

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**

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER 1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other 1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone			5. Lease Serial No. <b>NMNM92900</b> 6. If Indian, Allottee or Tribe Name  7. If Unit or CA Agreement, Name and No.  8. Lease Name and Well No. <b>RENA 7 FED COM</b> <b>704H</b>	
2. Name of Operator <b>FLAT CREEK RESOURCES LLC</b>			9. API Well No. <span style="border: 2px solid red; padding: 2px;"><b>30-015-54647</b></span>	
3a. Address <b>777 MAIN STREET, SUITE 3600, FORT WORTH, TX 761</b>		3b. Phone No. (include area code) <b>(817) 310-8570</b>		
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>SWSE / 309 FSL / 1777 FEL / LAT 32.327104 / LONG -104.330141</b> At proposed prod. zone <b>SESE / 330 FSL / 330 FEL / LAT 32.297771 / LONG -104.325398</b>			10. Field and Pool, or Exploratory <b>COTTON DRAW/(WOLFCAMP) GAS</b> 11. Sec., T. R. M. or Blk. and Survey or Area <b>SEC 6/T23S/R26E/NMP</b>	
14. Distance in miles and direction from nearest town or post office* <b>5 miles</b>			12. County or Parish <b>EDDY</b>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>309 feet</b>			16. No of acres in lease  17. Spacing Unit dedicated to this well <b>640.0</b>	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>30 feet</b>			19. Proposed Depth <b>8587 feet / 18471 feet</b> 20. BLM/BIA Bond No. in file <b>FED: NMB001675</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>3416 feet</b>		22. Approximate date work will start* <b>10/01/2023</b>		23. Estimated duration <b>60 days</b>
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.<br>2. A Drilling Plan.<br>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).<br>5. Operator certification.<br>6. Such other site specific information and/or plans as may be requested by the BLM. |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

25. Signature (Electronic Submission)		Name (Printed/Typed) <b>BRIAN WOOD / Ph: (817) 310-8570</b>		Date <b>03/29/2023</b>	
Title <b>President</b>					
Approved by (Signature) (Electronic Submission)		Name (Printed/Typed) <b>CODY LAYTON / Ph: (575) 234-5959</b>		Date <b>01/11/2024</b>	
Title <b>Assistant Field Manager Lands &amp; Minerals</b>		Office <b>Carlsbad Field Office</b>			

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.

(Continued on page 2)

\*(Instructions on page 2)



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

<sup>1</sup> API Number <b>30-015- 54647</b>	<sup>2</sup> Pool Code <b>98220</b>	<sup>3</sup> Pool Name <b>PURPLE SAGE; WOLFCAMP (GAS)</b>
<sup>4</sup> Property Code <b>335222</b>	<sup>5</sup> Property Name <b>RENA 7 FED COM</b>	<sup>6</sup> Well Number <b>704H</b>
<sup>7</sup> OGRID No. <b>374034</b>	<sup>8</sup> Operator Name <b>FLAT CREEK RESOURCES, LLC</b>	<sup>9</sup> Elevation <b>3,416'</b>

<sup>10</sup> Surface Location

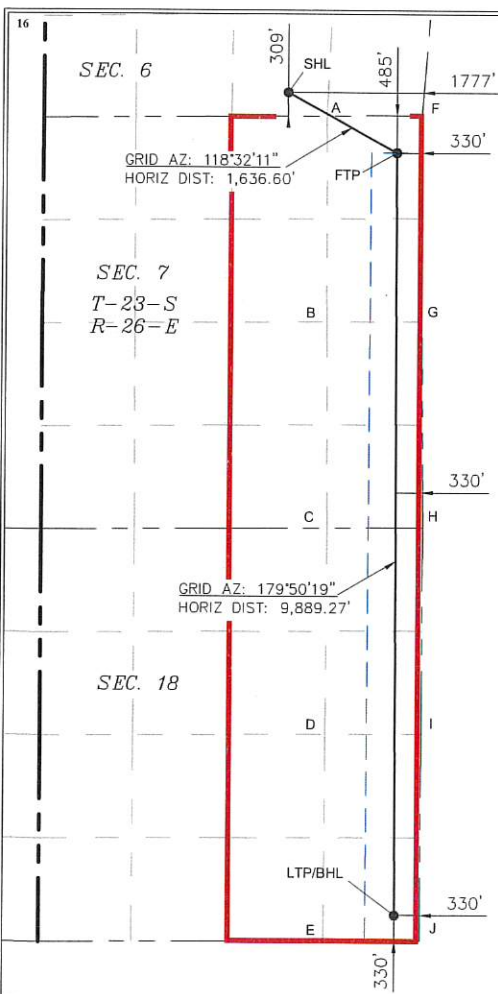
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>O</b>	<b>6</b>	<b>23S</b>	<b>26E</b>		<b>309</b>	<b>SOUTH</b>	<b>1777</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> 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
<b>P</b>	<b>18</b>	<b>23S</b>	<b>26E</b>		<b>330</b>	<b>SOUTH</b>	<b>330</b>	<b>EAST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres <b>640.00</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code <b>C</b>	<sup>15</sup> Order No.
------------------------------------------------	-------------------------------	----------------------------------------------	-------------------------

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.



COORDINATE TABLE			
SHL (NAD 83 NME)		LTP/BHL (NAD 83 NME)	
Y =	482,732.7 N	Y =	472,061.7 N
X =	542,323.7 E	X =	543,789.3 E
LAT. =	32.327104 °N	LAT. =	32.297771 °N
LONG. =	104.330141 °W	LONG. =	104.325398 °W
FTP (NAD 83 NME)			
Y =	481,950.9 N		
X =	543,761.4 E		
LAT. =	32.324955 °N		
LONG. =	104.325486 °W		
SHL (NAD 27 NME)		LTP/BHL (NAD 27 NME)	
Y =	482,674.3 N	Y =	472,003.4 N
X =	501,143.0 E	X =	502,608.4 E
LAT. =	32.326988 °N	LAT. =	32.297654 °N
LONG. =	104.329633 °W	LONG. =	104.324892 °W
FTP (NAD 27 NME)			
Y =	481,892.4 N		
X =	502,580.7 E		
LAT. =	32.324838 °N		
LONG. =	104.324979 °W		

CORNER COORDINATES (NAD 83 NME)			
A - Y =	482,427.9 N	X =	542,838.8 E
B - Y =	479,751.4 N	X =	542,854.8 E
C - Y =	477,076.3 N	X =	542,873.9 E
D - Y =	477,076.3 N	X =	542,873.9 E
E - Y =	471,725.8 N	X =	542,862.2 E
F - Y =	482,439.5 N	X =	544,088.6 E
G - Y =	479,761.9 N	X =	544,104.5 E
H - Y =	477,086.1 N	X =	544,126.7 E
I - Y =	477,086.1 N	X =	544,126.7 E
J - Y =	471,733.7 N	X =	544,118.8 E

CORNER COORDINATES (NAD 27 NME)			
A - Y =	482,369.4 N	X =	501,658.1 E
B - Y =	479,693.0 N	X =	501,674.1 E
C - Y =	477,018.0 N	X =	501,693.1 E
D - Y =	477,018.0 N	X =	501,693.1 E
E - Y =	471,667.6 N	X =	501,681.3 E
F - Y =	482,381.0 N	X =	502,907.9 E
G - Y =	479,703.5 N	X =	502,923.7 E
H - Y =	477,027.7 N	X =	502,945.8 E
I - Y =	477,027.7 N	X =	502,945.8 E
J - Y =	471,675.5 N	X =	502,937.8 E

<sup>17</sup> 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.

*Brian Wood*  
Signature Date **3-23-23**

Printed Name  
**BRIAN WOOD**

E-mail Address  
**brian@permitswest.com**  
**505 466-8120**

<sup>18</sup> SURVEYOR CERTIFICATION

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

**03-08-2023**

Date of Survey

Signature and Seal of  
Professional Surveyor:

*Mark Dillon Harp*  
Certificate Number



DB 618.005001.00-04

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

Submit Electronically  
Via E-permitting

NATURAL GAS MANAGEMENT PLAN

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

Section 1 – Plan Description  
Effective May 25, 2021

I. Operator: Flat Creek Resources, LLC OGRID: 374034 Date: 01 / 11 / 2024

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

If Other, please describe:

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

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Rena 7 Fed Com 603H		D-6-T23S-R26E	HEJ00USKI 61 A000S	800	3800	3000
Rena 7 Fed Com 702H		D-6-T23S-R26E	HEJ00SL 1837' FEL	800	3800	3000
Rena 7 Fed Com 704H		D-6-T23S-R26E	309' FSL1777' FEL	800	3800	3000

IV. Central Delivery Point Name: Rena 7 Tank Battery [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
Rena 7 Fed Com 603H		February 28, 2024	March 15, 2024	April 30, 2024	May 30, 2024	June 15, 2024
Rena 7 Fed Com 702H		March 1,2024	March 30,2024	April 30, 2024	May 30, 2024	June 15, 2024
Rena 7 Fed Com 704H		March 2, 2024	April 14, 2024	April 30, 2024	May 30, 2024	June 15, 2024

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

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

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

## **Section 2 – Enhanced Plan**

### **EFFECTIVE APRIL 1, 2022**

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

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

#### **IX. Anticipated Natural Gas Production:**

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

#### **X. Natural Gas Gathering System (NGGS):**

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

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

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

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

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

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

### **Section 3 - Certifications**

**Effective May 25, 2021**

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

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

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

***If Operator checks this box, Operator will select one of the following:***

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

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

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

### **Section 4 - Notices**

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

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

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

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



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

Signature: <i>Rodney Littleton</i>
Printed Name: Rodney Littleton
Title: VP Drilling
E-mail Address: rodney.littleton@flatcreekresources.com
Date: January 11, 2024
Phone: 817-310-8578
<b>OIL CONSERVATION DIVISION</b> <b>(Only applicable when submitted as a standalone form)</b>
Approved By:
Title:
Approval Date:
Conditions of Approval:

## VI. SEPARATION EQUIPMENT

Flat Creek Resources, LLC, will install:

- four 48" OD x 15', 500#, 3 phase separators
- one 96" OD x 20', 250# heater treater
- four 750 BBL water tanks
- three 750 BBL oil tanks
- one 15'6" x 30', 1000 BBL gun barrel
- one 72" OD x 15' gas scrubber
- one vapor recovery tower
- one vapor recovery unit
- vapor recovery piping for oil and water tanks

System is designed to capture 120% of the expected gas volume from separation all the way through the vapor recovery equipment.

## VII. OPERATIONAL PRACTICES

### NMAC 19.15.27.8 (A) Venting & Flaring of Natural Gas

1. Flat Creek Resources will comply with NMAC 19.15.27.8 – venting and flaring of gas during drilling, completion, or production that constitutes waste as defined in 19.15.2 is banned.

### NMAC 19.15.27.8 (B) Venting & Flaring During Drilling

1. Flat Creek will combust gas if technically feasible during drilling operations using best industry practices.
2. A flare stack with a 100% capacity for expected volume will be set on the pad greater than 100 feet from the nearest well head and storage tank.
3. In an emergency, Flat Creek will vent the gas in order to avoid substantial impact. Flat Creek will report vented or flared gas to the NMOCD.

### NMAC 19.15.27.8 (C) Venting & Flaring During Completion or Recompletion

1. Facilities will be built and ready from the first day of flowback.
2. Test separator will properly separate gas and liquids. Temporary test separator will be used initially to process volumes. In addition, separator will be tied into flowback tanks which will be tied into the gas processing equipment for sale down a pipeline.
3. Should the facility not be ready to process gas or the gas does not meet quality standards then the flowback will be delayed until the facility and pipeline are ready.

### NMAC 19.15.27.8 (D) Venting & Flaring During Production

Flat Creek will not vent or flare natural gas except:

1. During and emergency or malfunction.
2. To unload or clean-up liquid holdup in a well to atmospheric pressure, provided
  - a. Flat Creek does not vent after the well achieves a stabilized rate and pressure
  - b. Flat Creek will be on-site while unloading liquids by manual purging and take all reasonable actions to achieve a stabilized rate and pressure as soon as possible
  - c. Flat Creek will optimize the system to minimize gas venting if the well is equipped with a plunger lift or auto control system
  - d. Best management practices will be used during downhole well maintenance
3. During the following activities unless prohibited
  - a. Gauging or sampling a storage tank or low-pressure production vessel
  - b. Loading out liquids from a storage tank
  - c. Repair and maintenance
  - d. Normal operations of a gas-activated pneumatic controller or pump
  - e. Normal operation of a storage tank but not including venting from a thief hatch
  - f. Normal operation of a dehydration units
  - g. Normal operations of compressors, engines, turbines, valves, flanges, & connectors
  - h. During bradenhead, packer leakage test, or production test lasting less than 24 hours
  - i. When natural gas does not meet the gathering line specifications



- j. Commissioning of pipelines, equipment, or facilities only for as long as necessary to purge introduced impurities

#### NMAC 19.15.27.8 (E) Performance Standards

1. Flat Creek used a safety factor to design the separation and storage equipment. The equipment will be routed to a vapor recovery system and uses a flare as back up to startup, shutdown, maintenance, or malfunction of the VRU system.
2. Flat Creek will install a flare that will handle the full volume of vapors from the facility in case of VRU failure. It will have an auto-ignition system.
3. Flare stacks will be appropriately sized and designed to ensure proper combustion efficiency
  - a. Flare stacks installed or replaced will be equipped with an automatic ignitor or continuous pilot.
  - b. Flare stacks will be located greater than 100 feet from well head and storage tanks and securely anchored
4. Flat Creek will conduct an AVO inspection on all components for leaks and defects every week.
5. Flat Creek will make and keep records of AVO inspection available to the NMOCD for at least 5 years.
6. Flat Creek may use a remote or automated monitoring technology to detect leaks and releases in lieu of AVO inspections with prior NMOCD approval.
7. Facilities will be designed to minimize waste.
8. Flat Creek will resolve emergencies as promptly as possible.

#### NMAC 19.15.27.8 (F) Measuring or Estimating Vented and Flared Natural Gas

1. Flat Creek will have meters on both the low pressure and high-pressure sides of the flares. Volumes will be recorded in the SCADA system.
2. Flat Creek will install equipment to measure the volume of flared natural gas that has an average production of greater than 60 MCFD.
3. Flat Creek's measuring equipment will conform to industry standards.
4. Measurement system will be designed such that it cannot be bypassed except for inspections and servicing the meters.
5. Flat Creek will estimate the volume of vented or flared gas using a methodology that can be independently verified if metering is not practicable due to low flow rate or pressure.
6. Flat Creek will estimate the volume of vented and/or flared gas based on the results of an annual GOR test for wells that do not require measuring equipment reported on form C-116.
7. Flat Creek will install measuring equipment whenever the NMOCD determines that metering is necessary.

### **VIII. BEST MANAGEMENT PRACTICES**

Flat Creek Resources, LLC, will minimize venting during maintenance by:

1. System will be designed and operated to route storage tank and process equipment emissions to the VRU. If the VRU is not operable, then the vapors will be routed to the flare.
2. Scheduling maintenance for multiple tasks to minimize the need for blowdowns.
3. After completion of maintenance, gas will be flared until it meets pipeline specifications.



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

# Drilling Plan Data Report

01/12/2024

APD ID: 10400091333

Submission Date: 03/29/2023

Highlighted data  
reflects the most  
recent changes

Operator Name: FLAT CREEK RESOURCES LLC

Well Name: RENA 7 FED COM

Well Number: 704H

Well Type: CONVENTIONAL GAS WELL

Well Work Type: Drill

[Show Final Text](#)

## Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical	Measured Depth	Lithologies	Mineral Resources	Producing Formatio
12724198	QUATERNARY	3416	0	0	OTHER : Caliche	USEABLE WATER	N
12724200	TANSILL	3346	70	70	LIMESTONE	NONE	N
12724201	CAPITAN REEF	2952	464	464	LIMESTONE	USEABLE WATER	N
12724202	LAMAR	2026	1390	1390	LIMESTONE	USEABLE WATER	N
12724203	BELL CANYON	1799	1617	1618	SANDSTONE	OTHER : Brine	N
12724204	CHERRY CANYON	1056	2360	2386	SANDSTONE	NATURAL GAS, OIL	N
12724205	BRUSHY CANYON	52	3364	3434	SANDSTONE	NATURAL GAS, OIL	N
12724206	BONE SPRING LIME	-1514	4930	5070	LIMESTONE	NATURAL GAS, OIL	N
12724207	BONE SPRING 1ST	-2369	5785	5963	SANDSTONE	NATURAL GAS, OIL	N
12724208	BONE SPRING 2ND	-2761	6177	6372	SANDSTONE	NATURAL GAS, OIL	N
12724209	BONE SPRING 3RD	-4718	8134	8381	SANDSTONE	NATURAL GAS, OIL	N
12724197	WOLFCAMP	-5109	8525	8892	OTHER : X/Y Carbonate	NATURAL GAS, OIL	Y

## Section 2 - Blowout Prevention

Pressure Rating (PSI): 10M

Rating Depth: 20000

**Equipment:** A 20,000', 10,000 psi BOP stack will consist of a single ram, mud cross and double ram-type (10,000 psi WP) preventer, and an annular preventer (5000-psi WP). Both units will be hydraulically operated. The ram-type will be equipped with blind rams on bottom and drill pipe rams on top. All BOPE will be tested in accordance with Onshore Oil & Gas Order 2. See BOP & Choke diagrams for additional information. Speed head will be installed by a third party welder under the supervision of the vendors representative.

**Requesting Variance?** YES

Operator Name: FLAT CREEK RESOURCES LLC

Well Name: RENA 7 FED COM

Well Number: 704H

**Variance request:** A variance is requested to use a co-flex line between the BOP and choke manifold (instead of using a 4" OD steel line).

**Testing Procedure:** 1. Use water to test BOPE. 2. Make up test assembly (test plug) and set in the wellhead profile. Ensure the casing valve is left open. Monitor the casing valve outlet while testing for potential leak past the test plug. 3. Circulate through the choke/kill lines, choke manifold, standpipe manifold, and valves to ensure that all lines are full of water. This will prevent pressure drop (compression) while testing. 4. Line up test unit, test rams, valves, and lines as per the following chart. 5. Pressure tests must be low and high, respectively, and the pressure should stabilize with minimum bleed off within 10 minutes. If a test plug is used, no bleed-off of pressure is acceptable. For a test not using a test plug, if a decline in pressure of more than 10% in 30 minutes occurs, then the test will be considered to have failed. Pressure should be recorded on a chart recorder (add scale to be use). 6. Any equipment that does not pass the pressure test must be reported to the drilling supervisor. Equipment must be repaired and retested. 7. Continue with pressure testing until all equipment has been tested as per the specific rig requirements. 8. Rig down test assembly. 9. All tests and drills will be recorded in the drilling log.

Choke Diagram Attachment:

Choke\_20230327105039.pdf

BOP Diagram Attachment:

BOP\_20230327105049.pdf  
BOP\_Wellhead\_Testing\_v2\_20230327105049.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	450	0	450	3416	2966	450	J-55	54.5	BUTT	5.5	13.3	DRY	34.8	DRY	34.8
2	INTERMEDIATE	12.25	10.75	NEW	API	N	0	1500	0	1500	3416	1916	1500	J-55	45.5	OTHER - BTC 11.25" Coupling	2.7	4.6	DRY	10.5	DRY	10.5
3	INTERMEDIATE	9.875	7.625	NEW	API	N	0	2500	0	2479	3417	937	2500	OTHER	29.7	BUTT	5.6	7.9	DRY	12.7	DRY	12.7
4	PRODUCTION	6.75	5.5	NEW	NON API	N	0	9160	0	8587	3416	-5171	9160	OTHER	20	OTHER - Anaconda SP 5.9"	3.5	3.1	DRY	4.3	DRY	4.3
5	PRODUCTION	6.75	5.5	NEW	NON API	N	9160	18471	8587	8587	-5171	-5171	9311	OTHER	20	OTHER - Anaconda SP 5.9"	3.5	3.1	DRY	4.3	DRY	4.3

Casing Attachments

Operator Name: FLAT CREEK RESOURCES LLC

Well Name: RENA 7 FED COMWell Number: 704H

Casing Attachments

Casing ID: 1StringSURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing\_Design\_Assumptions\_Rev\_20231015144531.pdf

Casing ID: 2StringINTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing\_Design\_Assumptions\_Rev\_20231015144828.pdf

10.75in\_Casing\_Spec\_20231015163118.pdf

Casing ID: 3StringINTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing\_Design\_Assumptions\_Rev\_20231015144656.pdf

Operator Name: FLAT CREEK RESOURCES LLC

Well Name: RENA 7 FED COM

Well Number: 704H

Casing Attachments

Casing ID: 4StringPRODUCTION

Inspection Document:

Spec Document:

5.5in\_Casing\_Spec\_Rev\_20231015144925.pdf

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing\_Design\_Assumptions\_Rev\_20231015144949.pdf

Casing ID: 5StringPRODUCTION

Inspection Document:

Spec Document:

5.5in\_Casing\_Spec\_Rev\_20231015145044.pdf

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing\_Design\_Assumptions\_Rev\_20231015145107.pdf

Section 4 - Cement

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	300	250	1.68	12.8	420	100	35/65 Poz Premium C	5% bwow salt + 6% bentonite gel + 0.4% CPT-503P + 1/8 #/sk Dura-fiber
SURFACE	Tail		300	450	160	1.34	14.8	214	100	Class C	1% CaCl2 + ¼ #/sk cellophane flakes
INTERMEDIATE	Lead		0	1000	170	1.68	12.8	285	35	35/65 Poz Premium C	5% bwow salt + 6% bentonite gel + 0.4% CPT-503P + 1/8 #/sk Dura-fiber
INTERMEDIATE	Tail		1000	1500	85	1.74	13.5	147	50	Class C	1% CaCl2 + 4% bentonite gel + 0.4%



Operator Name: FLAT CREEK RESOURCES LLC

Well Name: RENA 7 FED COM

Well Number: 704H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
											CPT-503P + 1/8 #/sk Dura-fiber
INTERMEDIATE	Lead		0	2000	210	2.82	10.4	592	35	Class C	10% bwoc light weight bead + 5% silica fume alternative + 0.2% suspension aid + 0.3% fluid loss additive + 0.3% dispersant + 0.2% retarder
INTERMEDIATE	Tail		2000	2500	105	1.42	13.5	149	35	35/65 Poz Premium H	0.2% CPT-23
PRODUCTION	Lead		0	7500	260	2.82	10.4	733	15	Class H	10% bwoc light weight bead + 5% silica fume alternative + 0.2% suspension aid + 0.3% fluid loss additive + 0.3% dispersant + 0.2% retarder
PRODUCTION	Tail		7500	1847 1	745	1.42	13.2	1057	15	35/65 Poz Premium H	0.2% CPT-23

### Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

**Describe what will be on location to control well or mitigate other conditions:** Sufficient mud materials (e. g., barite, bentonite, LCM) to maintain mud properties and meet minimum lost circulation and weight increase requirements will always be on site.

**Describe the mud monitoring system utilized:** An electronic pit volume totalizer (PVT) mud system will monitor pit volumes for gains or losses, flow rate, pump pressures, and stroke rate.

### Circulating Medium Table

Operator Name: FLAT CREEK RESOURCES LLC

Well Name: RENA 7 FED COM

Well Number: 704H

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
2500	1847 1	WATER-BASED MUD	9.4	9.4							
0	450	OTHER : Fresh Water	8.8	8.8							
450	1500	OTHER : Fresh Water	9	9							
1500	2500	OTHER : Fresh Water	9.2	9.2							

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

GR and resistivity logs will be run.

List of open and cased hole logs run in the well:

GAMMA RAY LOG,POROSITY-RESISTIVITY LOG,

Coring operation description for the well:

No core or open hole or cased hole log is planned.

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 4100

Anticipated Surface Pressure: 2210

Anticipated Bottom Hole Temperature(F): 175

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations

Rena7\_H2S\_Plan\_20230327105505.pdf

**Operator Name:** FLAT CREEK RESOURCES LLC

**Well Name:** RENA 7 FED COM

**Well Number:** 704H

## Section 8 - Other Information

**Proposed horizontal/directional/multi-lateral plan submission:**

Rena7\_704H\_Horizontal\_Plan\_20230327105603.pdf

**Other proposed operations facets description:**

**Other proposed operations facets attachment:**

CoFlex\_Certs\_RDC\_20230327110238.pdf

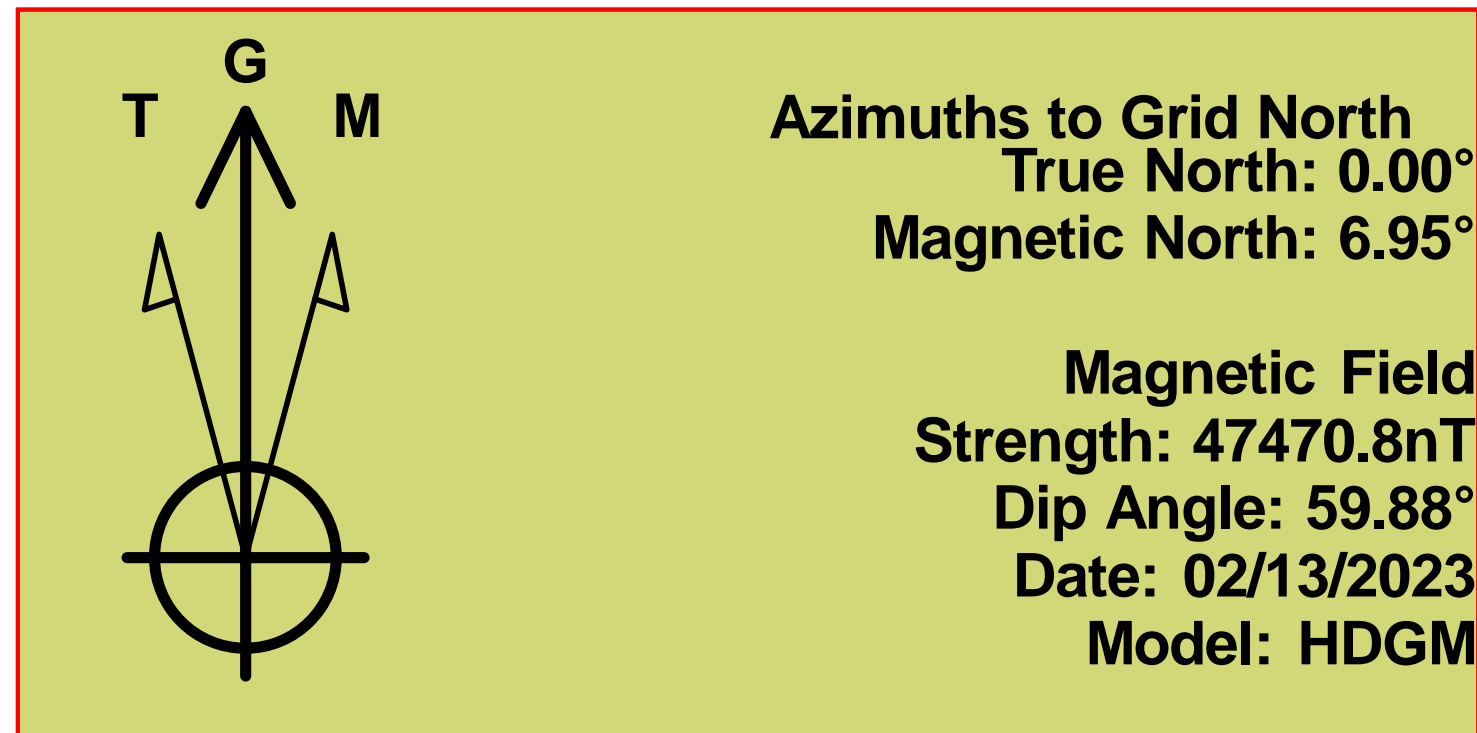
Rena7\_704H\_Anti\_Collision\_Report\_20230327110403.pdf

Rena7\_704H\_Drill\_Plan\_Rev\_20231015145844.pdf

Speehead\_Specs\_Revised\_20231201094502.pdf

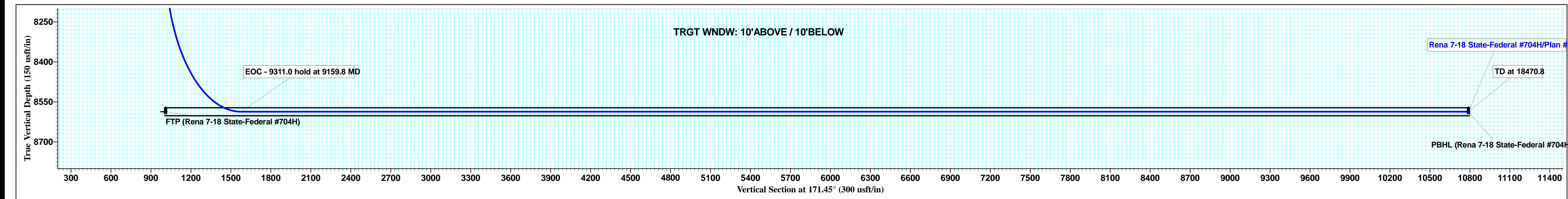
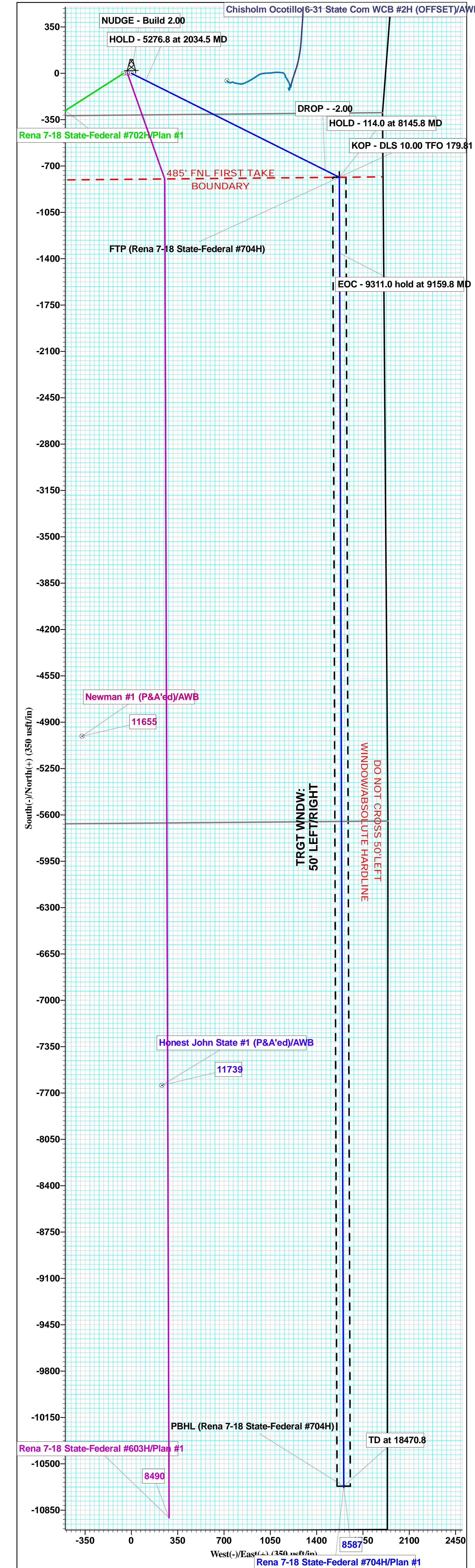
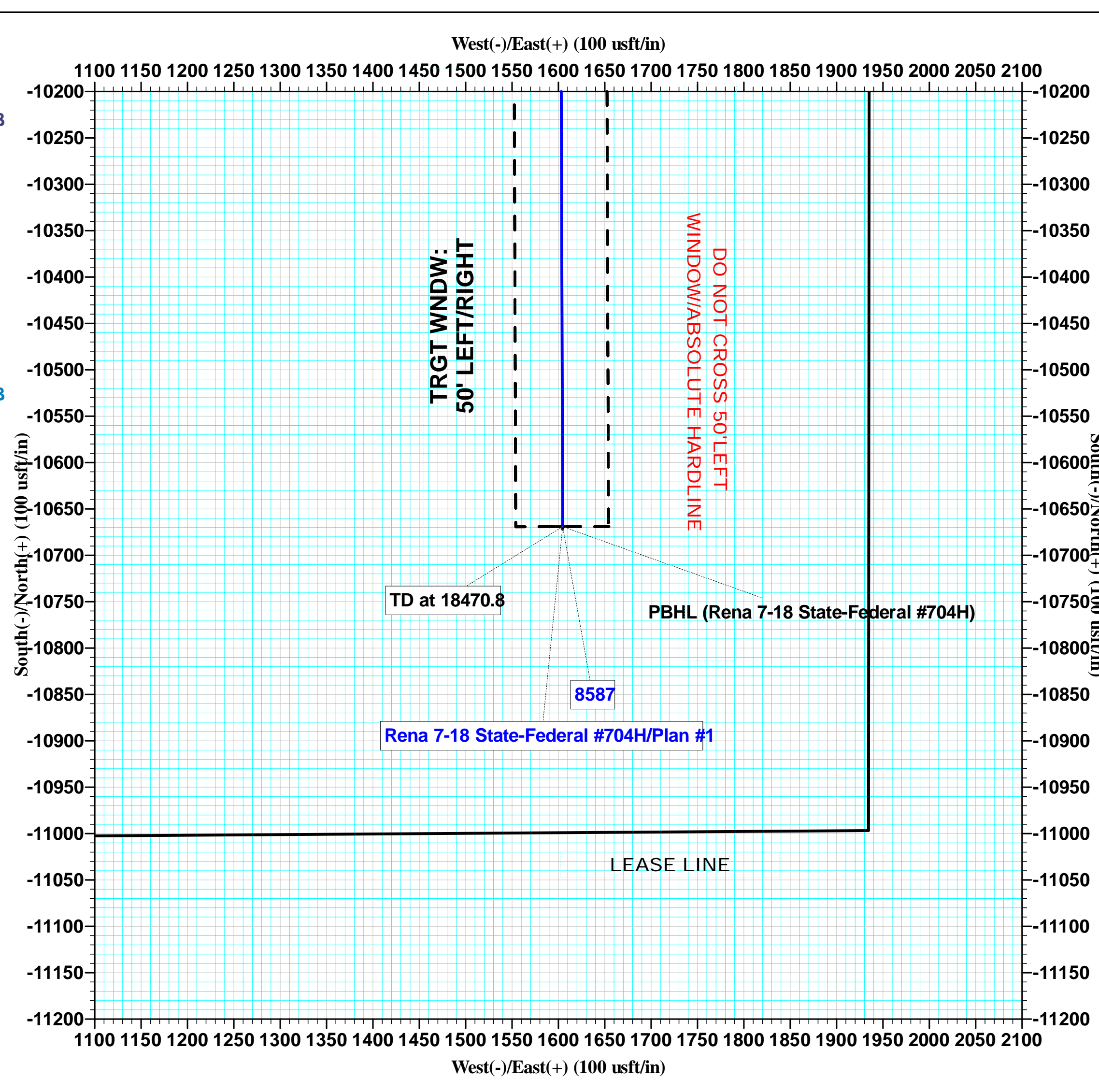
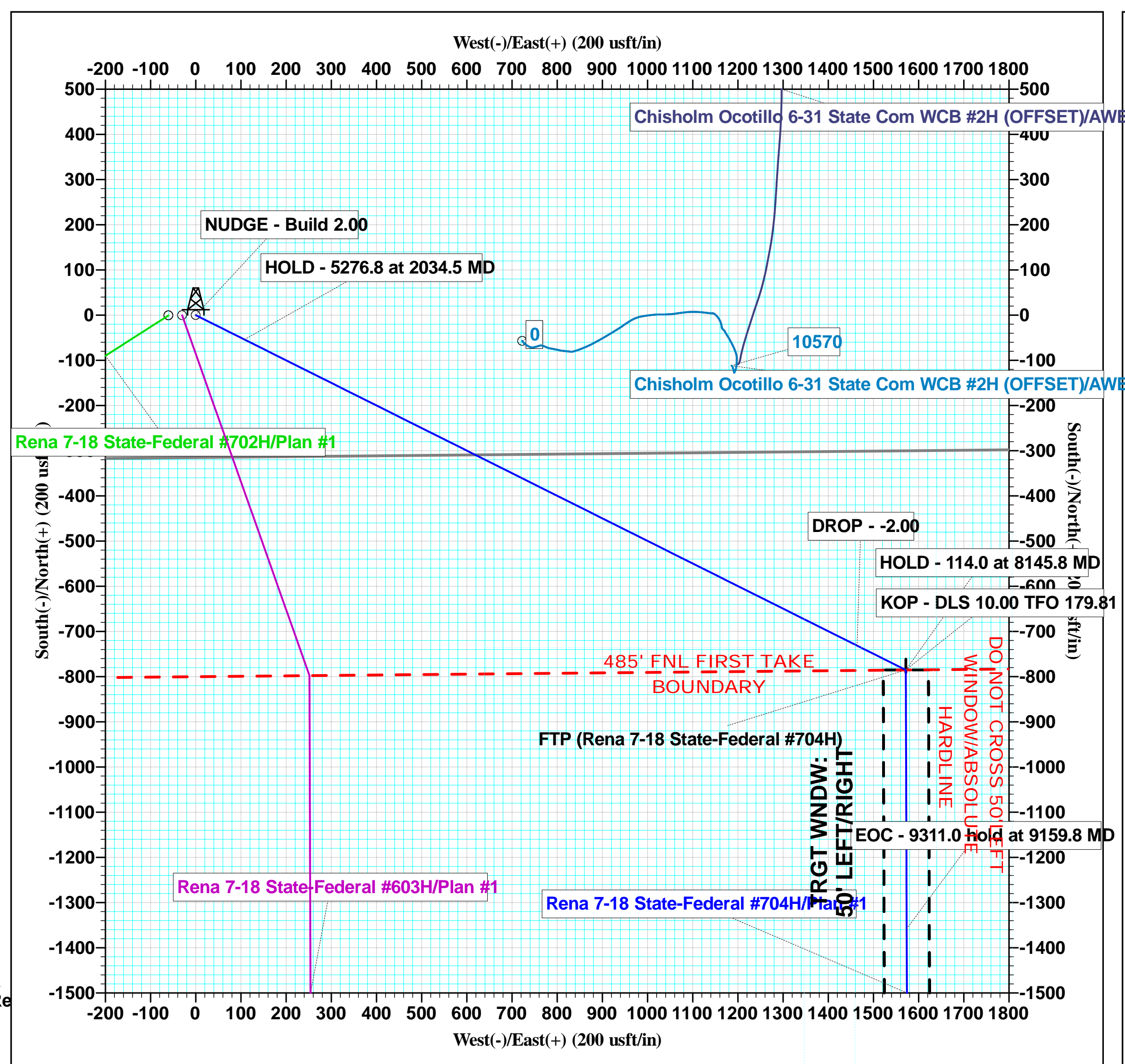
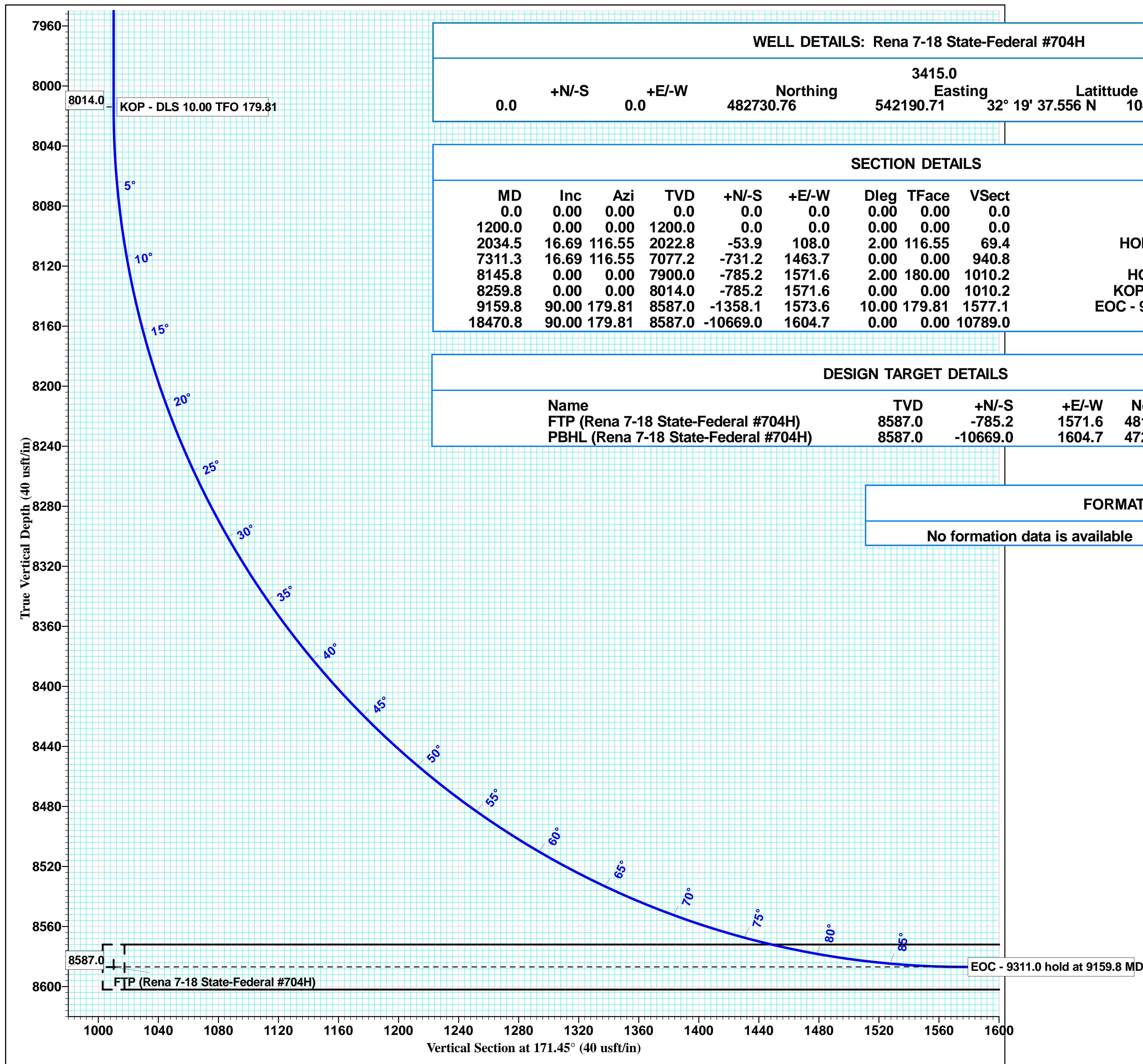
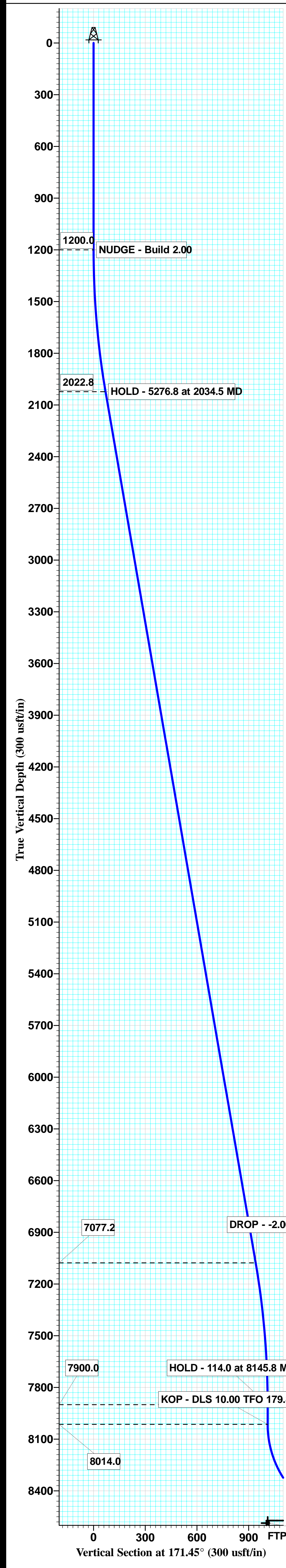
**Other Variance attachment:**





To convert a Magnetic Direction to a Grid Direction, Add 6.95°

Flat Creek Resources  
Project: Eddy County, NM (NAD 83NME)  
Site: (Rena Pad) Sec-6\_T-23-S\_R-26-E  
Well: Rena 7-18 State-Federal #704H  
Wellbore: OWB  
Design: Plan #1  
Lat: 32° 19' 37.556 N  
Long: 104° 19' 50.056 W  
Pad GL: 3415.0  
KB: kb @ 3441.5usft







# Flat Creek Resources

Eddy County, NM (NAD 83NME)  
(Rena Pad) Sec-6\_T-23-S\_R-26-E  
Rena 7-18 State-Federal #704H

OWB

Plan: Plan #1

## Standard Planning Report

14 February, 2023





# Intrepid Planning Report



<b>Database:</b>	EDM 5000.15 Single User Db	<b>Local Co-ordinate Reference:</b>	Well Rena 7-18 State-Federal #704H
<b>Company:</b>	Flat Creek Resources	<b>TVD Reference:</b>	kb @ 3441.5usft
<b>Project:</b>	Eddy County, NM (NAD 83NME)	<b>MD Reference:</b>	kb @ 3441.5usft
<b>Site:</b>	(Rena Pad) Sec-6_T-23-S_R-26-E	<b>North Reference:</b>	Grid
<b>Well:</b>	Rena 7-18 State-Federal #704H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OWB		
<b>Design:</b>	Plan #1		

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

<b>Site</b>	(Rena Pad) Sec-6_T-23-S_R-26-E		
<b>Site Position:</b>		<b>Northing:</b>	482,486.82 usft
<b>From:</b>	Map	<b>Easting:</b>	539,763.86 usft
<b>Position Uncertainty:</b>	0.0 usft	<b>Slot Radius:</b>	13-3/16 "
		<b>Latitude:</b>	32° 19' 35.142 N
		<b>Longitude:</b>	104° 20' 18.341 W
		<b>Grid Convergence:</b>	0.00 °

<b>Well</b>	Rena 7-18 State-Federal #704H		
<b>Well Position</b>	<b>+N/-S</b>	243.9 usft	<b>Northing:</b> 482,730.76 usft
	<b>+E/-W</b>	2,426.8 usft	<b>Easting:</b> 542,190.71 usft
<b>Position Uncertainty</b>	0.0 usft	<b>Wellhead Elevation:</b>	<b>Latitude:</b> 32° 19' 37.556 N
			<b>Longitude:</b> 104° 19' 50.056 W
			<b>Ground Level:</b> 3,415.0 usft

<b>Wellbore</b>	OWB				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	HDGM	02/13/23	6.95	59.88	47,470.84362021

<b>Design</b>	Plan #1			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PLAN	<b>Tie On Depth:</b>	0.0
<b>Vertical Section:</b>	<b>Depth From (TVD) (usft)</b>	<b>+N/-S (usft)</b>	<b>+E/-W (usft)</b>	<b>Direction (°)</b>
	0.0	0.0	0.0	171.45

<b>Plan Survey Tool Program</b>	<b>Date</b>	02/14/23		
<b>Depth From (usft)</b>	<b>Depth To (usft)</b>	<b>Survey (Wellbore)</b>	<b>Tool Name</b>	<b>Remarks</b>
1	0.0	18,470.8	Plan #1 (OWB)	MWD
			OWSG MWD - Standard	

<b>Plan Sections</b>										
<b>Measured Depth (usft)</b>	<b>Inclination (°)</b>	<b>Azimuth (°)</b>	<b>Vertical Depth (usft)</b>	<b>+N/-S (usft)</b>	<b>+E/-W (usft)</b>	<b>Dogleg Rate (°/100usft)</b>	<b>Build Rate (°/100usft)</b>	<b>Turn Rate (°/100usft)</b>	<b>TFO (°)</b>	<b>Target</b>
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,034.5	16.69	116.55	2,022.8	-53.9	108.0	2.00	2.00	0.00	116.55	
7,311.3	16.69	116.55	7,077.2	-731.2	1,463.7	0.00	0.00	0.00	0.00	
8,145.8	0.00	0.00	7,900.0	-785.2	1,571.6	2.00	-2.00	0.00	180.00	
8,259.8	0.00	0.00	8,014.0	-785.2	1,571.6	0.00	0.00	0.00	0.00	
9,159.8	90.00	179.81	8,587.0	-1,358.1	1,573.6	10.00	10.00	19.98	179.81	
18,470.8	90.00	179.81	8,587.0	-10,669.0	1,604.7	0.00	0.00	0.00	0.00	PBHL (Rena 7-18 S)





# Intrepid Planning Report



<b>Database:</b>	EDM 5000.15 Single User Db	<b>Local Co-ordinate Reference:</b>	Well Rena 7-18 State-Federal #704H
<b>Company:</b>	Flat Creek Resources	<b>TVD Reference:</b>	kb @ 3441.5usft
<b>Project:</b>	Eddy County, NM (NAD 83NME)	<b>MD Reference:</b>	kb @ 3441.5usft
<b>Site:</b>	(Rena Pad) Sec-6_T-23-S_R-26-E	<b>North Reference:</b>	Grid
<b>Well:</b>	Rena 7-18 State-Federal #704H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OWB		
<b>Design:</b>	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
<b>NUDGE - Build 2.00</b>									
1,300.0	2.00	116.55	1,300.0	-0.8	1.6	1.0	2.00	2.00	0.00
1,400.0	4.00	116.55	1,399.8	-3.1	6.2	4.0	2.00	2.00	0.00
1,500.0	6.00	116.55	1,499.5	-7.0	14.0	9.0	2.00	2.00	0.00
1,600.0	8.00	116.55	1,598.7	-12.5	24.9	16.0	2.00	2.00	0.00
1,700.0	10.00	116.55	1,697.5	-19.5	38.9	25.0	2.00	2.00	0.00
1,800.0	12.00	116.55	1,795.6	-28.0	56.0	36.0	2.00	2.00	0.00
1,900.0	14.00	116.55	1,893.1	-38.0	76.1	48.9	2.00	2.00	0.00
2,000.0	16.00	116.55	1,989.6	-49.6	99.3	63.8	2.00	2.00	0.00
2,034.5	16.69	116.55	2,022.8	-53.9	108.0	69.4	2.00	2.00	0.00
<b>HOLD - 5276.8 at 2034.5 MD</b>									
2,100.0	16.69	116.55	2,085.5	-62.3	124.8	80.2	0.00	0.00	0.00
2,200.0	16.69	116.55	2,181.3	-75.2	150.5	96.7	0.00	0.00	0.00
2,300.0	16.69	116.55	2,277.1	-88.0	176.2	113.2	0.00	0.00	0.00
2,400.0	16.69	116.55	2,372.9	-100.9	201.9	129.8	0.00	0.00	0.00
2,500.0	16.69	116.55	2,468.6	-113.7	227.6	146.3	0.00	0.00	0.00
2,600.0	16.69	116.55	2,564.4	-126.5	253.3	162.8	0.00	0.00	0.00
2,700.0	16.69	116.55	2,660.2	-139.4	278.9	179.3	0.00	0.00	0.00
2,800.0	16.69	116.55	2,756.0	-152.2	304.6	195.8	0.00	0.00	0.00
2,900.0	16.69	116.55	2,851.8	-165.0	330.3	212.3	0.00	0.00	0.00
3,000.0	16.69	116.55	2,947.6	-177.9	356.0	228.8	0.00	0.00	0.00
3,100.0	16.69	116.55	3,043.4	-190.7	381.7	245.4	0.00	0.00	0.00
3,200.0	16.69	116.55	3,139.1	-203.5	407.4	261.9	0.00	0.00	0.00
3,300.0	16.69	116.55	3,234.9	-216.4	433.1	278.4	0.00	0.00	0.00
3,400.0	16.69	116.55	3,330.7	-229.2	458.8	294.9	0.00	0.00	0.00
3,500.0	16.69	116.55	3,426.5	-242.0	484.5	311.4	0.00	0.00	0.00
3,600.0	16.69	116.55	3,522.3	-254.9	510.2	327.9	0.00	0.00	0.00
3,700.0	16.69	116.55	3,618.1	-267.7	535.9	344.4	0.00	0.00	0.00
3,800.0	16.69	116.55	3,713.9	-280.5	561.6	361.0	0.00	0.00	0.00
3,900.0	16.69	116.55	3,809.7	-293.4	587.2	377.5	0.00	0.00	0.00
4,000.0	16.69	116.55	3,905.4	-306.2	612.9	394.0	0.00	0.00	0.00
4,100.0	16.69	116.55	4,001.2	-319.1	638.6	410.5	0.00	0.00	0.00
4,200.0	16.69	116.55	4,097.0	-331.9	664.3	427.0	0.00	0.00	0.00
4,300.0	16.69	116.55	4,192.8	-344.7	690.0	443.5	0.00	0.00	0.00
4,400.0	16.69	116.55	4,288.6	-357.6	715.7	460.0	0.00	0.00	0.00
4,500.0	16.69	116.55	4,384.4	-370.4	741.4	476.5	0.00	0.00	0.00
4,600.0	16.69	116.55	4,480.2	-383.2	767.1	493.1	0.00	0.00	0.00
4,700.0	16.69	116.55	4,576.0	-396.1	792.8	509.6	0.00	0.00	0.00
4,800.0	16.69	116.55	4,671.7	-408.9	818.5	526.1	0.00	0.00	0.00
4,900.0	16.69	116.55	4,767.5	-421.7	844.2	542.6	0.00	0.00	0.00



# Intrepid Planning Report



<b>Database:</b>	EDM 5000.15 Single User Db	<b>Local Co-ordinate Reference:</b>	Well Rena 7-18 State-Federal #704H
<b>Company:</b>	Flat Creek Resources	<b>TVD Reference:</b>	kb @ 3441.5usft
<b>Project:</b>	Eddy County, NM (NAD 83NME)	<b>MD Reference:</b>	kb @ 3441.5usft
<b>Site:</b>	(Rena Pad) Sec-6_T-23-S_R-26-E	<b>North Reference:</b>	Grid
<b>Well:</b>	Rena 7-18 State-Federal #704H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OWB		
<b>Design:</b>	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)
5,000.0	16.69	116.55	4,863.3	-434.6	869.9	559.1	0.00	0.00	0.00
5,100.0	16.69	116.55	4,959.1	-447.4	895.6	575.6	0.00	0.00	0.00
5,200.0	16.69	116.55	5,054.9	-460.2	921.2	592.1	0.00	0.00	0.00
5,300.0	16.69	116.55	5,150.7	-473.1	946.9	608.7	0.00	0.00	0.00
5,400.0	16.69	116.55	5,246.5	-485.9	972.6	625.2	0.00	0.00	0.00
5,500.0	16.69	116.55	5,342.2	-498.8	998.3	641.7	0.00	0.00	0.00
5,600.0	16.69	116.55	5,438.0	-511.6	1,024.0	658.2	0.00	0.00	0.00
5,700.0	16.69	116.55	5,533.8	-524.4	1,049.7	674.7	0.00	0.00	0.00
5,800.0	16.69	116.55	5,629.6	-537.3	1,075.4	691.2	0.00	0.00	0.00
5,900.0	16.69	116.55	5,725.4	-550.1	1,101.1	707.7	0.00	0.00	0.00
6,000.0	16.69	116.55	5,821.2	-562.9	1,126.8	724.3	0.00	0.00	0.00
6,100.0	16.69	116.55	5,917.0	-575.8	1,152.5	740.8	0.00	0.00	0.00
6,200.0	16.69	116.55	6,012.8	-588.6	1,178.2	757.3	0.00	0.00	0.00
6,300.0	16.69	116.55	6,108.5	-601.4	1,203.9	773.8	0.00	0.00	0.00
6,400.0	16.69	116.55	6,204.3	-614.3	1,229.5	790.3	0.00	0.00	0.00
6,500.0	16.69	116.55	6,300.1	-627.1	1,255.2	806.8	0.00	0.00	0.00
6,600.0	16.69	116.55	6,395.9	-639.9	1,280.9	823.3	0.00	0.00	0.00
6,700.0	16.69	116.55	6,491.7	-652.8	1,306.6	839.9	0.00	0.00	0.00
6,800.0	16.69	116.55	6,587.5	-665.6	1,332.3	856.4	0.00	0.00	0.00
6,900.0	16.69	116.55	6,683.3	-678.5	1,358.0	872.9	0.00	0.00	0.00
7,000.0	16.69	116.55	6,779.1	-691.3	1,383.7	889.4	0.00	0.00	0.00
7,100.0	16.69	116.55	6,874.8	-704.1	1,409.4	905.9	0.00	0.00	0.00
7,200.0	16.69	116.55	6,970.6	-717.0	1,435.1	922.4	0.00	0.00	0.00
7,300.0	16.69	116.55	7,066.4	-729.8	1,460.8	938.9	0.00	0.00	0.00
7,311.3	16.69	116.55	7,077.2	-731.2	1,463.7	940.8	0.00	0.00	0.00
<b>DROP - -2.00</b>									
7,400.0	14.92	116.55	7,162.6	-742.0	1,485.3	954.7	2.00	-2.00	0.00
7,500.0	12.92	116.55	7,259.6	-752.8	1,506.8	968.5	2.00	-2.00	0.00
7,600.0	10.92	116.55	7,357.5	-762.0	1,525.3	980.4	2.00	-2.00	0.00
7,700.0	8.92	116.55	7,456.0	-769.7	1,540.7	990.3	2.00	-2.00	0.00
7,800.0	6.92	116.55	7,555.0	-775.9	1,553.0	998.2	2.00	-2.00	0.00
7,900.0	4.92	116.55	7,654.5	-780.5	1,562.2	1,004.1	2.00	-2.00	0.00
8,000.0	2.92	116.55	7,754.3	-783.5	1,568.3	1,008.1	2.00	-2.00	0.00
8,100.0	0.92	116.55	7,854.2	-785.0	1,571.3	1,010.0	2.00	-2.00	0.00
8,145.8	0.00	0.00	7,900.0	-785.2	1,571.6	1,010.2	2.00	-2.00	0.00
<b>HOLD - 114.0 at 8145.8 MD</b>									
8,200.0	0.00	0.00	7,954.2	-785.2	1,571.6	1,010.2	0.00	0.00	0.00
8,259.8	0.00	0.00	8,014.0	-785.2	1,571.6	1,010.2	0.00	0.00	0.00
<b>KOP - DLS 10.00 TFO 179.81</b>									
8,300.0	4.02	179.81	8,054.2	-786.6	1,571.6	1,011.6	10.00	10.00	0.00
8,350.0	9.02	179.81	8,103.8	-792.3	1,571.7	1,017.2	10.00	10.00	0.00
8,400.0	14.02	179.81	8,152.8	-802.2	1,571.7	1,027.1	10.00	10.00	0.00
8,450.0	19.02	179.81	8,200.7	-816.5	1,571.7	1,041.1	10.00	10.00	0.00
8,500.0	24.02	179.81	8,247.2	-834.8	1,571.8	1,059.3	10.00	10.00	0.00
8,550.0	29.02	179.81	8,291.9	-857.1	1,571.9	1,081.4	10.00	10.00	0.00
8,600.0	34.02	179.81	8,334.6	-883.2	1,572.0	1,107.2	10.00	10.00	0.00
8,650.0	39.02	179.81	8,374.7	-913.0	1,572.1	1,136.7	10.00	10.00	0.00
8,700.0	44.02	179.81	8,412.1	-946.1	1,572.2	1,169.4	10.00	10.00	0.00
8,750.0	49.02	179.81	8,446.5	-982.4	1,572.3	1,205.3	10.00	10.00	0.00
8,800.0	54.02	179.81	8,477.6	-1,021.5	1,572.4	1,244.0	10.00	10.00	0.00
8,850.0	59.02	179.81	8,505.2	-1,063.2	1,572.6	1,285.3	10.00	10.00	0.00
8,900.0	64.02	179.81	8,529.1	-1,107.1	1,572.7	1,328.7	10.00	10.00	0.00
8,950.0	69.02	179.81	8,549.0	-1,153.0	1,572.9	1,374.1	10.00	10.00	0.00



# Intrepid Planning Report



<b>Database:</b>	EDM 5000.15 Single User Db	<b>Local Co-ordinate Reference:</b>	Well Rena 7-18 State-Federal #704H
<b>Company:</b>	Flat Creek Resources	<b>TVD Reference:</b>	kb @ 3441.5usft
<b>Project:</b>	Eddy County, NM (NAD 83NME)	<b>MD Reference:</b>	kb @ 3441.5usft
<b>Site:</b>	(Rena Pad) Sec-6_T-23-S_R-26-E	<b>North Reference:</b>	Grid
<b>Well:</b>	Rena 7-18 State-Federal #704H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OWB		
<b>Design:</b>	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)
9,000.0	74.02	179.81	8,564.8	-1,200.4	1,573.0	1,421.0	10.00	10.00	0.00
9,050.0	79.02	179.81	8,576.5	-1,249.0	1,573.2	1,469.1	10.00	10.00	0.00
9,100.0	84.02	179.81	8,583.8	-1,298.4	1,573.4	1,518.0	10.00	10.00	0.00
9,150.0	89.02	179.81	8,586.9	-1,348.3	1,573.5	1,567.4	10.00	10.00	0.00
9,159.8	90.00	179.81	8,587.0	-1,358.1	1,573.6	1,577.1	10.00	10.00	0.00
EOC - 9311.0 hold at 9159.8 MD									
9,200.0	90.00	179.81	8,587.0	-1,398.3	1,573.7	1,616.8	0.00	0.00	0.00
9,300.0	90.00	179.81	8,587.0	-1,498.3	1,574.0	1,715.8	0.00	0.00	0.00
9,400.0	90.00	179.81	8,587.0	-1,598.3	1,574.4	1,814.7	0.00	0.00	0.00
9,500.0	90.00	179.81	8,587.0	-1,698.3	1,574.7	1,913.6	0.00	0.00	0.00
9,600.0	90.00	179.81	8,587.0	-1,798.3	1,575.0	2,012.6	0.00	0.00	0.00
9,700.0	90.00	179.81	8,587.0	-1,898.3	1,575.4	2,111.5	0.00	0.00	0.00
9,800.0	90.00	179.81	8,587.0	-1,998.3	1,575.7	2,210.5	0.00	0.00	0.00
9,900.0	90.00	179.81	8,587.0	-2,098.3	1,576.0	2,309.4	0.00	0.00	0.00
10,000.0	90.00	179.81	8,587.0	-2,198.3	1,576.4	2,408.3	0.00	0.00	0.00
10,100.0	90.00	179.81	8,587.0	-2,298.3	1,576.7	2,507.3	0.00	0.00	0.00
10,200.0	90.00	179.81	8,587.0	-2,398.3	1,577.0	2,606.2	0.00	0.00	0.00
10,300.0	90.00	179.81	8,587.0	-2,498.3	1,577.4	2,705.1	0.00	0.00	0.00
10,400.0	90.00	179.81	8,587.0	-2,598.3	1,577.7	2,804.1	0.00	0.00	0.00
10,500.0	90.00	179.81	8,587.0	-2,698.3	1,578.0	2,903.0	0.00	0.00	0.00
10,600.0	90.00	179.81	8,587.0	-2,798.3	1,578.4	3,002.0	0.00	0.00	0.00
10,700.0	90.00	179.81	8,587.0	-2,898.3	1,578.7	3,100.9	0.00	0.00	0.00
10,800.0	90.00	179.81	8,587.0	-2,998.3	1,579.0	3,199.8	0.00	0.00	0.00
10,900.0	90.00	179.81	8,587.0	-3,098.3	1,579.4	3,298.8	0.00	0.00	0.00
11,000.0	90.00	179.81	8,587.0	-3,198.3	1,579.7	3,397.7	0.00	0.00	0.00
11,100.0	90.00	179.81	8,587.0	-3,298.3	1,580.0	3,496.6	0.00	0.00	0.00
11,200.0	90.00	179.81	8,587.0	-3,398.3	1,580.4	3,595.6	0.00	0.00	0.00
11,300.0	90.00	179.81	8,587.0	-3,498.3	1,580.7	3,694.5	0.00	0.00	0.00
11,400.0	90.00	179.81	8,587.0	-3,598.3	1,581.0	3,793.4	0.00	0.00	0.00
11,500.0	90.00	179.81	8,587.0	-3,698.3	1,581.4	3,892.4	0.00	0.00	0.00
11,600.0	90.00	179.81	8,587.0	-3,798.3	1,581.7	3,991.3	0.00	0.00	0.00
11,700.0	90.00	179.81	8,587.0	-3,898.3	1,582.0	4,090.3	0.00	0.00	0.00
11,800.0	90.00	179.81	8,587.0	-3,998.3	1,582.4	4,189.2	0.00	0.00	0.00
11,900.0	90.00	179.81	8,587.0	-4,098.3	1,582.7	4,288.1	0.00	0.00	0.00
12,000.0	90.00	179.81	8,587.0	-4,198.3	1,583.1	4,387.1	0.00	0.00	0.00
12,100.0	90.00	179.81	8,587.0	-4,298.3	1,583.4	4,486.0	0.00	0.00	0.00
12,200.0	90.00	179.81	8,587.0	-4,398.3	1,583.7	4,584.9	0.00	0.00	0.00
12,300.0	90.00	179.81	8,587.0	-4,498.3	1,584.1	4,683.9	0.00	0.00	0.00
12,400.0	90.00	179.81	8,587.0	-4,598.3	1,584.4	4,782.8	0.00	0.00	0.00
12,500.0	90.00	179.81	8,587.0	-4,698.3	1,584.7	4,881.8	0.00	0.00	0.00
12,600.0	90.00	179.81	8,587.0	-4,798.3	1,585.1	4,980.7	0.00	0.00	0.00
12,700.0	90.00	179.81	8,587.0	-4,898.3	1,585.4	5,079.6	0.00	0.00	0.00
12,800.0	90.00	179.81	8,587.0	-4,998.3	1,585.7	5,178.6	0.00	0.00	0.00
12,900.0	90.00	179.81	8,587.0	-5,098.3	1,586.1	5,277.5	0.00	0.00	0.00
13,000.0	90.00	179.81	8,587.0	-5,198.3	1,586.4	5,376.4	0.00	0.00	0.00
13,100.0	90.00	179.81	8,587.0	-5,298.3	1,586.7	5,475.4	0.00	0.00	0.00
13,200.0	90.00	179.81	8,587.0	-5,398.3	1,587.1	5,574.3	0.00	0.00	0.00
13,300.0	90.00	179.81	8,587.0	-5,498.3	1,587.4	5,673.2	0.00	0.00	0.00
13,400.0	90.00	179.81	8,587.0	-5,598.3	1,587.7	5,772.2	0.00	0.00	0.00
13,500.0	90.00	179.81	8,587.0	-5,698.3	1,588.1	5,871.1	0.00	0.00	0.00
13,600.0	90.00	179.81	8,587.0	-5,798.3	1,588.4	5,970.1	0.00	0.00	0.00
13,700.0	90.00	179.81	8,587.0	-5,898.3	1,588.7	6,069.0	0.00	0.00	0.00
13,800.0	90.00	179.81	8,587.0	-5,998.3	1,589.1	6,167.9	0.00	0.00	0.00
13,900.0	90.00	179.81	8,587.0	-6,098.3	1,589.4	6,266.9	0.00	0.00	0.00



# Intrepid Planning Report



<b>Database:</b>	EDM 5000.15 Single User Db	<b>Local Co-ordinate Reference:</b>	Well Rena 7-18 State-Federal #704H
<b>Company:</b>	Flat Creek Resources	<b>TVD Reference:</b>	kb @ 3441.5usft
<b>Project:</b>	Eddy County, NM (NAD 83NME)	<b>MD Reference:</b>	kb @ 3441.5usft
<b>Site:</b>	(Rena Pad) Sec-6_T-23-S_R-26-E	<b>North Reference:</b>	Grid
<b>Well:</b>	Rena 7-18 State-Federal #704H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OWB		
<b>Design:</b>	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)
14,000.0	90.00	179.81	8,587.0	-6,198.3	1,589.7	6,365.8	0.00	0.00	0.00
14,100.0	90.00	179.81	8,587.0	-6,298.3	1,590.1	6,464.7	0.00	0.00	0.00
14,200.0	90.00	179.81	8,587.0	-6,398.3	1,590.4	6,563.7	0.00	0.00	0.00
14,300.0	90.00	179.81	8,587.0	-6,498.3	1,590.7	6,662.6	0.00	0.00	0.00
14,400.0	90.00	179.81	8,587.0	-6,598.3	1,591.1	6,761.6	0.00	0.00	0.00
14,500.0	90.00	179.81	8,587.0	-6,698.3	1,591.4	6,860.5	0.00	0.00	0.00
14,600.0	90.00	179.81	8,587.0	-6,798.3	1,591.7	6,959.4	0.00	0.00	0.00
14,700.0	90.00	179.81	8,587.0	-6,898.3	1,592.1	7,058.4	0.00	0.00	0.00
14,800.0	90.00	179.81	8,587.0	-6,998.3	1,592.4	7,157.3	0.00	0.00	0.00
14,900.0	90.00	179.81	8,587.0	-7,098.3	1,592.7	7,256.2	0.00	0.00	0.00
15,000.0	90.00	179.81	8,587.0	-7,198.3	1,593.1	7,355.2	0.00	0.00	0.00
15,100.0	90.00	179.81	8,587.0	-7,298.3	1,593.4	7,454.1	0.00	0.00	0.00
15,200.0	90.00	179.81	8,587.0	-7,398.3	1,593.7	7,553.0	0.00	0.00	0.00
15,300.0	90.00	179.81	8,587.0	-7,498.3	1,594.1	7,652.0	0.00	0.00	0.00
15,400.0	90.00	179.81	8,587.0	-7,598.3	1,594.4	7,750.9	0.00	0.00	0.00
15,500.0	90.00	179.81	8,587.0	-7,698.3	1,594.7	7,849.9	0.00	0.00	0.00
15,600.0	90.00	179.81	8,587.0	-7,798.3	1,595.1	7,948.8	0.00	0.00	0.00
15,700.0	90.00	179.81	8,587.0	-7,898.3	1,595.4	8,047.7	0.00	0.00	0.00
15,800.0	90.00	179.81	8,587.0	-7,998.3	1,595.7	8,146.7	0.00	0.00	0.00
15,900.0	90.00	179.81	8,587.0	-8,098.3	1,596.1	8,245.6	0.00	0.00	0.00
16,000.0	90.00	179.81	8,587.0	-8,198.3	1,596.4	8,344.5	0.00	0.00	0.00
16,100.0	90.00	179.81	8,587.0	-8,298.3	1,596.8	8,443.5	0.00	0.00	0.00
16,200.0	90.00	179.81	8,587.0	-8,398.3	1,597.1	8,542.4	0.00	0.00	0.00
16,300.0	90.00	179.81	8,587.0	-8,498.3	1,597.4	8,641.4	0.00	0.00	0.00
16,400.0	90.00	179.81	8,587.0	-8,598.3	1,597.8	8,740.3	0.00	0.00	0.00
16,500.0	90.00	179.81	8,587.0	-8,698.3	1,598.1	8,839.2	0.00	0.00	0.00
16,600.0	90.00	179.81	8,587.0	-8,798.3	1,598.4	8,938.2	0.00	0.00	0.00
16,700.0	90.00	179.81	8,587.0	-8,898.3	1,598.8	9,037.1	0.00	0.00	0.00
16,800.0	90.00	179.81	8,587.0	-8,998.3	1,599.1	9,136.0	0.00	0.00	0.00
16,900.0	90.00	179.81	8,587.0	-9,098.3	1,599.4	9,235.0	0.00	0.00	0.00
17,000.0	90.00	179.81	8,587.0	-9,198.3	1,599.8	9,333.9	0.00	0.00	0.00
17,100.0	90.00	179.81	8,587.0	-9,298.3	1,600.1	9,432.8	0.00	0.00	0.00
17,200.0	90.00	179.81	8,587.0	-9,398.3	1,600.4	9,531.8	0.00	0.00	0.00
17,300.0	90.00	179.81	8,587.0	-9,498.3	1,600.8	9,630.7	0.00	0.00	0.00
17,400.0	90.00	179.81	8,587.0	-9,598.3	1,601.1	9,729.7	0.00	0.00	0.00
17,500.0	90.00	179.81	8,587.0	-9,698.3	1,601.4	9,828.6	0.00	0.00	0.00
17,600.0	90.00	179.81	8,587.0	-9,798.3	1,601.8	9,927.5	0.00	0.00	0.00
17,700.0	90.00	179.81	8,587.0	-9,898.3	1,602.1	10,026.5	0.00	0.00	0.00
17,800.0	90.00	179.81	8,587.0	-9,998.3	1,602.4	10,125.4	0.00	0.00	0.00
17,900.0	90.00	179.81	8,587.0	-10,098.3	1,602.8	10,224.3	0.00	0.00	0.00
18,000.0	90.00	179.81	8,587.0	-10,198.3	1,603.1	10,323.3	0.00	0.00	0.00
18,100.0	90.00	179.81	8,587.0	-10,298.3	1,603.4	10,422.2	0.00	0.00	0.00
18,200.0	90.00	179.81	8,587.0	-10,398.3	1,603.8	10,521.2	0.00	0.00	0.00
18,300.0	90.00	179.81	8,587.0	-10,498.3	1,604.1	10,620.1	0.00	0.00	0.00
18,400.0	90.00	179.81	8,587.0	-10,598.3	1,604.4	10,719.0	0.00	0.00	0.00
18,470.8	90.00	179.81	8,587.0	-10,669.0	1,604.7	10,789.0	0.00	0.00	0.00
TD at 18470.8									



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<b>Database:</b>	EDM 5000.15 Single User Db	<b>Local Co-ordinate Reference:</b>	Well Rena 7-18 State-Federal #704H
<b>Company:</b>	Flat Creek Resources	<b>TVD Reference:</b>	kb @ 3441.5usft
<b>Project:</b>	Eddy County, NM (NAD 83NME)	<b>MD Reference:</b>	kb @ 3441.5usft
<b>Site:</b>	(Rena Pad) Sec-6_T-23-S_R-26-E	<b>North Reference:</b>	Grid
<b>Well:</b>	Rena 7-18 State-Federal #704H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OWB		
<b>Design:</b>	Plan #1		

Design Targets									
Target Name									
- hit/miss target	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- Shape	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)		
PBHL (Rena 7-18 Stat - plan hits target center - Point	0.00	0.00	8,587.0	-10,669.0	1,604.7	472,061.72	543,795.38	32° 17' 51.975 N	104° 19' 31.363 W
FTP (Rena 7-18 State- - plan misses target center by 237.5usft at 8703.5usft MD (8414.7 TVD, -948.6 N, 1572.2 E) - Rectangle (sides W100.0 H9,884.0 D30.0)	0.00	359.81	8,587.0	-785.2	1,571.6	481,945.58	543,762.36	32° 19' 29.785 N	104° 19' 31.739 W

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
1,200.0	1,200.0	0.0	0.0	NUDGE - Build 2.00
2,034.5	2,022.8	-53.9	108.0	HOLD - 5276.8 at 2034.5 MD
7,311.3	7,077.2	-731.2	1,463.7	DROP - -2.00
8,145.8	7,900.0	-785.2	1,571.6	HOLD - 114.0 at 8145.8 MD
8,259.8	8,014.0	-785.2	1,571.6	KOP - DLS 10.00 TFO 179.81
9,159.8	8,587.0	-1,358.1	1,573.6	EOC - 9311.0 hold at 9159.8 MD
18,470.8	8,587.0	-10,669.0	1,604.7	TD at 18470.8

## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	<b>Flat Creek Resources LLC</b>
<b>LEASE NO.:</b>	<b>NMNM92900</b>
<b>LOCATION:</b>	Section 6, T.23 S., R.26 E., NMPM
<b>COUNTY:</b>	Eddy County, New Mexico

<b>WELL NAME &amp; NO.:</b>	<b>Rena 7 Fed Com 704H</b>
<b>SURFACE HOLE FOOTAGE:</b>	309'/S & 1777'/E
<b>BOTTOM HOLE FOOTAGE:</b>	330'/S & 330'/E
<b>ATS/API ID:</b>	<b>ATS-23-1347</b>
<b>APD ID:</b>	<b>10400091333</b>
<b>Sundry ID:</b>	N/a

COA

H2S	No		
Potash	None		
Cave/Karst Potential	Medium		
Cave/Karst Potential	<input type="checkbox"/> Critical		
Variance	<input checked="" type="checkbox"/> None	<input checked="" type="checkbox"/> Flex Hose	<input checked="" type="checkbox"/> Other
Wellhead	Conventional and Multibowl		
Other	<input checked="" type="checkbox"/> 4 String	Capitan Reef Int 1	<input type="checkbox"/> WIPP
Other	Pilot Hole None	<input type="checkbox"/> Open Annulus	
Cementing	Contingency Squeeze None	Echo-Meter None	Primary Cement Squeeze None
Special Requirements	<input type="checkbox"/> Water Disposal/Injection	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit
Special Requirements	<input type="checkbox"/> Batch Sundry		
Special Requirements Variance	<input type="checkbox"/> Break Testing	<input type="checkbox"/> Offline Cementing	<input type="checkbox"/> Casing Clearance



**Operator is required to obtain a permit from the City of Carlsbad, New Mexico prior to drilling.**

**A. HYDROGEN SULFIDE**

Hydrogen Sulfide (H<sub>2</sub>S) monitors shall be installed prior to drilling out the surface shoe. If H<sub>2</sub>S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet **43 CFR part 3170 Subpart 3176**, 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 **600 feet** (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface. The surface hole shall be **17 1/2** inch in diameter.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
  - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **10-3/4** inch intermediate casing shall be set at approximately **1560 feet** is:
  - Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst, potash or capitan reef.**
  - ❖ In Medium Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
  - ❖ In Capitan Reef Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

3. The minimum required fill of cement behind the **7-5/8** inch intermediate casing shall be set at approximately **2500 feet** is:
  - Cement to surface. If cement does not circulate see B.1.a, c-d above.  
**Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst, potash or capitan reef.**
4. The minimum required fill of cement behind the **5-1/2** inch production casing is:
  - Cement to surface. If cement does not circulate see B.1.a, c-d above.  
**Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst, potash or capitan reef. Cement excess is less than 25%, more cement is required if washout occurs. Adjust cement volume and excess based on a fluid caliper or similar method that reflects the as-drilled size of the wellbore.**

#### 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.

##### Option 1:

- a. 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.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **10-3/4** intermediate casing shoe shall be **5000 (5M)** psi.
- c. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **7-5/8** inch intermediate casing shoe shall be **5000 (5M)** psi.

##### Option 2:

- a. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the **13-3/8** inch 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.

- a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- c. Manufacturer representative shall install the test plug for the initial BOP test.
- d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- e. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172.6(b)(9) must be followed.

#### **D. SPECIAL REQUIREMENT (S)**

##### **Communitization Agreement**

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in **43 CFR part 3170 Subpart 3171**
- 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

**EMAIL** or call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,

[BLM\\_NM\\_CFO\\_DrillingNotifications@BLM.GOV](mailto:BLM_NM_CFO_DrillingNotifications@BLM.GOV)  
(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 2<sup>nd</sup> 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 **43 CFR part 3170 Subpart 3172** as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the 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 integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. If 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 **43 CFR part 3170 Subpart 3172 and API STD 53 Sec. 5.3**.
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 43 CFR 3172.6(b)(9) 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 cement), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
- 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 cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to **43 CFR part 3170 Subpart 3172** with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for 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 **43 CFR part 3170 Subpart 3172**.

C. DRILLING MUD

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

D. WASTE MATERIAL AND FLUIDS

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

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

LVO 1/11/2024

## Hydrogen Sulfide Plan Summary

- A. All personnel shall receive proper H<sub>2</sub>S training in accordance with Onshore Order III.C.3.a.
- B. Briefing Area: two perpendicular areas will be designated by signs and readily accessible.
- C. Required Emergency Equipment:

- Well control equipment
  - a. Flare line 150' from wellhead to be ignited by flare gun.
  - b. Choke manifold with a remotely operated choke.
  - c. Mud/gas separator

- Protective equipment for essential personnel.

### Breathing apparatus:

- a. Rescue Packs (SCBA) — 1 unit shall be placed at each breathing area, 2 shall be stored in the safety trailer.
- b. Work/Escapes packs — 4 packs shall be stored on the rig floor th sufficient air hose not to restrict work activity.
- c. Emergency Escape Packs — 4 packs shall be stored in the doghouse for emergency evacuation.

### Auxiliary Rescue Equipment:

- a. Stretcher
- b. Two OSHA full body harness
- c. 100 ft 5/8 inch OSHA approved rope
- d. 1-20# class ABC fire extinguisher

- H<sub>2</sub>S detection and monitoring equipment:

The stationary detector with three sensors will be placed in the upper dog house if equipped, set to visually alarm @ 10 ppm and audible @ 14 ppm. Calibrate a minimum of every 30 days or as needed. The sensors will be placed in the following places: Rig floor / Bell nipple / End of flow line or where well bore fluid is being discharged.

(Gas sample tubes will be stored in the safety trailer)

- Visual warning systems.
  - a. One color code condition sign will be placed at the entrance to the site reflecting the possible conditions at the site.
  - b. A colored condition flag will be on display, reflecting the current condition at the site at the time.
  - c. Two wind socks will be placed in strategic locations, visible from all angles.

- Mud program:  
The mud program has been designed to minimize the volume of H2S circulated to surface. The operator will have the necessary mud products to minimize hazards while drilling in H2S bearing zones.
- Metallurgy:  
All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- Communication:  
Communication will be via cell phones and land lines where available.

#### Company Personnel to be Notified

Rodney Littleton, Vice President of Operations      Office: (817) 310-8578  
Mobile: (972) 672-4461

#### Local & County Agencies

Carlsbad Fire Department	911 or (575) 885-3125
Eddy County Sheriff (Carlsbad)	911 (575) 887-7551
Eddy County Emergency Management (Carlsbad)	(575) 887-9511
Carlsbad Medical Center Hospital	(575) 887-4100
Eddy County South Road Department (Carlsbad)	(575) 885-4835

#### State Agencies

NM State Police (Carlsbad)	(575) 885-3138
NM Oil Conservation (Artesia)	(575) 748-1283
NM Oil Conservation (Santa Fe)	(505) 476-3440
NM Dept. of Transportation (Roswell)	(575) 637-7201

Federal Agencies

BLM Carlsbad Field Office	(575) 234-5972
National Response Center	(800) 424-8802
US EPA Region 6 (Dallas)	(800) 887-6063
(214) 665-6444	

Residents within 2 miles

Yes

Air Evacuation

Med Flight Air Ambulance (Albuquerque)	(800) 842-4431
Lifeguard (Albuquerque)	(888) 866-7256

Veterinarians

Desert Willow Veterinary Services (Carlsbad)	(575) 885-3399
Animal Care Center (Carlsbad)	(575) 885-5352



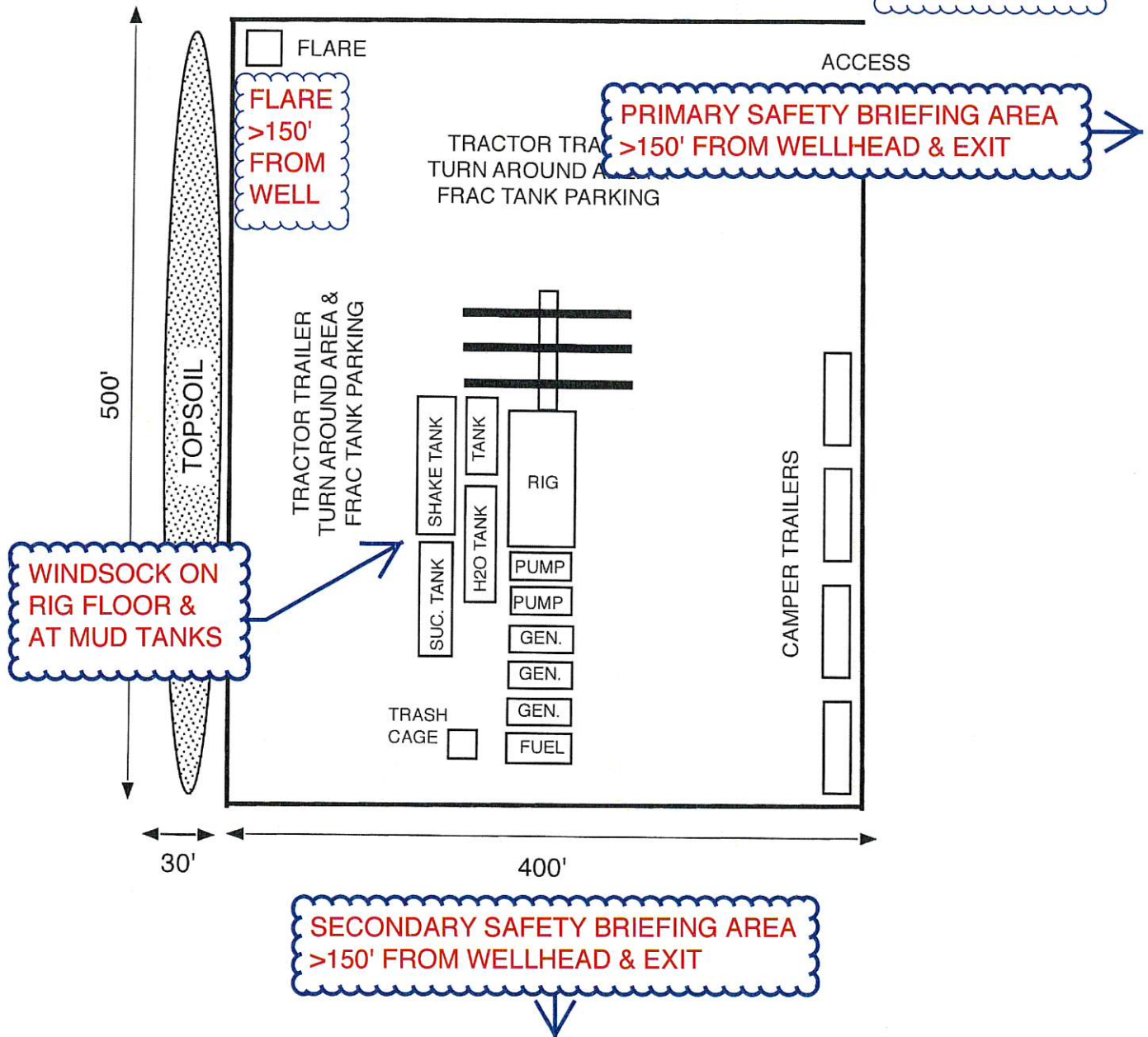
Flat Creek's  
Rena 7 Fed Com  
rig diagram

NORTH

1" = 100'

PREVAILING WINDS  
BLOW FROM SOUTH

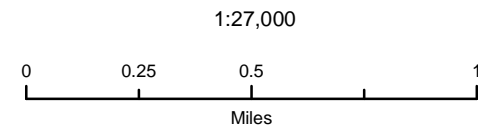
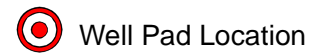
WARNING SIGN  
& WINDSOCK



HIGHEST GROUND TO WEST



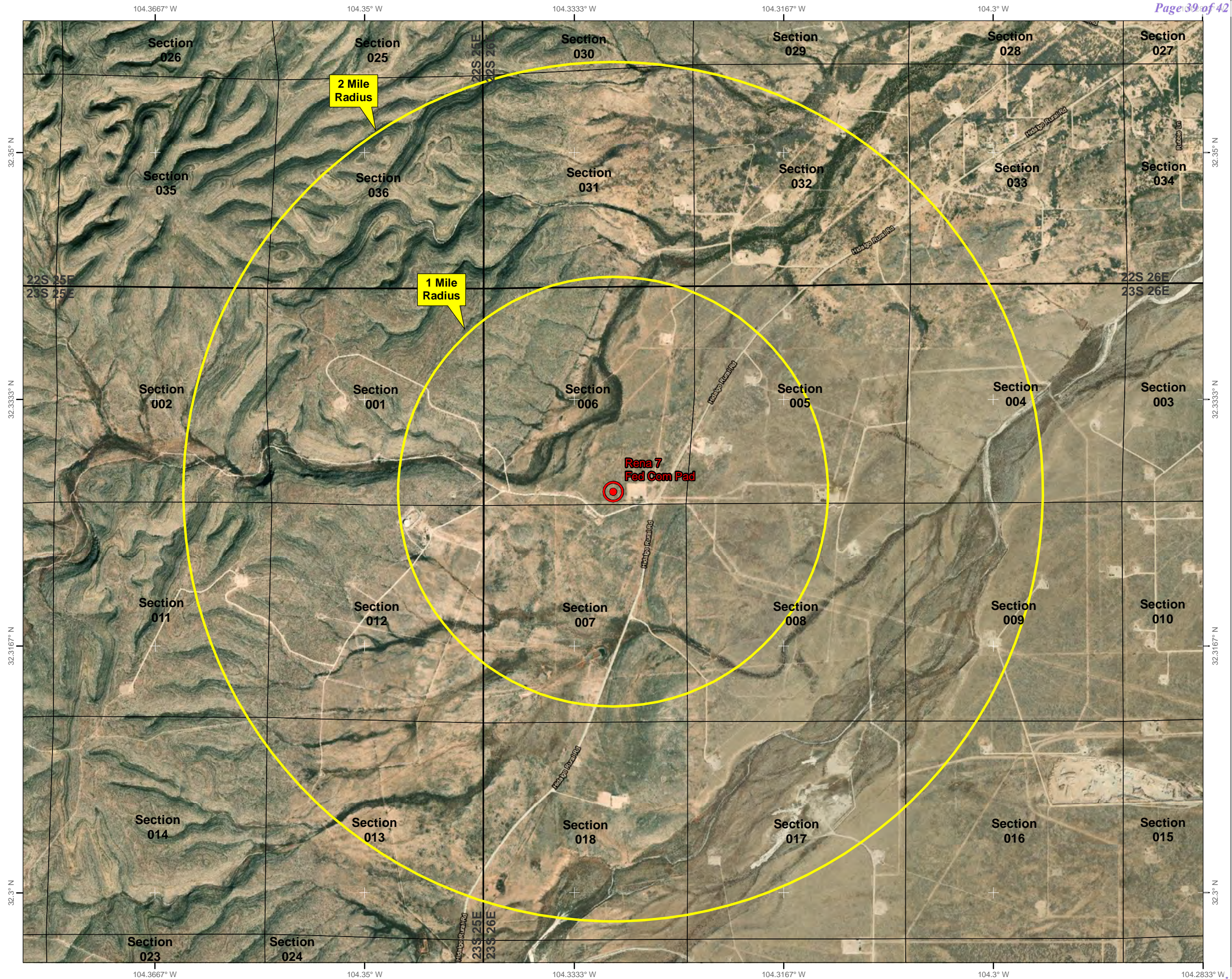
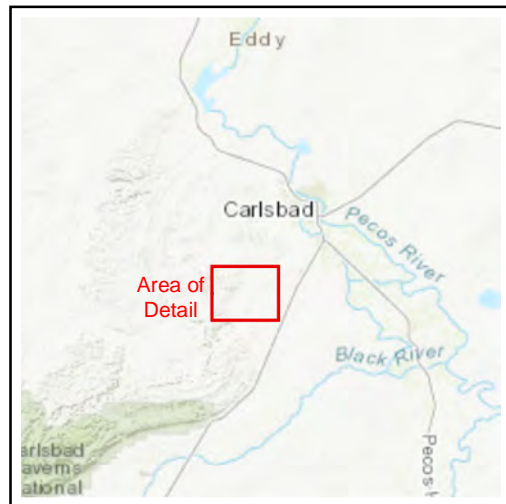
Sec. 6, Township 23S, Range 26E  
Eddy County, New Mexico



NAD 1983 New Mexico State Plane East  
FIPS 3001 Feet



Prepared by Permits West, Inc., March 23, 2023  
for Flat Creek Resources, LLC







Schematic Closed Loop Drilling Rig\*

- 1. Pipe Rack
- 2. Drill Rig
- 3. House Trailers/ Offices
- 4. Generator/Fuel/Storage
- 5. Overflow-Frac Tank
- 6. Skids
- 7. Roll Offs
- 8. Hopper or Centrifuge
- 9. Mud Tanks
- 10. Loop Drive
- 11. Generator (only for use with centrifuge)

\*Not drawn to scale: Closed loop system requires at least 30 feet beyond mud tanks. Ideally 60 feet would be available



Above: Centrifugal Closed Loop System

**PERMITS WEST, INC.**  
PROVIDING PERMITS for LAND USERS  
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120



Closed Loop Drilling System: Mud tanks to right (1)  
Hopper in air to settle out solids (2)  
Water return pipe (3)  
Shaker between hopper and mud tanks (4)  
Roll offs on skids (5)

Flow Chart for Drilling Fluids and Solids



Photos Courtesy of Gandy Corporation Oil  
Field Service

**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 303016

CONDITIONS

Operator: Flat Creek Resources, LLC 777 Main St. Fort Worth, TX 76102	OGRID: 374034
	Action Number: 303016
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
ward.rikala	Notify OCD 24 hours prior to casing & cement	1/30/2024
ward.rikala	Will require a File As Drilled C-102 and a Directional Survey with the C-104	1/30/2024
ward.rikala	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	1/30/2024
ward.rikala	Cement is required to circulate on both surface and intermediate1 strings of casing	1/30/2024
ward.rikala	If cement does not circulate on any string, a CBL is required for that string of casing	1/30/2024
ward.rikala	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	1/30/2024