Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised July 18, 2013

WELL API NO.
30-025-51106

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
B015650012

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

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

7. Lease Name or Unit Agreement Name
State 9 16

8. Well Number 001H

2. Name of Operator
Texas Standard Operating NM, LLC

9. OGRID Number
329818

3. Address of Operator
3300 North A Street, Midland, TX 79705

10. Pool name or Wildcat
WC-025 G-09 S173615C; UPPER PENN

4. Well Location
Unit Letter N 450 feet from the South line and 1995 feet from the West line
Section 16 Township 17S Range 36E NMPM County Lea

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3872

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

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

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

Request to move the Surface Hole Location from 450’ FSL & 1995’ FWL, Section 16, T 17S, R 36E to 500’ FSL & 1330’ FWL, Section 16, T 17S, R 36E.

Int Casing setting depth will change from 11,400’ to 11,000’. Production casing setting depth will change from 20,350’ to 19,594’. Production casing weight will change from 26# to 23#.

Please see revised C102 plat and directional plan attached.

Spud Date: Rig Release Date:

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

SIGNATURE Cory Walk DATE 2/4/25

Type or print name Cory Walk E-mail address: cory@permitswest.com PHONE: 505-466-8120

For State Use Only

APPROVED BY: TITLE DATE
Conditions of Approval (if any):

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

WELL LOCATION INFORMATION

API Number	Pool Code	Pool Name
30-025-51106	98333	WC-025 G-09 S173615C; UPPER PENN

Property Code	Property Name	Well Number
333773	STATE 9 16	1H

OGRID No.	Operator Name	Ground Level Elevation
329818	TEXAS STANDARD OPERATING NM LLC.	3871'

Surface Owner: ☐ State ☒ Fee ☐ Tribal ☐ Federal
Mineral Owner: ☒ State ☐ Fee ☐ Tribal ☐ Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
N	16	17S	36E		500 FSL	1330 FWL	32.8290258°N	103.3639018°W	LEA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
K	9	17S	36E		2659 FSL	1980 FWL	32.8494744°N	103.3618275°W	LEA

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
240				

Order Numbers. | Well setbacks are under Common Ownership: ☐ Yes ☐ No

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
N	16	17S	36E		100 FSL	1980 FWL	32.8279363°N	103.3617836°W	LEA

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
N	16	17S	36E		100 FSL	1980 FWL	32.8279363°N	103.3617836°W	LEA

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
K	9	17S	36E		2559 FSL	1980 FWL	32.8491996°N	103.3618271°W	LEA

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

OPERATOR CERTIFICATIONS

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

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

Timothy M. Roberson 1-29-2025

Signature Date

Timothy M. Roberson

Printed Name

Tim@TxsOil.com

Email Address

SURVEYOR CERTIFICATIONS

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

DALE E. BELL NEW MEXICO 14400 01/29/2025 PROFESSIONAL SURVEYOR

Signature and Seal of Professional Surveyor

Certificate Number: 14400

Date of Survey: 01/22/2025

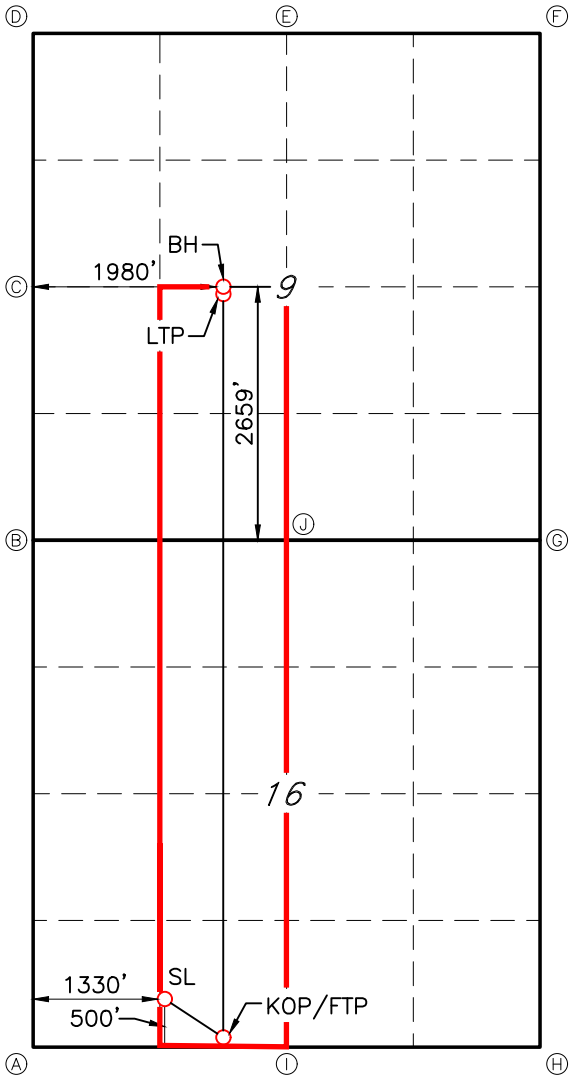
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is a directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

STATE 9 16 #1H



GEODETIC DATA
NAD 83 GRID – NM EAST

SURFACE LOCATION (SL)
N: 666698.3 – E: 839120.3

LAT: 32.8290258° N
LONG: 103.3639018° W

KICK OFF POINT/FIRST TAKE POINT (KOP/FTP)
100' FSL – 1980' FWL SEC.16
N: 666307.9 – E: 839774.6

LAT: 32.8279363° N
LONG: 103.3617836° W

LAST TAKE POINT (LTP)
2559' FSL – 1980' FWL SEC.9
N: 674044.1 – E: 839690.1

LAT: 32.8491996° N
LONG: 103.3618271° W

BOTTOM HOLE (BH)
N: 674144.1 – E: 839689.1

LAT: 32.8494744° N
LONG: 103.3618275° W

CORNER DATA
NAD 83 GRID – NM EAST

A: FOUND 3/4"X1"X3"
LIMESTONE ROCK
N: 666179.1 – E: 837796.3

B: FOUND 3" POST
N: 671469.6 – E: 837736.9

C: FOUND 1/2" REBAR
N: 674112.6 – E: 837709.6

D: FOUND 1/2" REBAR
N: 676757.6 – E: 837683.6

E: FOUND 1/2" REBAR
W/ALUMINUM CAP "PIPER SURVEYING"
N: 676797.0 – E: 840330.4

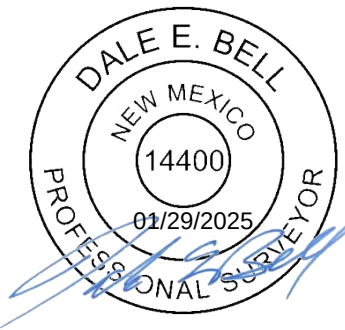
F: FOUND NAIL
N: 676847.9 – E: 842973.0

G: FOUND NAIL & WASHER
"ILLEGIBLE"
N: 671545.6 – E: 843025.1

H: CALCULATED CORNER
N: 666250.0 – E: 843085.8

I: FOUND 10"X3"X6"
LIMESTONE ROCK
N: 666217.6 – E: 840442.9

J: FOUND 6" POST
N: 671491.1 – E: 840380.2



JOB #: LS22101143R3

Texas Standard Operating NM LLC.

Lea County New Mexico
Sec 16, T17S, R36E
State 9/16 #1H

Wellbore #1

Plan: Design #1

KLX Well Planning Report

03 February, 2025

Texas Standard Oil

Well Planning Report

KLX Directional Drilling

Database:	KLXDirectional-AD	**Local Co-ordinate Reference:**	Well State 9/16 #1H
Company:	Texas Standard Operating NM LLC.	**TVD Reference:**	WELL @ 3896.0usft
Project:	Lea County New Mexico	**MD Reference:**	WELL @ 3896.0usft
Site:	Sec 16, T17S, R36E	**North Reference:**	Grid
Well:	State 9/16 #1H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Project Lea County New Mexico

Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site Sec 16, T17S, R36E

Site Position:		**Northing:**	666,698.00 usft	**Latitude:**	32° 49' 44.490 N
From:	Map	**Easting:**	839,120.30 usft	**Longitude:**	103° 21' 50.046 W
Position Uncertainty:	0.0 usft	**Slot Radius:**	13-3/16 "	**Grid Convergence:**	0.53 °

Well State 9/16 #1H

Well Position	**+N/-S**	0.0 usft	**Northing:**	666,698.00 usft	**Latitude:**	32° 49' 44.490 N
	+E/-W	0.0 usft	**Easting:**	839,120.30 usft	**Longitude:**	103° 21' 50.046 W
Position Uncertainty		0.0 usft	**Wellhead Elevation:**		**Ground Level:**	3,871.0 usft

Wellbore Wellbore #1

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	HDGM2025	2/2/2025	6.08	60.48	47,369.40000000

Design Design #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	4.37

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	
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.00	0.00	0.00	0.00	
2,750.5	8.26	120.80	2,748.6	-20.3	34.0	1.50	1.50	0.00	120.80	
7,502.5	8.26	120.80	7,451.4	-369.8	620.3	0.00	0.00	0.00	0.00	
8,053.1	0.00	0.00	8,000.0	-390.1	654.3	1.50	-1.50	0.00	180.00	KOP State 9/16 #1H
11,430.2	0.00	0.00	11,377.1	-390.1	654.3	0.00	0.00	0.00	0.00	
12,338.2	90.80	359.37	11,950.0	190.8	648.0	10.00	10.00	-0.07	359.37	
19,594.6	90.80	359.37	11,849.0	7,446.1	568.8	0.00	0.00	0.00	0.00	PBHL State 9/16 #1H

Texas Standard Oil

Well Planning Report

KLX Directional Drilling

Database:	KLXDirectional-AD	**Local Co-ordinate Reference:**	Well State 9/16 #1H
Company:	Texas Standard Operating NM LLC.	**TVD Reference:**	WELL @ 3896.0usft
Project:	Lea County New Mexico	**MD Reference:**	WELL @ 3896.0usft
Site:	Sec 16, T17S, R36E	**North Reference:**	Grid
Well:	State 9/16 #1H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #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	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
Build 1.5°/100'									
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	1.50	120.80	2,300.0	-0.7	1.1	-0.6	1.50	1.50	0.00
2,400.0	3.00	120.80	2,399.9	-2.7	4.5	-2.3	1.50	1.50	0.00
2,500.0	4.50	120.80	2,499.7	-6.0	10.1	-5.2	1.50	1.50	0.00
2,600.0	6.00	120.80	2,599.3	-10.7	18.0	-9.3	1.50	1.50	0.00
2,700.0	7.50	120.80	2,698.6	-16.7	28.1	-14.5	1.50	1.50	0.00
EOB @ 8.26° Inc / 120.8° Azm									
2,750.5	8.26	120.80	2,748.6	-20.3	34.0	-17.6	1.50	1.50	0.00
2,800.0	8.26	120.80	2,797.6	-23.9	40.1	-20.8	0.00	0.00	0.00
2,900.0	8.26	120.80	2,896.5	-31.3	52.5	-27.2	0.00	0.00	0.00
3,000.0	8.26	120.80	2,995.5	-38.6	64.8	-33.6	0.00	0.00	0.00
3,100.0	8.26	120.80	3,094.5	-46.0	77.1	-40.0	0.00	0.00	0.00
3,200.0	8.26	120.80	3,193.4	-53.3	89.5	-46.4	0.00	0.00	0.00
3,300.0	8.26	120.80	3,292.4	-60.7	101.8	-52.8	0.00	0.00	0.00
3,400.0	8.26	120.80	3,391.4	-68.1	114.1	-59.2	0.00	0.00	0.00
3,500.0	8.26	120.80	3,490.3	-75.4	126.5	-65.6	0.00	0.00	0.00
3,600.0	8.26	120.80	3,589.3	-82.8	138.8	-72.0	0.00	0.00	0.00
3,700.0	8.26	120.80	3,688.3	-90.1	151.2	-78.3	0.00	0.00	0.00
3,800.0	8.26	120.80	3,787.2	-97.5	163.5	-84.7	0.00	0.00	0.00
3,900.0	8.26	120.80	3,886.2	-104.8	175.8	-91.1	0.00	0.00	0.00
4,000.0	8.26	120.80	3,985.1	-112.2	188.2	-97.5	0.00	0.00	0.00
4,100.0	8.26	120.80	4,084.1	-119.5	200.5	-103.9	0.00	0.00	0.00
4,200.0	8.26	120.80	4,183.1	-126.9	212.8	-110.3	0.00	0.00	0.00
4,300.0	8.26	120.80	4,282.0	-134.3	225.2	-116.7	0.00	0.00	0.00
4,400.0	8.26	120.80	4,381.0	-141.6	237.5	-123.1	0.00	0.00	0.00
4,500.0	8.26	120.80	4,480.0	-149.0	249.9	-129.5	0.00	0.00	0.00
4,600.0	8.26	120.80	4,578.9	-156.3	262.2	-135.9	0.00	0.00	0.00
4,700.0	8.26	120.80	4,677.9	-163.7	274.5	-142.3	0.00	0.00	0.00
4,800.0	8.26	120.80	4,776.8	-171.0	286.9	-148.7	0.00	0.00	0.00
4,900.0	8.26	120.80	4,875.8	-178.4	299.2	-155.1	0.00	0.00	0.00
5,000.0	8.26	120.80	4,974.8	-185.7	311.5	-161.5	0.00	0.00	0.00

Texas Standard Oil

Well Planning Report

KLX Directional Drilling

Database:	KLXDirectional-AD	**Local Co-ordinate Reference:**	Well State 9/16 #1H
Company:	Texas Standard Operating NM LLC.	**TVD Reference:**	WELL @ 3896.0usft
Project:	Lea County New Mexico	**MD Reference:**	WELL @ 3896.0usft
Site:	Sec 16, T17S, R36E	**North Reference:**	Grid
Well:	State 9/16 #1H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #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)
5,100.0	8.26	120.80	5,073.7	-193.1	323.9	-167.9	0.00	0.00	0.00
5,200.0	8.26	120.80	5,172.7	-200.5	336.2	-174.3	0.00	0.00	0.00
5,300.0	8.26	120.80	5,271.7	-207.8	348.5	-180.7	0.00	0.00	0.00
5,400.0	8.26	120.80	5,370.6	-215.2	360.9	-187.1	0.00	0.00	0.00
5,500.0	8.26	120.80	5,469.6	-222.5	373.2	-193.4	0.00	0.00	0.00
5,600.0	8.26	120.80	5,568.5	-229.9	385.6	-199.8	0.00	0.00	0.00
5,700.0	8.26	120.80	5,667.5	-237.2	397.9	-206.2	0.00	0.00	0.00
5,800.0	8.26	120.80	5,766.5	-244.6	410.2	-212.6	0.00	0.00	0.00
5,900.0	8.26	120.80	5,865.4	-251.9	422.6	-219.0	0.00	0.00	0.00
6,000.0	8.26	120.80	5,964.4	-259.3	434.9	-225.4	0.00	0.00	0.00
6,100.0	8.26	120.80	6,063.4	-266.7	447.2	-231.8	0.00	0.00	0.00
6,200.0	8.26	120.80	6,162.3	-274.0	459.6	-238.2	0.00	0.00	0.00
6,300.0	8.26	120.80	6,261.3	-281.4	471.9	-244.6	0.00	0.00	0.00
6,400.0	8.26	120.80	6,360.3	-288.7	484.3	-251.0	0.00	0.00	0.00
6,500.0	8.26	120.80	6,459.2	-296.1	496.6	-257.4	0.00	0.00	0.00
6,600.0	8.26	120.80	6,558.2	-303.4	508.9	-263.8	0.00	0.00	0.00
6,700.0	8.26	120.80	6,657.1	-310.8	521.3	-270.2	0.00	0.00	0.00
6,800.0	8.26	120.80	6,756.1	-318.1	533.6	-276.6	0.00	0.00	0.00
6,900.0	8.26	120.80	6,855.1	-325.5	545.9	-283.0	0.00	0.00	0.00
7,000.0	8.26	120.80	6,954.0	-332.9	558.3	-289.4	0.00	0.00	0.00
7,100.0	8.26	120.80	7,053.0	-340.2	570.6	-295.8	0.00	0.00	0.00
7,200.0	8.26	120.80	7,152.0	-347.6	583.0	-302.2	0.00	0.00	0.00
7,300.0	8.26	120.80	7,250.9	-354.9	595.3	-308.5	0.00	0.00	0.00
7,400.0	8.26	120.80	7,349.9	-362.3	607.6	-314.9	0.00	0.00	0.00
Drop 1.5°/100'									
7,502.5	8.26	120.80	7,451.4	-369.8	620.3	-321.5	0.00	0.00	0.00
7,600.0	6.80	120.80	7,548.0	-376.4	631.2	-327.2	1.50	-1.50	0.00
7,700.0	5.30	120.80	7,647.4	-381.7	640.3	-331.9	1.50	-1.50	0.00
7,800.0	3.80	120.80	7,747.1	-385.8	647.1	-335.4	1.50	-1.50	0.00
7,900.0	2.30	120.80	7,847.0	-388.5	651.7	-337.8	1.50	-1.50	0.00
8,000.0	0.80	120.80	7,946.9	-389.9	654.0	-339.0	1.50	-1.50	0.00
EOD @ VERT									
8,053.1	0.00	0.00	8,000.0	-390.1	654.3	-339.1	1.50	-1.50	0.00
8,100.0	0.00	0.00	8,046.9	-390.1	654.3	-339.1	0.00	0.00	0.00
8,200.0	0.00	0.00	8,146.9	-390.1	654.3	-339.1	0.00	0.00	0.00
8,300.0	0.00	0.00	8,246.9	-390.1	654.3	-339.1	0.00	0.00	0.00
8,400.0	0.00	0.00	8,346.9	-390.1	654.3	-339.1	0.00	0.00	0.00
8,500.0	0.00	0.00	8,446.9	-390.1	654.3	-339.1	0.00	0.00	0.00
8,600.0	0.00	0.00	8,546.9	-390.1	654.3	-339.1	0.00	0.00	0.00
8,700.0	0.00	0.00	8,646.9	-390.1	654.3	-339.1	0.00	0.00	0.00
8,800.0	0.00	0.00	8,746.9	-390.1	654.3	-339.1	0.00	0.00	0.00
8,900.0	0.00	0.00	8,846.9	-390.1	654.3	-339.1	0.00	0.00	0.00
9,000.0	0.00	0.00	8,946.9	-390.1	654.3	-339.1	0.00	0.00	0.00
9,100.0	0.00	0.00	9,046.9	-390.1	654.3	-339.1	0.00	0.00	0.00
9,200.0	0.00	0.00	9,146.9	-390.1	654.3	-339.1	0.00	0.00	0.00
9,300.0	0.00	0.00	9,246.9	-390.1	654.3	-339.1	0.00	0.00	0.00
9,400.0	0.00	0.00	9,346.9	-390.1	654.3	-339.1	0.00	0.00	0.00
9,500.0	0.00	0.00	9,446.9	-390.1	654.3	-339.1	0.00	0.00	0.00
9,600.0	0.00	0.00	9,546.9	-390.1	654.3	-339.1	0.00	0.00	0.00
9,700.0	0.00	0.00	9,646.9	-390.1	654.3	-339.1	0.00	0.00	0.00
9,800.0	0.00	0.00	9,746.9	-390.1	654.3	-339.1	0.00	0.00	0.00
9,900.0	0.00	0.00	9,846.9	-390.1	654.3	-339.1	0.00	0.00	0.00
10,000.0	0.00	0.00	9,946.9	-390.1	654.3	-339.1	0.00	0.00	0.00
10,100.0	0.00	0.00	10,046.9	-390.1	654.3	-339.1	0.00	0.00	0.00

Well Planning Report

Database:	KLXDirectional-AD	**Local Co-ordinate Reference:**	Well State 9/16 #1H
Company:	Texas Standard Operating NM LLC.	**TVD Reference:**	WELL @ 3896.0usft
Project:	Lea County New Mexico	**MD Reference:**	WELL @ 3896.0usft
Site:	Sec 16, T17S, R36E	**North Reference:**	Grid
Well:	State 9/16 #1H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #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)
10,200.0	0.00	0.00	10,146.9	-390.1	654.3	-339.1	0.00	0.00	0.00
10,300.0	0.00	0.00	10,246.9	-390.1	654.3	-339.1	0.00	0.00	0.00
10,400.0	0.00	0.00	10,346.9	-390.1	654.3	-339.1	0.00	0.00	0.00
10,500.0	0.00	0.00	10,446.9	-390.1	654.3	-339.1	0.00	0.00	0.00
10,600.0	0.00	0.00	10,546.9	-390.1	654.3	-339.1	0.00	0.00	0.00
10,700.0	0.00	0.00	10,646.9	-390.1	654.3	-339.1	0.00	0.00	0.00
10,800.0	0.00	0.00	10,746.9	-390.1	654.3	-339.1	0.00	0.00	0.00
10,900.0	0.00	0.00	10,846.9	-390.1	654.3	-339.1	0.00	0.00	0.00
11,000.0	0.00	0.00	10,946.9	-390.1	654.3	-339.1	0.00	0.00	0.00
11,100.0	0.00	0.00	11,046.9	-390.1	654.3	-339.1	0.00	0.00	0.00
11,200.0	0.00	0.00	11,146.9	-390.1	654.3	-339.1	0.00	0.00	0.00
11,300.0	0.00	0.00	11,246.9	-390.1	654.3	-339.1	0.00	0.00	0.00
11,400.0	0.00	0.00	11,346.9	-390.1	654.3	-339.1	0.00	0.00	0.00
Build 10°/100'									
11,430.2	0.00	0.00	11,377.1	-390.1	654.3	-339.1	0.00	0.00	0.00
11,450.0	1.98	359.37	11,396.9	-389.8	654.3	-338.8	10.00	10.00	0.00
11,500.0	6.98	359.37	11,446.7	-385.9	654.3	-334.9	10.00	10.00	0.00
11,550.0	11.98	359.37	11,496.0	-377.6	654.2	-326.7	10.00	10.00	0.00
11,600.0	16.98	359.37	11,544.4	-365.1	654.0	-314.2	10.00	10.00	0.00
11,650.0	21.98	359.37	11,591.6	-348.5	653.8	-297.6	10.00	10.00	0.00
11,700.0	26.98	359.37	11,637.1	-327.7	653.6	-277.0	10.00	10.00	0.00
11,750.0	31.98	359.37	11,680.6	-303.1	653.4	-252.5	10.00	10.00	0.00
11,800.0	36.98	359.37	11,721.8	-274.8	653.0	-224.3	10.00	10.00	0.00
11,850.0	41.98	359.37	11,760.3	-243.1	652.7	-192.6	10.00	10.00	0.00
11,900.0	46.98	359.37	11,796.0	-208.0	652.3	-157.8	10.00	10.00	0.00
11,950.0	51.98	359.37	11,828.5	-170.0	651.9	-119.9	10.00	10.00	0.00
12,000.0	56.98	359.37	11,857.5	-129.4	651.5	-79.4	10.00	10.00	0.00
12,050.0	61.98	359.37	11,882.9	-86.3	651.0	-36.5	10.00	10.00	0.00
12,100.0	66.98	359.37	11,904.4	-41.2	650.5	8.5	10.00	10.00	0.00
12,150.0	71.98	359.37	11,922.0	5.6	650.0	55.1	10.00	10.00	0.00
12,200.0	76.98	359.37	11,935.3	53.8	649.5	103.1	10.00	10.00	0.00
12,250.0	81.98	359.37	11,944.5	102.9	648.9	152.0	10.00	10.00	0.00
12,300.0	86.98	359.37	11,949.3	152.7	648.4	201.6	10.00	10.00	0.00
EOB @ 90.8° Inc / 359.37° Azm / 11950' TVD									
12,338.2	90.80	359.37	11,950.0	190.8	648.0	239.6	10.00	10.00	0.00
12,400.0	90.80	359.37	11,949.1	252.6	647.3	301.2	0.00	0.00	0.00
12,500.0	90.80	359.37	11,947.7	352.6	646.2	400.8	0.00	0.00	0.00
12,600.0	90.80	359.37	11,946.4	452.6	645.1	500.4	0.00	0.00	0.00
12,700.0	90.80	359.37	11,945.0	552.6	644.0	600.0	0.00	0.00	0.00
12,800.0	90.80	359.37	11,943.6	652.6	642.9	699.6	0.00	0.00	0.00
12,900.0	90.80	359.37	11,942.2	752.6	641.8	799.3	0.00	0.00	0.00
13,000.0	90.80	359.37	11,940.8	852.5	640.7	898.9	0.00	0.00	0.00
13,100.0	90.80	359.37	11,939.4	952.5	639.7	998.5	0.00	0.00	0.00
13,200.0	90.80	359.37	11,938.0	1,052.5	638.6	1,098.1	0.00	0.00	0.00
13,300.0	90.80	359.37	11,936.6	1,152.5	637.5	1,197.7	0.00	0.00	0.00
13,400.0	90.80	359.37	11,935.2	1,252.5	636.4	1,297.3	0.00	0.00	0.00
13,500.0	90.80	359.37	11,933.8	1,352.5	635.3	1,396.9	0.00	0.00	0.00
13,600.0	90.80	359.37	11,932.4	1,452.4	634.2	1,496.5	0.00	0.00	0.00
13,700.0	90.80	359.37	11,931.0	1,552.4	633.1	1,596.1	0.00	0.00	0.00
13,800.0	90.80	359.37	11,929.7	1,652.4	632.0	1,695.7	0.00	0.00	0.00
13,900.0	90.80	359.37	11,928.3	1,752.4	630.9	1,795.4	0.00	0.00	0.00
14,000.0	90.80	359.37	11,926.9	1,852.4	629.8	1,895.0	0.00	0.00	0.00
14,100.0	90.80	359.37	11,925.5	1,952.4	628.7	1,994.6	0.00	0.00	0.00

Texas Standard Oil

Well Planning Report

KLX Directional Drilling

Database:	KLXDirectional-AD	**Local Co-ordinate Reference:**	Well State 9/16 #1H
Company:	Texas Standard Operating NM LLC.	**TVD Reference:**	WELL @ 3896.0usft
Project:	Lea County New Mexico	**MD Reference:**	WELL @ 3896.0usft
Site:	Sec 16, T17S, R36E	**North Reference:**	Grid
Well:	State 9/16 #1H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #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)
14,200.0	90.80	359.37	11,924.1	2,052.3	627.7	2,094.2	0.00	0.00	0.00
14,300.0	90.80	359.37	11,922.7	2,152.3	626.6	2,193.8	0.00	0.00	0.00
14,400.0	90.80	359.37	11,921.3	2,252.3	625.5	2,293.4	0.00	0.00	0.00
14,500.0	90.80	359.37	11,919.9	2,352.3	624.4	2,393.0	0.00	0.00	0.00
14,600.0	90.80	359.37	11,918.5	2,452.3	623.3	2,492.6	0.00	0.00	0.00
14,700.0	90.80	359.37	11,917.1	2,552.3	622.2	2,592.2	0.00	0.00	0.00
14,800.0	90.80	359.37	11,915.7	2,652.3	621.1	2,691.9	0.00	0.00	0.00
14,900.0	90.80	359.37	11,914.3	2,752.2	620.0	2,791.5	0.00	0.00	0.00
15,000.0	90.80	359.37	11,913.0	2,852.2	618.9	2,891.1	0.00	0.00	0.00
15,100.0	90.80	359.37	11,911.6	2,952.2	617.8	2,990.7	0.00	0.00	0.00
15,200.0	90.80	359.37	11,910.2	3,052.2	616.7	3,090.3	0.00	0.00	0.00
15,300.0	90.80	359.37	11,908.8	3,152.2	615.7	3,189.9	0.00	0.00	0.00
15,400.0	90.80	359.37	11,907.4	3,252.2	614.6	3,289.5	0.00	0.00	0.00
15,500.0	90.80	359.37	11,906.0	3,352.1	613.5	3,389.1	0.00	0.00	0.00
15,600.0	90.80	359.37	11,904.6	3,452.1	612.4	3,488.7	0.00	0.00	0.00
15,700.0	90.80	359.37	11,903.2	3,552.1	611.3	3,588.4	0.00	0.00	0.00
15,800.0	90.80	359.37	11,901.8	3,652.1	610.2	3,688.0	0.00	0.00	0.00
15,900.0	90.80	359.37	11,900.4	3,752.1	609.1	3,787.6	0.00	0.00	0.00
16,000.0	90.80	359.37	11,899.0	3,852.1	608.0	3,887.2	0.00	0.00	0.00
16,100.0	90.80	359.37	11,897.6	3,952.1	606.9	3,986.8	0.00	0.00	0.00
16,200.0	90.80	359.37	11,896.2	4,052.0	605.8	4,086.4	0.00	0.00	0.00
16,300.0	90.80	359.37	11,894.9	4,152.0	604.7	4,186.0	0.00	0.00	0.00
16,400.0	90.80	359.37	11,893.5	4,252.0	603.7	4,285.6	0.00	0.00	0.00
16,500.0	90.80	359.37	11,892.1	4,352.0	602.6	4,385.2	0.00	0.00	0.00
16,600.0	90.80	359.37	11,890.7	4,452.0	601.5	4,484.9	0.00	0.00	0.00
16,700.0	90.80	359.37	11,889.3	4,552.0	600.4	4,584.5	0.00	0.00	0.00
16,800.0	90.80	359.37	11,887.9	4,651.9	599.3	4,684.1	0.00	0.00	0.00
16,900.0	90.80	359.37	11,886.5	4,751.9	598.2	4,783.7	0.00	0.00	0.00
17,000.0	90.80	359.37	11,885.1	4,851.9	597.1	4,883.3	0.00	0.00	0.00
17,100.0	90.80	359.37	11,883.7	4,951.9	596.0	4,982.9	0.00	0.00	0.00
17,200.0	90.80	359.37	11,882.3	5,051.9	594.9	5,082.5	0.00	0.00	0.00
17,300.0	90.80	359.37	11,880.9	5,151.9	593.8	5,182.1	0.00	0.00	0.00
17,400.0	90.80	359.37	11,879.5	5,251.8	592.7	5,281.7	0.00	0.00	0.00
17,500.0	90.80	359.37	11,878.2	5,351.8	591.7	5,381.4	0.00	0.00	0.00
17,600.0	90.80	359.37	11,876.8	5,451.8	590.6	5,481.0	0.00	0.00	0.00
17,700.0	90.80	359.37	11,875.4	5,551.8	589.5	5,580.6	0.00	0.00	0.00
17,800.0	90.80	359.37	11,874.0	5,651.8	588.4	5,680.2	0.00	0.00	0.00
17,900.0	90.80	359.37	11,872.6	5,751.8	587.3	5,779.8	0.00	0.00	0.00
18,000.0	90.80	359.37	11,871.2	5,851.8	586.2	5,879.4	0.00	0.00	0.00
18,100.0	90.80	359.37	11,869.8	5,951.7	585.1	5,979.0	0.00	0.00	0.00
18,200.0	90.80	359.37	11,868.4	6,051.7	584.0	6,078.6	0.00	0.00	0.00
18,300.0	90.80	359.37	11,867.0	6,151.7	582.9	6,178.2	0.00	0.00	0.00
18,400.0	90.80	359.37	11,865.6	6,251.7	581.8	6,277.8	0.00	0.00	0.00
18,500.0	90.80	359.37	11,864.2	6,351.7	580.7	6,377.5	0.00	0.00	0.00
18,600.0	90.80	359.37	11,862.8	6,451.7	579.7	6,477.1	0.00	0.00	0.00
18,700.0	90.80	359.37	11,861.5	6,551.6	578.6	6,576.7	0.00	0.00	0.00
18,800.0	90.80	359.37	11,860.1	6,651.6	577.5	6,676.3	0.00	0.00	0.00
18,900.0	90.80	359.37	11,858.7	6,751.6	576.4	6,775.9	0.00	0.00	0.00
19,000.0	90.80	359.37	11,857.3	6,851.6	575.3	6,875.5	0.00	0.00	0.00
19,100.0	90.80	359.37	11,855.9	6,951.6	574.2	6,975.1	0.00	0.00	0.00
19,200.0	90.80	359.37	11,854.5	7,051.6	573.1	7,074.7	0.00	0.00	0.00
19,300.0	90.80	359.37	11,853.1	7,151.6	572.0	7,174.3	0.00	0.00	0.00
19,400.0	90.80	359.37	11,851.7	7,251.5	570.9	7,274.0	0.00	0.00	0.00
19,500.0	90.80	359.37	11,850.3	7,351.5	569.8	7,373.6	0.00	0.00	0.00

Texas Standard Oil

Well Planning Report

KLX Directional Drilling

Database:	KLXDirectional-AD	**Local Co-ordinate Reference:**	Well State 9/16 #1H
Company:	Texas Standard Operating NM LLC.	**TVD Reference:**	WELL @ 3896.0usft
Project:	Lea County New Mexico	**MD Reference:**	WELL @ 3896.0usft
Site:	Sec 16, T17S, R36E	**North Reference:**	Grid
Well:	State 9/16 #1H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #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)
TD @ 19595' MD / 11849' TVD									
19,594.6	90.80	359.37	11,849.0	7,446.1	568.8	7,467.8	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
KOP State 9/16 #1H - plan hits target center - Point	0.00	0.00	8,000.0	-390.1	654.3	666,307.90	839,774.60	32° 49' 40.571 N	103° 21' 42.421 W
PBHL State 9/16 #1H - plan hits target center - Point	0.00	0.00	11,849.0	7,446.1	568.8	674,144.10	839,689.10	32° 50' 58.108 N	103° 21' 42.578 W

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
2,200.0	2,200.0	0.0	0.0	Build 1.5°/100'
2,750.5	2,748.6	-20.3	34.0	EOB @ 8.26° Inc / 120.8° Azm
7,502.5	7,451.4	-369.8	620.3	Drop 1.5°/100'
8,053.1	8,000.0	-390.1	654.3	EOD @ VERT
11,430.2	11,377.1	-390.1	654.3	Build 10°/100'
12,338.2	11,950.0	190.8	648.0	EOB @ 90.8° Inc / 359.37° Azm / 11950' TVD
19,594.6	11,849.0	7,446.1	568.8	TD @ 19595' MD / 11849' TVD

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: _Texas Standard Operating NM LLC_____ **OGRID:** _329818_____ **Date:** _2_/_4_/_25

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
State 9-16 #1H	30-025-51106			1200	1250	1000
State 9-16 #2H	30-025-51128			1200	1250	1000

IV. Central Delivery Point Name: __State 9-16 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
State 9-16 #1H	30-025-51106	2/27/25	4/6/25	5/25/25	7/29/25	7/29/25
State 9-16 #2H	30-025-51128	4/13/25	5/12/25	5/25/29	7/29/25	7/29/25

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: Craig E. Young
Title: Sr. VP Operations
E-mail Address: Craig@txsoil.com
Date: 2/4/25
Phone: 432-693-6674

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

Texas Standard Operating NM LLC Natural Gas Management Plan

Section VI. Separation Equipment

These four wells will be drilled on 2, two well pads. Each pad will have a single battery and metering equipment for each well. It will be a new build facility.

- Separation equipment will be sized to provide adequate separation for anticipated rates.
- Separation equipment will allow for adequate retention time to allow gas and liquids to separate.
- Separation equipment will separate all three phases (Oil, Water, and Gas).
- Collection systems will be appropriately sized to handle facility production rates on all three phases.
- Ancillary equipment and metering is selected to be serviced without flow interruptions, or the need to release gas from the flow stream.

Section VII. Operational Practices as per 19.15.27.8 NMAC Subsections A through F

Subsection A: Texas Standard Operating NM LLC will maximize the recovery of natural gas and minimize the waste of natural gas by properly sizing and maintaining tanks, vessels, and related equipment including thief hatches, enardo valves, flares, and vapor recovery equipment. In all circumstances, Texas Standard shall flare rather than vent natural gas except when flaring is technically infeasible, or when flaring would result a risk to safe operations or personal safety.

Subsection B – Venting and flaring during drilling operations: Texas Standard will capture natural gas coming from the wellbore during drilling operations by routing any gas laden fluids through a mud gas separator with the gas then being routed to a flare stack located at least 100'from the wellbore. In addition, Texas Standard will be drilling the well with fluid sufficiently weighted to minimize the entry of natural gas into the wellbore. Any gas that is flared during the drilling operations will be reported pursuant to Paragraph (1) of Subsection G of 19.15.27.8 NMAC.

Subsection C – Venting and flaring during completion operations: After fracing, sand and the frac plugs will be cleaned out of the wellbore under controlled conditions (circulating 1 barrel in per 1 barrel out) that will reduce or eliminate the flow of gas to the atmosphere. After cleaning the well out, a packer with a rupture disk will be set by wireline. Tubing with gas lift valves will be installed. The rupture disk will then be burst and flowback will commence.

During the initial flowback after the frac job the fluids will go directly into storage tanks until there is sufficient pressure to function a separator at which point the fuids will go into a separator that will remove the gas from the fluid and send the metered gas to an on-site flare stack until it is feasible to route the gas to the inlet separator for this well at the battery.

As soon as it is practical, the produced fluids will be switched out of the flowback separator and into the flowline going directly to the inlet separator for this well and sale as soon as feasible.

Any gas flared during the completion operations will be reported pursuant to Paragraph (1) of Subsection G of 19.15.27.8 NMAC.

Once the well dies, or if the well will not flow, gas lift operations will begin utilizing gas from the Central Battery.

Subsection D – Venting and flaring during production operations: Texas Standard shall not vent or flare natural gas during production operations except as allowed in 19.15.27.8 1,2,& 4 NMAC. Any gas that is flared during production operations will be reported pursuant to Paragraph (1) of Subsection (G) of 19.15.28.8 NMAC.

- Weekly AVO's will be performed on all facilities.
- Leaking thief hatches and pressure safety valves found during AVO's will be cleaned and properly re-sealed.
- All flares will be equipped with auto-ignition systems and continuous pilot operations.
- After a well is stabilized from liquid unloading, the well will be turned back into a collection system.
- All gas lift systems will be optimized to limit the amount of waste.
- All tanks will have automatic gauging equipment installed.

Subsection E – Performance standards: The production facilities that will be utilized by this well have been designed to handle in excess of the anticipated maximum throughput and are rated for pressures grater than the anticipated pressures. In addition, the facilities have been designed to minimize waste of natural gas.

The production storage tanks will be equipped with automated tank gauging system that reduces the need to open thief hatches on the tanks.

Texas Standard will install an anchored flare stack 100' away from the wellbore and production tanks that has an automatic ignitor and a continuous pilot that will combust any natural gas routed to the flare stack and is capable of handling 3 MMCFGPD. Any gas routed through the flare stack will be metered and will be reported pursuant to Paragraph (1) of Subsection G of 19.15.27.8 NMAC. Natural gas will not be vented except as allowed in 19.15.27.8. 1, 2, &4 NMAC.

Low bleed pilots in Pneumatic calves will be installed if necessary.

Texas Standard will utilize SCADA to monitor production and equipment as well as to shut in the wellbore in case of emergency or other situation that could result in gas being released to the atmosphere.

Should the sales line pressure reach the desired maximum operating pressure, the SCADA system will close the Emergency Shut Down Valve on the wellhead and send an alarm to production personnel. In the event the ESD valve failed to close, gas would be routed to the flare stack with a continuous pilot. Any flared gas would be metered.

Texas Standard shall conduct weekly AVO inspections consisting of visual inspections, listening for leaks and smelling for odors to confirm that all production equipment is operating properly and that there are no leaks or releases of natural gas except as allowed in Section D of 19.15.27.9 NMAC. The AVO inspection shall include the inspection of all components to identify defects and leaks. Any leaks that

are found shall be immediately repaired. Texas Standard shall keep record of an AVO inspection for at least 5 years and shall make such record available for inspection by the Division upon request.

Subsection F – Measurement or estimation of vented and flared natural gas: Texas Standard shall measure or estimate the volume of natural gas that it vents, flares or beneficially uses during drilling, completion, and production operations.

Texas Standard will install equipment to measure the volume of natural gas flared from the separation equipment described in Section VI above as well as the process piping and vapor recovery equipment. Metering equipment will also be installed to measure the volume of natural gas delivered to the custody transfer point.

If metering is not practical due to circumstances such as low flare rate or low pressure venting or flaring, Texas Standard shall estimate the volume of vented or flared natural gas using a verifiable methodology,

VIII. Best Management Practices to minimize venting during active and planned maintenance:

Texas Standard Will install an emergency shut down valve on the wellhead to close the well in the event of an abnormal low or high pressure occurrence on the flowline or within the facility.

Swabbing operations, if necessary, will be performed through the separation equipment described in Section VI above in a closed system.

If the tubing is to be pulled, the well will be killed and pulled in an overbalanced condition to increase the safety of personnel and reduce gas emissions.

Should a production vessel need to be worked on, the vessel will be bled down into the system to as low a pressure as is practical and then the vessel will be isolated by valve at the vessel to minimize the volume of gas to be bled off the vessel with none from the associated piping.

After downhole well maintenance, natural gas will be flared until it reaches pipeline specification.

Texas Standard shall verbally notify the division as soon as possible for any venting or flaring event that will exceed 500 MCF or otherwise qualifies as a major release and shall follow up the verbal notification with the filing of a Form C-129. On venting or flaring events that are less than 500 MCF, Texas Standard shall notify the division in writing by filing a Form C-129 within 15 days of the event.

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Operator: Texas Standard Operating NM LLC 3300 North A Street Midland, TX 79705	OGRID: 329818
	Action Number: 428059
	Action Type: [C-103] NOI Change of Plans (C-103A)

CONDITIONS

Created By	Condition	Condition Date
pkautz	If cement is not circulated to surface during cementing operations, a Cement Bond Log (CBL) is required.	2/17/2025
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing.	2/17/2025