0.00	0.00	0.00
16,900.0	91.00	359.45	12,516.3	4,349.0	857.0	4,340.6	0.00	0.00	0.00
17,000.0	91.00	359.45	12,514.6	4,449.0	856.0	4,440.6	0.00	0.00	0.00
17,100.0	91.00	359.45	12,512.8	4,549.0	855.1	4,540.5	0.00	0.00	0.00
17,200.0	91.00	359.45	12,511.1	4,648.9	854.1	4,640.5	0.00	0.00	0.00
17,300.0	91.00	359.45	12,509.3	4,748.9	853.2	4,740.5	0.00	0.00	0.00
17,400.0	91.00	359.45	12,507.6	4,848.9	852.2	4,840.5	0.00	0.00	0.00
17,500.0	91.00	359.45	12,505.8	4,948.9	851.3	4,940.5	0.00	0.00	0.00
17,600.0	91.00	359.45	12,504.1	5,048.9	850.3	5,040.5	0.00	0.00	0.00
17,700.0	91.00	359.45	12,502.3	5,148.8	849.4	5,140.5	0.00	0.00	0.00
17,800.0	91.00	359.45	12,500.6	5,248.8	848.4	5,240.4	0.00	0.00	0.00
17,900.0	91.00	359.45	12,498.8	5,348.8	847.4	5,340.4	0.00	0.00	0.00
18,000.0	91.00	359.45	12,497.1	5,448.8	846.5	5,440.4	0.00	0.00	0.00
18,100.0	91.00	359.45	12,495.3	5,548.8	845.5	5,540.4	0.00	0.00	0.00
18,200.0	91.00	359.45	12,493.6	5,648.7	844.6	5,640.4	0.00	0.00	0.00
18,300.0	91.00	359.45	12,491.9	5,748.7	843.6	5,740.4	0.00	0.00	0.00
18,400.0	91.00	359.45	12,490.1	5,848.7	842.7	5,840.3	0.00	0.00	0.00
18,500.0	91.00	359.45	12,488.4	5,948.7	841.7	5,940.3	0.00	0.00	0.00
18,600.0	91.00	359.45	12,486.6	6,048.7	840.8	6,040.3	0.00	0.00	0.00
18,700.0	91.00	359.45	12,484.9	6,148.6	839.8	6,140.3	0.00	0.00	0.00
18,800.0	91.00	359.45	12,483.1	6,248.6	838.9	6,240.3	0.00	0.00	0.00
18,900.0	91.00	359.45	12,481.4	6,348.6	837.9	6,340.3	0.00	0.00	0.00
19,000.0	91.00	359.45	12,479.6	6,448.6	837.0	6,440.3	0.00	0.00	0.00
19,100.0	91.00	359.45	12,477.9	6,548.6	836.0	6,540.2	0.00	0.00	0.00
19,200.0	91.00	359.45	12,476.1	6,648.5	835.1	6,640.2	0.00	0.00	0.00
19,300.0	91.00	359.45	12,474.4	6,748.5	834.1	6,740.2	0.00	0.00	0.00
19,400.0	91.00	359.45	12,472.6	6,848.5	833.2	6,840.2	0.00	0.00	0.00
19,500.0	91.00	359.45	12,470.9	6,948.5	832.2	6,940.2	0.00	0.00	0.00
19,600.0	91.00	359.45	12,469.2	7,048.5	831.2	7,040.2	0.00	0.00	0.00
19,700.0	91.00	359.45	12,467.4	7,148.4	830.3	7,140.1	0.00	0.00	0.00
19,800.0	91.00	359.45	12,465.7	7,248.4	829.3	7,240.1	0.00	0.00	0.00
19,900.0	91.00	359.45	12,463.9	7,348.4	828.4	7,340.1	0.00	0.00	0.00
20,000.0	91.00	359.45	12,462.2	7,448.4	827.4	7,440.1	0.00	0.00	0.00
20,100.0	91.00	359.45	12,460.4	7,548.4	826.5	7,540.1	0.00	0.00	0.00

Intrepid
Planning Report

Database:	EDM 5000.15 Single User Db	**Local Co-ordinate Reference:**	Well Yada Fed Com #222H
Company:	Tap Rock Resources, LLC	**TVD Reference:**	KB @ 3281.0usft
Project:	Lea County, NM (NAD 83 NME)	**MD Reference:**	KB @ 3281.0usft
Site:	(Yada Fed Com) Sec-35_T-24-S_R-35-E	**North Reference:**	Grid
Well:	Yada Fed Com #222H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OWB		
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)
20,200.0	91.00	359.45	12,458.7	7,648.3	825.5	7,640.1	0.00	0.00	0.00
20,300.0	91.00	359.45	12,456.9	7,748.3	824.6	7,740.1	0.00	0.00	0.00
20,400.0	91.00	359.45	12,455.2	7,848.3	823.6	7,840.0	0.00	0.00	0.00
20,500.0	91.00	359.45	12,453.4	7,948.3	822.7	7,940.0	0.00	0.00	0.00
20,600.0	91.00	359.45	12,451.7	8,048.3	821.7	8,040.0	0.00	0.00	0.00
20,700.0	91.00	359.45	12,449.9	8,148.2	820.8	8,140.0	0.00	0.00	0.00
20,800.0	91.00	359.45	12,448.2	8,248.2	819.8	8,240.0	0.00	0.00	0.00
20,900.0	91.00	359.45	12,446.4	8,348.2	818.9	8,340.0	0.00	0.00	0.00
21,000.0	91.00	359.45	12,444.7	8,448.2	817.9	8,439.9	0.00	0.00	0.00
21,100.0	91.00	359.45	12,443.0	8,548.2	816.9	8,539.9	0.00	0.00	0.00
21,200.0	91.00	359.45	12,441.2	8,648.2	816.0	8,639.9	0.00	0.00	0.00
21,300.0	91.00	359.45	12,439.5	8,748.1	815.0	8,739.9	0.00	0.00	0.00
21,400.0	91.00	359.45	12,437.7	8,848.1	814.1	8,839.9	0.00	0.00	0.00
21,500.0	91.00	359.45	12,436.0	8,948.1	813.1	8,939.9	0.00	0.00	0.00
21,600.0	91.00	359.45	12,434.2	9,048.1	812.2	9,039.9	0.00	0.00	0.00
21,700.0	91.00	359.45	12,432.5	9,148.1	811.2	9,139.8	0.00	0.00	0.00
21,800.0	91.00	359.45	12,430.7	9,248.0	810.3	9,239.8	0.00	0.00	0.00
21,900.0	91.00	359.45	12,429.0	9,348.0	809.3	9,339.8	0.00	0.00	0.00
22,000.0	91.00	359.45	12,427.2	9,448.0	808.4	9,439.8	0.00	0.00	0.00
22,100.0	91.00	359.45	12,425.5	9,548.0	807.4	9,539.8	0.00	0.00	0.00
22,200.0	91.00	359.45	12,423.7	9,648.0	806.5	9,639.8	0.00	0.00	0.00
22,300.0	91.00	359.45	12,422.0	9,747.9	805.5	9,739.8	0.00	0.00	0.00
22,400.0	91.00	359.45	12,420.3	9,847.9	804.6	9,839.7	0.00	0.00	0.00
22,500.0	91.00	359.45	12,418.5	9,947.9	803.6	9,939.7	0.00	0.00	0.00
22,600.0	91.00	359.45	12,416.8	10,047.9	802.7	10,039.7	0.00	0.00	0.00
22,700.0	91.00	359.45	12,415.0	10,147.9	801.7	10,139.7	0.00	0.00	0.00
22,800.0	91.00	359.45	12,413.3	10,247.8	800.7	10,239.7	0.00	0.00	0.00
22,878.2	91.00	359.45	12,411.9	10,326.0	800.0	10,317.8	0.00	0.00	0.00

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
LTP (Yada Fed Com #	0.00	0.00	12,411.9	10,231.0	801.0	436,269.00	848,469.00	32° 11' 43.738 N	103° 20' 25.648 W
- plan misses target center by 1.7usft at 22783.2usft MD (12413.6 TVD, 10231.0 N, 800.9 E)									
- Point									
PBHL (Yada Fed Com	-1.00	359.45	12,411.9	10,326.0	800.0	436,364.00	848,468.00	32° 11' 44.678 N	103° 20' 25.649 W
- plan hits target center									
- Rectangle (sides W100.0 H10,458.0 D30.0)									
FTP (Yada Fed Com #	0.00	0.00	12,592.0	-132.0	900.0	425,906.00	848,568.00	32° 10' 1.191 N	103° 20' 25.609 W
- plan misses target center by 236.3usft at 12538.0usft MD (12433.7 TVD, 29.0 N, 830.3 E)									
- Point									

Intrepid
Planning Report

Database:	EDM 5000.15 Single User Db	**Local Co-ordinate Reference:**	Well Yada Fed Com #222H
Company:	Tap Rock Resources, LLC	**TVD Reference:**	KB @ 3281.0usft
Project:	Lea County, NM (NAD 83 NME)	**MD Reference:**	KB @ 3281.0usft
Site:	(Yada Fed Com) Sec-35_T-24-S_R-35-E	**North Reference:**	Grid
Well:	Yada Fed Com #222H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OWB		
Design:	Plan #1		

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,031.0	1,031.0	Rustler Anhydrite			
1,252.0	1,252.0	Top Salt			
4,806.1	4,782.0	Base Salt			
4,997.8	4,972.0	Delaware Mountain Gp			
5,002.8	4,977.0	Lamar			
5,024.0	4,998.0	Bell Canyon			
5,044.2	5,018.0	Ramsey Sand			
5,995.4	5,961.0	Cherry Canyon			
7,449.9	7,403.0	Brushy Canyon			
8,798.0	8,746.0	Bone Spring Lime			
8,835.7	8,783.7	Upper Avalon			
9,037.0	8,985.0	Middle Avalon			
9,700.0	9,648.0	Lower Avalon			
10,048.7	9,996.7	1st Bone Spring Sand			
10,367.3	10,315.3	2nd Bone Spring Carb			
10,649.3	10,597.3	2nd Bone Spring Sand			
11,123.0	11,071.0	3rd Bone Spring Carb			
11,687.7	11,635.7	3rd Bone Spring Sand			
11,946.7	11,894.7	3rd BS W Sand			
11,992.7	11,940.7	Wolfcamp A X Sand			
12,033.3	11,981.3	Wolfcamp A Y Sand			
12,102.4	12,050.3	Wolfcamp A Lower			
12,408.4	12,336.0	Wolfcamp B			
12,638.1	12,494.7	Wolfcamp B1			

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
1,500.0	1,500.0	0.0	0.0	NUDGE - Build 1.00
2,252.1	2,249.9	-9.3	48.4	HOLD - 5547.9 at 2252.1 MD
7,800.0	7,750.1	-145.7	761.6	DROP - -1.00
8,552.0	8,500.0	-155.0	810.0	HOLD - 3512.0 at 8552.0 MD
12,064.0	12,012.0	-155.0	810.0	KOP - Build 10.00
12,974.0	12,584.9	424.4	874.0	EOC/TRN - DLS 2.00 TFO -89.93
13,316.3	12,578.9	766.0	891.1	Start 9561.9 hold at 13316.3 MD
22,878.2	12,411.9	10,326.0	800.0	TD at 22878.2

PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL

Yada Additional Wells

Tap Rock Operating LLC
Lease Number NMNM138891
Yada Fed Com 221H-224H

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

Approval Date: 01/12/2023

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

OR

If the entire project is covered under the Permian Basin Programmatic Agreement (cultural resources only):

The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the PA serves as mitigation for the effects of this project on cultural resources. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and the BLM will be notified as soon as possible within 24 hours. Work shall not resume until a Notice to Proceed is issued by the BLM. See information below discussing NAGPRA.

If the proposed project is split between a Class III inventory and a Permian Basin Programmatic Agreement contribution, the portion of the project covered under Class III inventory should default to the first paragraph stipulations.

The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."

Any paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

SPECIAL REQUIREMENT(S)

Watershed:
The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required.
The topsoil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

TANK BATTERY:
Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank or 24 hour production, whichever is greater.
Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

BURIED/SURFACE LINE(S):
When crossing ephemeral drainages the pipeline(s) will be buried to a minimum depth of 48 inches from the top of pipe to ground level. Erosion control methods such as gabions and/or rock aprons should be placed on both up and downstream sides of the pipeline crossing. In addition, curled (weed free) wood/straw fiber wattles/logs and/or silt fences should be placed on the downstream side for sediment control during construction and maintained until soils and vegetation have stabilized. Water bars should be placed within the ROW to divert and dissipate surface runoff. A pipeline access road is not permitted to cross these ephemeral drainages.
Traffic should be diverted to a preexisting route. Additional seeding may be required in floodplains and drainages to restore energy dissipating vegetation.

Prior to pipeline installation/construction a leak detection plan will be developed. The method(s) could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present.

The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

Lesser Prairie Chicken:

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

Timing Limitation Exceptions:

The Carlsbad Field Office will publish an annual map of where the LPC timing and noise stipulations and conditions of approval (Limitations) will apply for the identified year (between March 1 and June 15) based on the latest survey information. The LPC Timing Area map will identify areas which are Habitat Areas (HA), Isolated Population Area (IPA), and Primary Population Area (PPA). The LPC Timing Area map will also have an area in red crosshatch. The red crosshatch area is the only area where an operator is required to submit a request for exception to the LPC Limitations. If an operator is operating outside the red crosshatch area, the LPC Limitations do not apply for that year and an exception to LPC Limitations is not required.

Ground-level Abandoned Well Marker to avoid raptor perching:

Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

VRM IV:

Above-ground structures including meter housing that are not subject to safety requirements are painted a flat non-reflective paint color, Shale Green from the BLM Standard Environmental Color Chart (CC-001: June 2008).

V. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim

reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits. The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972 .

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing
The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width
The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing
Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

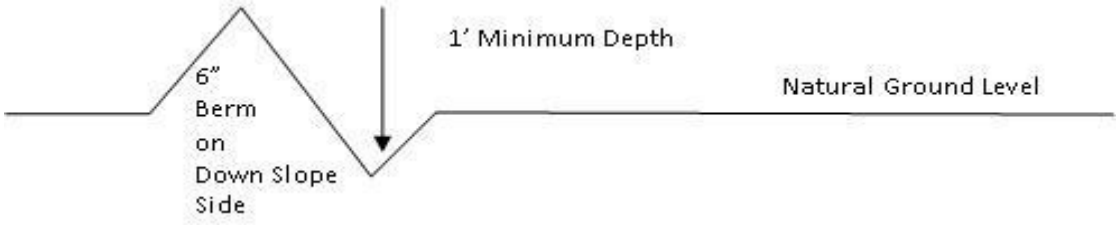
Ditching
Ditching shall be required on both sides of the road.

Turnouts
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage
Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: $\frac{400'}{4\%} + 100' = 200'$ lead-off ditch interval

Cattle guards
An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

Fence Requirement
Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access
Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Approval Date: 01/12/2023

Construction Steps

1. Salvage topsoil
2. Construct road
3. Redistribute topsoil
4. Revegetate slopes

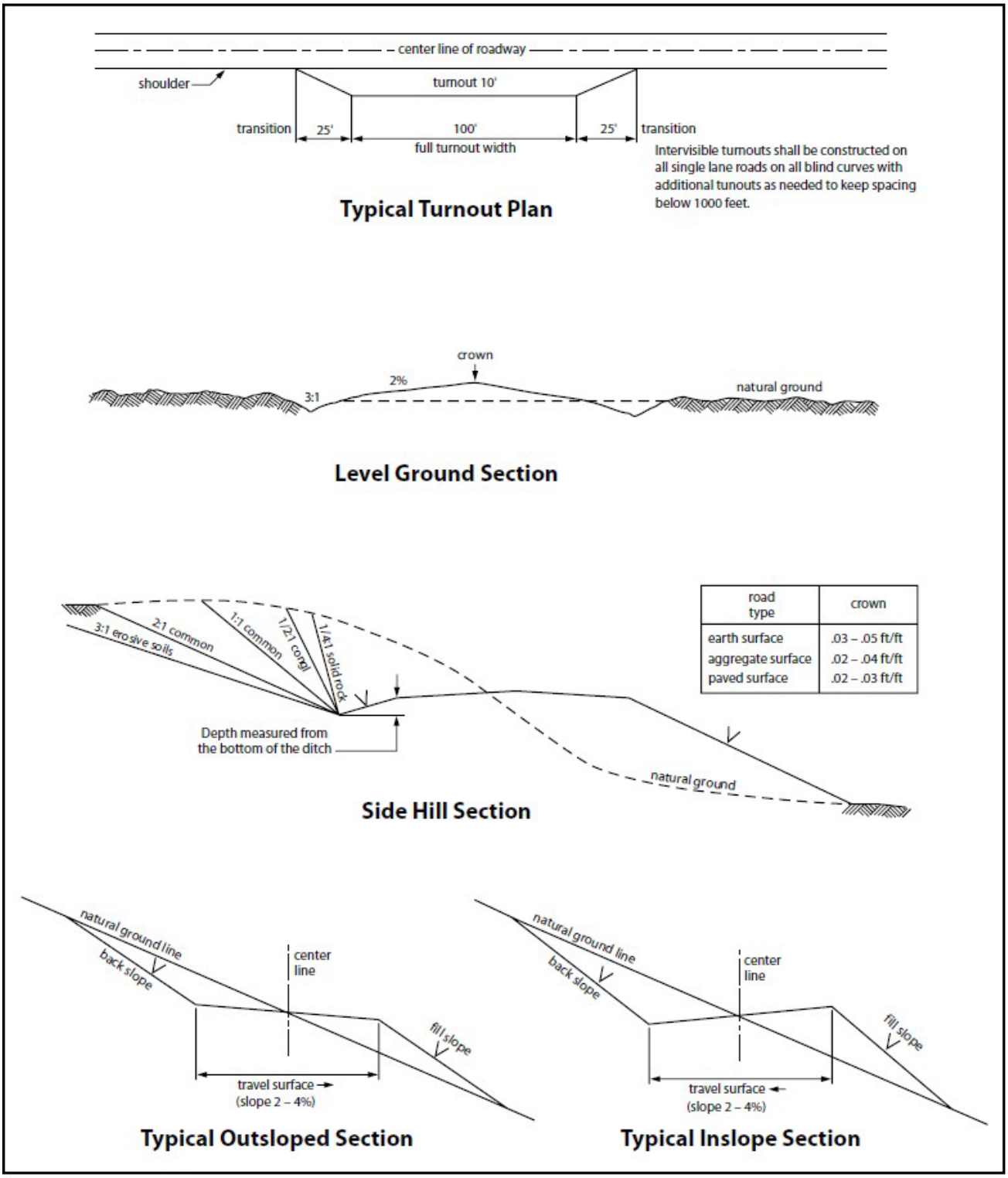


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

Approval Date: 01/12/2023

VI. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities
Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)
Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening
The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures
The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone*.) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures
Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement
All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, passages, or voids are intersected by trenching, and no pipe will be laid in the trench at that point until clearance has been issued by the Authorized Officer.
- If a void is encountered alignments may be rerouted to avoid the karst feature and lessen; the potential of subsidence or collapse of karst features, buildup of toxic or combustible gas, or other possible impacts to cave and karst resources from the buried pipeline.
- Special restoration stipulations or realignment may be required at such intersections, if any.
- A leak detection plan **will be submitted to the BLM Carlsbad Field Office for approval** prior to pipeline installation. The method could incorporate gauges to detect pressure drops, situating values and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.
- Regular monitoring is required to quickly identify leaks for their immediate and proper treatment.
- All spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, et seq.) on the

Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of **36** inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this right-of-way will be **30** feet:

- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed **20** feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation*.)
- Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed **30** feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
- The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

Approval Date: 01/12/2023

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

( ) seed mixture 1	(X) seed mixture 3
(X) seed mixture 2	( ) seed mixture 4
( ) seed mixture 2/LPC	( ) Aplomado Falcon Mixture

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

OR

If the entire project is covered under the Permian Basin Programmatic Agreement (cultural resources only):

The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the PA serves as mitigation for the effects of this project on cultural resources. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and the BLM will be notified as soon as possible within 24 hours. Work shall not resume until a Notice to Proceed is issued by the BLM. See Stipulation 17 for more information.

If the proposed project is split between a Class III inventory and a Permian Basin Programmatic Agreement contribution, the portion of the project covered under Class III inventory should default to the first paragraph stipulations.

17. The holder is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered inadvertently during the course of project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes."

18. Any paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

19. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

20. Escape Ramps - The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.

b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

VII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

VIII. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

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Seed Mixture 2, for Sandy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law (s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer.
Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	lb/acre
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

Pounds of seed **x** percent purity **x** percent germination = pounds pure live seed

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Seed Mixture 3, for Shallow Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer.
Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	lb/acre
Plains Bristlegrass (*Setaria macrostachya*)	1.0
Green Sprangletop (*Leptochloa dubia*)	2.0
Sideoats Grama (*Bouteloua curtipendula)*	5.0

*Pounds of pure live seed:

Pounds of seed **x** percent purity **x** percent germination = pounds pure live seed

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Tap Rock Operating LLC
WELL NAME & NO.:	Yada Fed Com 222H
LOCATION:	Sec 25-24S-25E-NMP
COUNTY:	Lea County, New Mexico

COA

H2S	○ Yes	◉ No	
Potash	◉ None	○ Secretary	○ R-111-P
Cave/Karst Potential	◉ Low	○ Medium	○ High
Cave/Karst Potential	○ Critical		
Variance	○ None	◉ Flex Hose	○ Other
Wellhead	○ Conventional	◉ Multibowl	○ Both
Other	☐ 4 String Area	☐ Capitan Reef	☐ WIPP
Other	☑ Fluid Filled	☐ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☑ COM	☐ Unit

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 Onshore Order 6 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 933 feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite and above the salt) and cemented to the surface. **Surface casing set depth set at 933' per BLM geologist.**

    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

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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.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

2. The minimum required fill of cement behind the **alternate** **9-5/8** inch intermediate casing is:

    - Cement to surface. If cement does not circulate see B.1.a, c-d above.

3. The minimum required fill of cement behind the **7-5/8** inch intermediate casing is:

    Alternate four-string casing plan: Cement to tie back at least **200 feet** into previous casing string. If cement does not circulate see B.1.a, c-d above.

    Primary three-string casing plan: Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

    a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.

    b. Second stage above DV tool:

        - Cement to surface. If cement does not circulate, contact the appropriate BLM office.

4. The minimum required fill of cement behind the Choose an item. inch production casing is:

    - Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

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. This assembly will only be tested when installed on the surface casing. 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. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 2500 (2.5M) psi.** Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the first intermediate casing shoe shall be **10,000 (10M)** psi. **Variance is approved to use a 5000 (5M) Annular which shall be tested to 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 OOGO2.III.A.2.i 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.
- 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)

☒ Eddy County
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

☒ Lea County
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
      - Notify the BLM when moving in and removing the Spudder Rig.
      - 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.
      - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 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 dog house or stairway area.

3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

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, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing intergrity 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 intergrity 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 hardband 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-P 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 Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

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:

    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. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
    e. 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.

    a. 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 when specified), 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).

    b. 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 plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except

the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).

c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 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 water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

d. 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.

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

f. 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.

g. 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.

h. 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 Onshore Order No. 2.

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.

Approval Date: 01/12/2023

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
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 176283

CONDITIONS

Operator: TAP ROCK OPERATING, LLC 523 Park Point Drive Golden, CO 80401	OGRID: 372043
	Action Number: 176283
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104	1/26/2023
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string	1/26/2023
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system	1/26/2023
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing	1/26/2023