

Form 3160-3  
(October 2024)

FORM APPROVED  
OMB No. 1004-0220  
Expires: October 31, 2027

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 checked="" type="checkbox"/> Oil Well <input 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>NMNM0558580</b>
2. Name of Operator <b>NOVO II OPERATING LLC</b>		6. If Indian, Allottee or Tribe Name  7. If Unit or CA Agreement, Name and No.  8. Lease Name and Well No. <b>CHOPPAH 3534 FED COM</b> <b>123H</b>
3a. Address <b>1001 W WILSHIRE BLVD SUITE 206, OKLAHOMA CITY,</b>	3b. Phone No. (include area code) <b>(405) 286-3375</b>	9. API Well No. <b>30-015-57926</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>NWSE / 1385 FSL / 2242 FEL / LAT 32.787515 / LONG -103.941319</b> At proposed prod. zone <b>NWSW / 2430 FSL / 10 FWL / LAT 32.790417 / LONG -103.968341</b>		10. Field and Pool, or Exploratory <b>WALTERS LAKE/BONE SPRING</b>  11. Sec., T. R. M. or Blk. and Survey or Area <b>SEC 35/T17S/R30E/NMP</b>
14. Distance in miles and direction from nearest town or post office* <b>2.5 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>65 feet</b>		13. State <b>NM</b>
16. No of acres in lease		17. Spacing Unit dedicated to this well <b>240.0</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>30 feet</b>		20. BLM/BIA Bond No. in file <b>FED: NMB106377467</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>3592 feet</b>	22. Approximate date work will start* <b>04/01/2026</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>CORY WALK / Ph: (405) 286-3375</b>	Date <b>09/29/2025</b>
Title <b>Permitting Agent</b>		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) <b>CODY LAYTON / Ph: (575) 234-5959</b>	Date <b>01/09/2026</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.

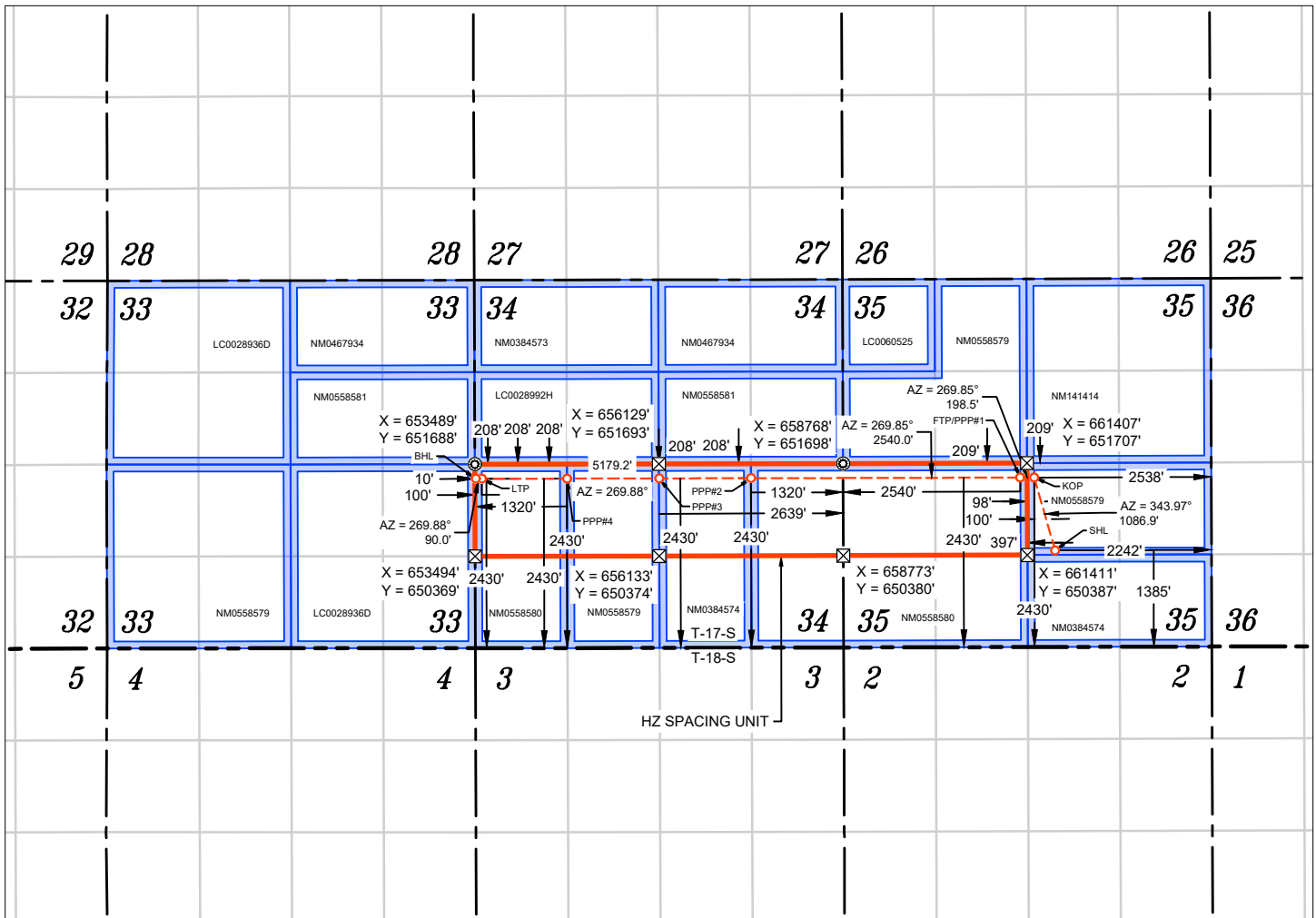
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



(Continued on page 2)

\*(Instructions on page 2)



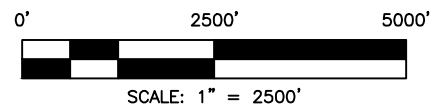


WELL NAME: CHOPPAH 3534 FED COM #123H  
 ELEVATION: 3592'

<b>NAD 83 (SHL) 1385' FSL &amp; 2242' FEL</b>
LATITUDE = 32.787515°
LONGITUDE = -103.941319°
<b>NAD 27 (SHL)</b>
LATITUDE = 32.787400°
LONGITUDE = -103.940809°
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 650453.44' E: 661807.53'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 650390.85' E: 620629.57'

<b>NAD 83 (KOP) 2430' FSL &amp; 2538' FEL</b>
LATITUDE = 32.790389°
LONGITUDE = -103.942283°
<b>NAD 27 (KOP)</b>
LATITUDE = 32.790274°
LONGITUDE = -103.941773°
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 651498.07' E: 661507.40'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 651435.48' E: 620329.44'

<b>NAD 83 (FTP/PPP#1) 2430' FSL &amp; 2540' FWL</b>
LATITUDE = 32.790390°
LONGITUDE = -103.942929°
<b>NAD 27 (FTP/PPP#1)</b>
LATITUDE = 32.790275°
LONGITUDE = -103.942419°
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 651497.55' E: 661308.92'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 651434.96' E: 620130.96'



- ⊙ FOUND MONUMENT
- ⊗ CALC. CORNER
- SHL/ KOP/ FTP / PPP/ LTP / BHL
- - - WELLBORE
- HORIZONTAL SPACING UNIT
- ▨ STATE OIL & GAS LEASE
- ▨ BLM OIL & GAS LEASE

<b>NAD 83 (PPP#2) 2430' FSL &amp; 1320' FEL</b>
LATITUDE = 32.790403°
LONGITUDE = -103.955489°
<b>NAD 27 (PPP#2)</b>
LATITUDE = 32.790288°
LONGITUDE = -103.954979°
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 651488.12' E: 657449.20'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 651425.52' E: 616271.23'

<b>NAD 83 (PPP#3) 2430' FSL &amp; 2639' FEL</b>
LATITUDE = 32.790408°
LONGITUDE = -103.959783°
<b>NAD 27 (PPP#3)</b>
LATITUDE = 32.790293°
LONGITUDE = -103.959273°
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 651485.29' E: 656129.47'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 651422.68' E: 614951.50'

<b>NAD 83 (PPP#4) 2430' FSL &amp; 1320' FWL</b>
LATITUDE = 32.790413°
LONGITUDE = -103.964079°
<b>NAD 27 (PPP#4)</b>
LATITUDE = 32.790298°
LONGITUDE = -103.963568°
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 651482.45' E: 654809.59'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 651419.83' E: 613631.62'

<b>NAD 83 (LTP) 2430' FSL &amp; 100' FWL</b>
LATITUDE = 32.790417°
LONGITUDE = -103.968048°
<b>NAD 27 (LTP)</b>
LATITUDE = 32.790302°
LONGITUDE = -103.967537°
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 651479.84' E: 653589.71'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 651417.21' E: 612411.74'

<b>NAD 83 (BHL) 2430' FSL &amp; 10' FWL</b>
LATITUDE = 32.790417°
LONGITUDE = -103.968341°
<b>NAD 27 (BHL)</b>
LATITUDE = 32.790302°
LONGITUDE = -103.967830°
<b>STATE PLANE NAD 83 (N.M. EAST)</b>
N: 651479.64' E: 653499.71'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 651417.01' E: 612321.74'

APPROXIMATE WELL BORE DISTANCE FROM FTP TO LTP	
NM0558580	3859.73'
NM0384574	1319.73'
NM0558579	1319.88'
NM0558580	1219.88'
<b>TOTAL</b>	<b>7719.22'</b>

**NOTES**

1. ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID (U.S. SURVEY FEET), BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001).
2. THIS DOCUMENT IS BASED UPON AN ON THE GROUND SURVEY PERFORMED DURING AUGUST, 2025. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS INFORMATION IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.
3. ELEVATIONS NAVD 88, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.

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:** \_\_\_\_\_ Novo II Operating LLC \_\_\_\_\_ **OGRID:** \_\_\_\_\_ 333465 \_\_\_\_\_ **Date:** \_09/23/2025

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

If Other, please describe: \_\_\_\_\_

**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
Choppah 3534 Fed Com 123H	TBD	J-35-17S-30E	1385' FSL/2242' FEL	950	800	1300
Choppah 3534 Fed Com 124H	TBD	J-35-17S-30E	1369' FSL/2216' FEL	950	800	1300

**IV. Central Delivery Point Name:** \_\_\_\_\_ Choppah 3534 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
Choppah 3534 Fed Com 123H	TBD	5/22/2026	6/11/2026	8/15/2026	10/1/2026	10/1/2026
Choppah 3534 Fed Com 124H	TBD	5/1/2026	5/21/2026	8/15/2026	10/1/2026	10/1/2026

**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

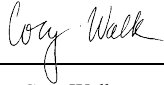
1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(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: Cory Walk
Title: Consultant
E-mail Address: <a href="mailto:cory@permitswest.com">cory@permitswest.com</a>
Date: 09/23/2025
Phone: 505-466-8120
<b>OIL CONSERVATION DIVISION</b> <b>(Only applicable when submitted as a standalone form)</b>
Approved By:
Title:
Approval Date:
Conditions of Approval:

## APPENDIX A

**Operational Practices****19.15.27.8 (A) Venting and Flaring of Natural Gas**

Novo II Operating LLC (Novo) understands the requirements of NMAC 19.15.27.8 which states that the venting and flaring of natural gas during drilling, completion or production that constitutes waste as defined in 19.15.2 are prohibited.

**19.15.27.8 (B) Venting and flaring during drilling operations**

1. Novo shall capture or combust natural gas if technically feasible during drilling operations using best industry practices.
2. A flare stack with a 100 percent capacity for expected volumes will be set on location of the CTB at least 100 feet from the nearest surface hole location, well heads, and storage tanks.
3. In the event of an emergency, Novo will vent natural gas to avoid substantial impact. Novo shall report the vented or flared gas to the NMOCD.

**19.15.27.8 (C) Venting and flaring during completion or recompletion**

During completion operations, Novo utilizes the following:

1. Novo facilities are built and ready from day 1 of flowback
2. Individual well test separators will be set to properly separate gas and liquids. A temporary test separator may be utilized initially to process volumes, if necessary. Separators will be tied into flowback tanks and/or facility tanks which will be tied into the gas processing equipment at the facility for sales down a pipeline. See **Appendix A** for details on Separation Equipment used by Novo.
3. Should the facility not yet be capable of processing gas, or the gas does not meet quality standards, then storage tanks will be set that are tied into gas busters or a temporary flare to manage all natural gas. This flare would meet the following requirements:
  - a) An appropriately sized dual-tipped flare stack (LP & HP) with an automatic igniter
  - b) Novo analyzes natural gas samples twice per week

- c) Novo routes the natural gas into a gathering pipeline as soon as the pipeline specifications are met
- d) Novo provides NMOCD with pipeline specifications and natural gas data.

**19.15.27.8 (D) Venting and flaring during production operations.**

Novo will not vent or flare natural gas except under the following circumstances:

1. During an emergency or malfunction
2. To unload or clean-up liquid holdup in a well to atmospheric pressure, provided
  - a) Novo does not vent after the well achieves a stabilized rate and pressure
  - b) Novo will remain present on-site while liquids unloaded by manual purging and takes all reasonable actions to achieve a stabilized rate and pressure at the earliest practical time
  - c) Novo will optimize the system to minimize natural gas venting on any well equipped with a plunger lift or auto control system
  - d) Best management practices will be used during downhole well maintenance.
3. During the first year of production from an exploratory well provided
  - a) Novo receives approval from NMOCD
  - b) Novo remains in compliance with NM gas capture requirements
  - c) Novo submits an updated C-129 form to NMOCD.
4. 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 operation 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 dehydration units
  - g) Normal operations of compressors, compressor engines, turbines, valves, flanges, and connectors
  - h) During a bradenhead, packer leakage test, or production test lasting less than 24 hours
  - i) When natural gas does not meet the gathering pipeline specifications
  - j) Commissioning of pipelines, equipment, or facilities only for as long as necessary to purge introduced impurities.

To comply with these laws, see **Appendix B** for details on Novo Venting and Flaring.

**19.15.27.8 (E) Performance standards**

1. Novo has utilized process simulations with a safety factor to design all separation and storage equipment. The equipment is routed to a vapor recovery system and utilizes as a flare as back up for periods of startup, shutdown, maintenance or malfunction of the VRU system.
2. Novo will install a flare that is designed to handle the full volume of vapors from the facility in case of VRU failure and it is designed with 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) Previously installed flare stacks will be retrofitted with an automatic ignitor, continuous pilot , or technology that alerts Novo of flare malfunction within 18 months after May 25, 2021.
  - c) Flare stacks replaced after May 25, 2021 will be equipped with an automatic ignitor or continuous pilot if located at a well or facility with an average daily production of 60,000 cubic feet of natural gas or less.
  - d) Flare stacks will be located at least 100 feet from well and storage tanks and securely anchored
4. Novo will conduct an AVO inspection on all components for leaks and defects at least weekly.
5. Novo will make and keep records of AVO inspections available to the NMOCD for at least 5 years.
6. Novo may use 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. Novo will resolve emergencies as promptly as possible.

**19.15.27.8 (F) Measurement or estimation of vented and flared natural gas**

1. Novo will have meters on both the low pressure and high-pressure sides of the flares, and the volumes are recorded in the SCADA system.
2. Novo will install equipment to measure the volume of flared natural gas that has an average daily production of 60,000 cubic feet or greater of natural gas.
3. Novo's measuring equipment will conform to industry standards.
4. The measurement system is designed such that it cannot be bypassed except for inspections and servicing the meters.
5. Novo will estimate the volume of vented or flared natural gas using a methodology that can be independently verified if metering is not practicable due to low flow rate or pressure.

6. Novo will estimate the volume of vented and flared natural gas based on the results of an annual GOR test for wells that do not require measuring equipment reported on form C-116.
7. Novo will install measuring equipment whenever the NMOCD determines that metering is necessary.

## APPENDIX A

**Separation Equipment**

Novo II Operating, LLC (Novo) previously operated in NM as Novo Oil & Gas Northern Delaware, LLC. Historically, Novo has pulled representative pressurized samples from wells in the same producing formation. Novo has utilized these samples in process simulations to determine the amount of gas anticipated in each stage of the process and utilized this information with a safety factor to size the equipment listed below:

- Separation equipment will be set as follows:
  - Individual 3-Phase separators will be set for each well.
    - The separators will be sized based on the anticipated volume of the well and the pressure of the lines utilized for oil, gas, and water takeaway.
  - A Heater Treater will be set for the combined liquid flow of all wells.
    - The heater treaters are sized based on the anticipated combined volume of oil and water predicted to come from the initial 3 phase separators.
    - Oil will be separated from the water and water will be sent to its respective tanks
    - The combined oil and natural gas stream is routed to the Vapor Recovery Tower.
  - The oil and water tanks utilize a closed vent capture system to ensure all breathing, working and flashing losses are routed to the Vapor Recovery Tower (VRT) and Vapor Recovery Unit (VRU)
  - The Vapor Recovery Tower has been sized, based on the anticipated volume of gas from the heater treater and oil and water tanks. A VRU is then utilized to push the recovered gas into the sales pipeline.
    - The VRU will be sized based on the anticipated gas volume and the gas pressure for the line utilized for takeaway.

All equipment has been sized based on the modeled projected need and a safety factor of at least 10%. This is ensuring that the capture of methane gas and VOC will minimize flaring below 50mcf/d per facility.

## APPENDIX B



### Venting and Flaring

Novo II Operating, LLC (Novo) will have a natural gas system available prior to startup of completion operations. Novo utilizes a VRU system and sells all gas except during periods of startup, shutdown, maintenance, or malfunction for the gas capturing equipment, including the VRT, VRU, storage tanks, and pipelines.

Currently, Novo utilizes the following from list A-I of Section 3 for its operations to minimize flaring:

- a) Novo utilizes Natural Gas (NG) powered generators to provide power where grid power isn't available.
- b) When electrical grid power is unavailable, NG generators will be used for major equipment onsite.
- c) Novo compression in service will be NG powered.
- d) Should liquids removal – such as dehydration – be required, units will be powered by NG.

Additionally, Novo will only flare gas during the following times:

- o Scheduled maintenance for gas capturing equipment including:
  - VRT
  - VRU
  - Storage tanks
  - Pipelines
- o Emergency flaring



### **Best Management Practices**

Novo II Operating, LLC (Novo) utilizes the following best management practices to minimize venting during active and planned maintenance.

Novo has a closed vent capture system to route emissions from the heater treater, tanks and vapor recovery to the VRU with a flare for backup. The system is designed such that if the VRU is taken out of service for any reason, the vapors will be routed to the flare for combustion.

Novo will isolate and attempt to route all vapors to the VRU or flare prior to opening any lines for maintenance to minimize venting from the equipment.



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

# Drilling Plan Data Report

01/09/2026

APD ID: 10400107487

Submission Date: 09/29/2025

Highlighted data reflects the most recent changes

Operator Name: NOVO II OPERATING LLC

Well Name: CHOPPAH 3534 FED COM

Well Number: 123H

Well Type: OIL 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
17186224	QUATERNARY	3592	0	0	ALLUVIUM	NONE	N
17186225	RUSTLER ANHYDRITE	3318	274	274	ANHYDRITE	NONE	N
17186226	TOP SALT	2997	595	595	SALT	NONE	N
17186227	BOTTOM SALT	2201	1391	1391	SALT	NONE	N
17186228	YATES	2092	1500	1500	SANDSTONE	NATURAL GAS, OIL	N
17186229	SEVEN RIVERS	1673	1919	1921	DOLOMITE	NATURAL GAS, OIL	N
17186230	QUEEN	1134	2458	2473	DOLOMITE, SANDSTONE	NATURAL GAS, OIL	N
17186231	GRAYBURG	747	2845	2873	DOLOMITE	NATURAL GAS, OIL	N
17186232	SAN ANDRES	280	3312	3354	DOLOMITE	NATURAL GAS, OIL	N
17186233	LAMAR	167	3425	3471	LIMESTONE	NATURAL GAS, OIL	N
17186234	BONE SPRING LIME	-541	4133	4201	LIMESTONE, SHALE	NATURAL GAS, OIL	N
17186235	BONE SPRING 1ST	-2954	6546	6674	SANDSTONE	NATURAL GAS, OIL	N
17186236	BONE SPRING 2ND	-3117	6709	6837	OTHER : Carbonate	NATURAL GAS, OIL	N
17186237	BONE SPRING 2ND	-3817	7409	7541	SANDSTONE	NATURAL GAS, OIL	Y

## Section 2 - Blowout Prevention

**Operator Name:** NOVO II OPERATING LLC

**Well Name:** CHOPPAH 3534 FED COM

**Well Number:** 123H

**Pressure Rating (PSI):** 5M

**Rating Depth:** 10000

**Equipment:** A 13.625" 5M Blowout Preventer system will be installed on a multi-bowl (speed head) wellhead with a 13.625" flanged casing spool. Top flange of casing spool will be set in a cellar below ground level. BOP system will consist of a single pipe ram on the bottom, mud cross, double pipe ram with blind rams on bottom and pipe rams on top, and annular preventer. Blowout preventer will be installed on top of the 13.375" surface casing and will remain installed to TD of the well. Wellhead, blowout preventer, and choke manifold diagram are included.

**Requesting Variance?** YES

**Variance request:** Variance is requested to use a co-flex hose between the BOP system and choke manifold. A typical co-flex pressure test certificate is attached. An equipment specific co-flex pressure test certificate will be on site when testing the BOP.

**Testing Procedure:** All casing strings will be tested in accordance with 43 CFR 3172. The BOP system will be isolated with a test plug and tested by an independent tester to 250 psi low and 5,000 psi high for 10 minutes. The Surface Casing will be pressure tested to 250 psi low and 1500 psi high. Intermediate Casing will be pressure tested to 250 psi low and (.22 psi x Shoe TVD, which is equivalent to 2036.98 psi) high for 30 minutes.

**Choke Diagram Attachment:**

5M\_Choke\_Manifold\_Schematic\_20250926102739.pdf

**BOP Diagram Attachment:**

5M\_BOP\_Schematic\_20250926102748.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	300	0	300	3592	3292	300	J-55	54.5	BUTT	1.125	1.125	DRY	1.6	DRY	1.6
2	INTERMEDIATE	9.875	8.625	NEW	NON API	N	0	7100	0	7000	3574	-3408	7100	OTHER - P110 HP	32	OTHER - Talon HTQ	1.125	1.125	DRY	1.6	DRY	1.6
3	PRODUCTION	7.875	5.5	NEW	NON API	N	0	15680	0	7840	3574	-4248	15680	OTHER - P110 EC	20	OTHER - DWC/C-IS+	1.125	1.125	DRY	1.6	DRY	1.6

**Casing Attachments**

**Operator Name:** NOVO II OPERATING LLC

**Well Name:** CHOPPAH 3534 FED COM

**Well Number:** 123H

**Casing Attachments**

---

**Casing ID:** 1            **String**    SURFACE

**Inspection Document:**

**Spec Document:**

**Tapered String Spec:**

**Casing Design Assumptions and Worksheet(s):**

Choppah\_123H\_Casing\_Design\_Assumptions\_20250926102906.pdf

---

**Casing ID:** 2            **String**    INTERMEDIATE

**Inspection Document:**

**Spec Document:**

8.625\_P110HP\_TALON\_HTQ\_Casing\_Spec\_20250926102938.pdf

**Tapered String Spec:**

**Casing Design Assumptions and Worksheet(s):**

Choppah\_123H\_Casing\_Design\_Assumptions\_20250926102949.pdf

---

**Casing ID:** 3            **String**    PRODUCTION

**Inspection Document:**

**Spec Document:**

5.5in\_P110\_EC\_Casing\_Spec\_20250926103023.pdf

**Tapered String Spec:**

**Casing Design Assumptions and Worksheet(s):**

Choppah\_123H\_Casing\_Design\_Assumptions\_20250926103037.pdf

---

**Section 4 - Cement**

**Operator Name:** NOVO II OPERATING LLC

**Well Name:** CHOPPAH 3534 FED COM

**Well Number:** 123H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	0	0	0	0	0	0	None	None
SURFACE	Tail		0	300	257	1.62	13.8	417	100	Class C	Gel, Accelerator, LCM
PRODUCTION	Lead		0	0	0	0	0	0	0	None	None
PRODUCTION	Tail		6600	15680	999	1.89	13	1888	20	Class H	Fluid Loss, Retarder, LCM
INTERMEDIATE	Lead		0	6100	624	2.69	10.5	1679	100	Class C or H	Fluid Loss, Retarder, LCM, Possibly beads
INTERMEDIATE	Tail		6100	7100	130	1.34	14.8	174	20	Class C or H	Fluid Loss, LCM, Retarder

### 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 43 CFR 3172:**

**Diagram of the equipment for the circulating system in accordance with 43 CFR 3172:**

**Describe what will be on location to control well or mitigate other conditions:** All necessary mud products (barite, bentonite, LCM) to control weight and fluid loss will be on site at all times. Mud program may change due to hole conditions.

**Describe the mud monitoring system utilized:** An electronic PVT mud system will monitor flow rate, pump pressure, stroke rate, and volume.

### Circulating Medium Table

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
0	300	SPUD MUD	8.3	8.3							
300	7100	OTHER : Brine Diesel Emulsion	8.8	9.6							

**Operator Name:** NOVO II OPERATING LLC

**Well Name:** CHOPPAH 3534 FED COM

**Well Number:** 123H

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
7100	1568 0	OIL-BASED MUD	11	12.5							

### Section 6 - Test, Logging, Coring

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

A 2-person mud logging program will be used from 3000' to TD. GR log will be acquired by MWD tools from the intermediate casing to TD.

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

GAMMA RAY LOG, MUD LOG/GEOLOGICAL LITHOLOGY LOG,

**Coring operation description for the well:**

No core or drill stem test is planned.

### Section 7 - Pressure

**Anticipated Bottom Hole Pressure:** 5474

**Anticipated Surface Pressure:** 3749

**Anticipated Bottom Hole Temperature(F):** 160

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

**Describe:**

**Contingency Plans geohazards description:**

**Contingency Plans geohazards**

**Hydrogen Sulfide drilling operations plan required?** YES

**Hydrogen sulfide drilling operations**

Choppah\_SOUTH\_H2S\_Plan\_20250926103320.pdf

**Operator Name:** NOVO II OPERATING LLC

**Well Name:** CHOPPAH 3534 FED COM

**Well Number:** 123H

### Section 8 - Other Information

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

Choppah\_123H\_Directional\_Plan\_20250926103338.pdf

**Other proposed operations facets description:**

**Other proposed operations facets attachment:**

Choppah\_123H\_Drill\_Plan\_20250926103345.pdf

Choppah\_123H\_Anticollision\_Report\_20250926103403.pdf

Wellhead\_Diagram\_20250926103431.pdf

CoFlex\_Cert\_20250926103436.pdf

Choppah\_SOUTH\_WMP\_Packet\_20250926103448.pdf

Alternative\_Casing\_Spec\_Request\_20250926103503.pdf

**Other Variance request(s)?:** Y

**Other Variance attachment:**

Casing\_Cement\_Variance\_20250926103516.pdf

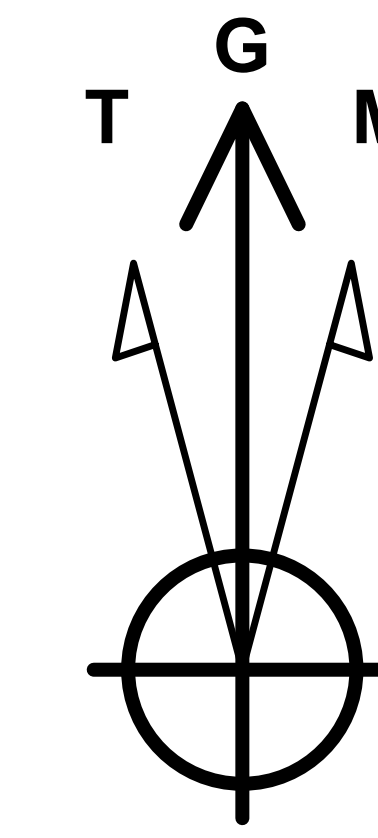
# Choppah 3534 Fed Com 123H

## WELL DETAILS: Choppah 3534 Fed Com 123H Plan 1

		GL Elev (ft):		3592.00	
<b>+N/-S</b>	<b>+E/-W</b>	<b>Northing</b>	<b>Easting</b>	<b>Latitude</b>	<b>Longitude</b>
0.00	0.00	650453.44	661807.53	32.78751511	-103.94131904

### SECTION DETAILS

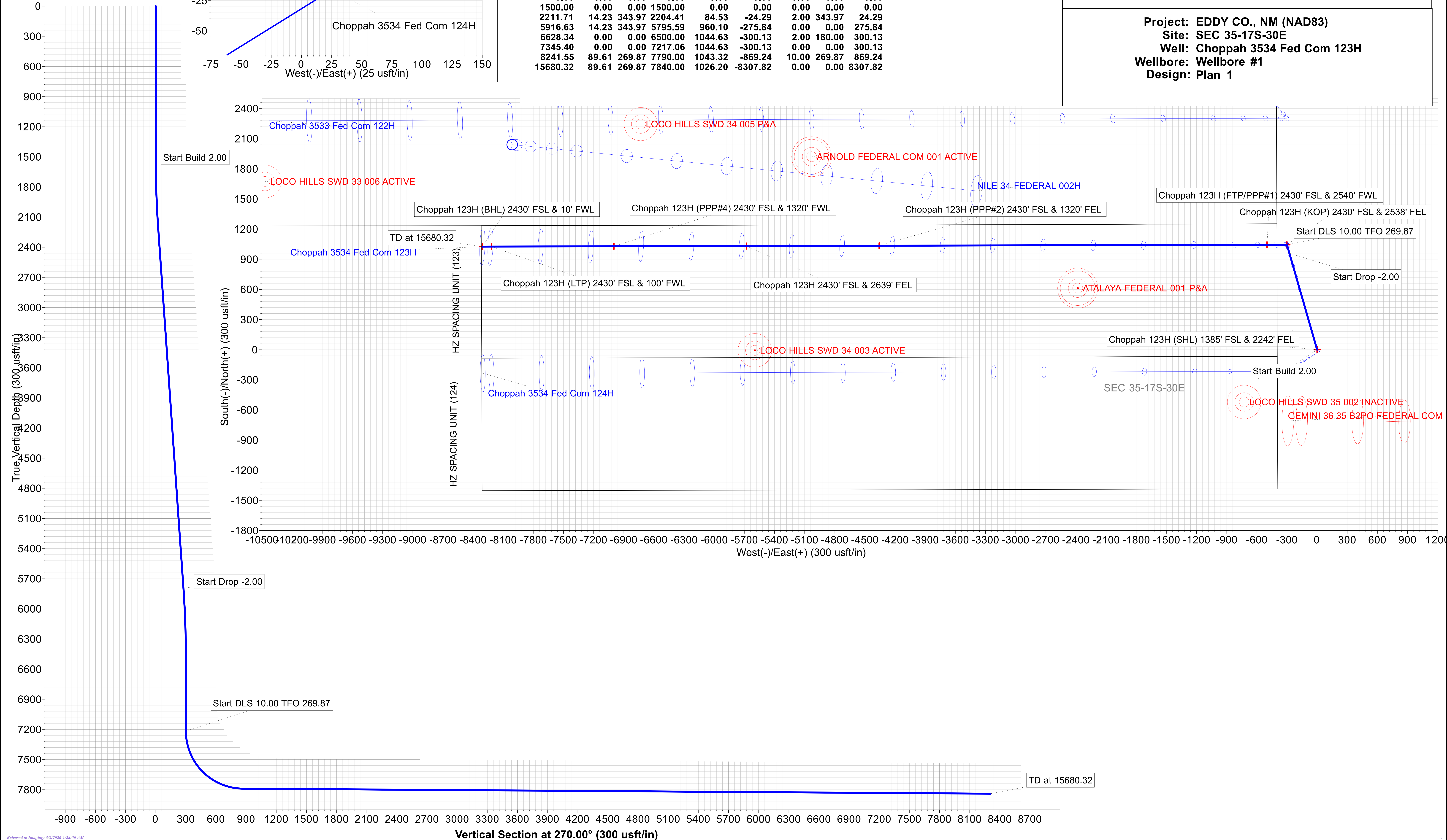
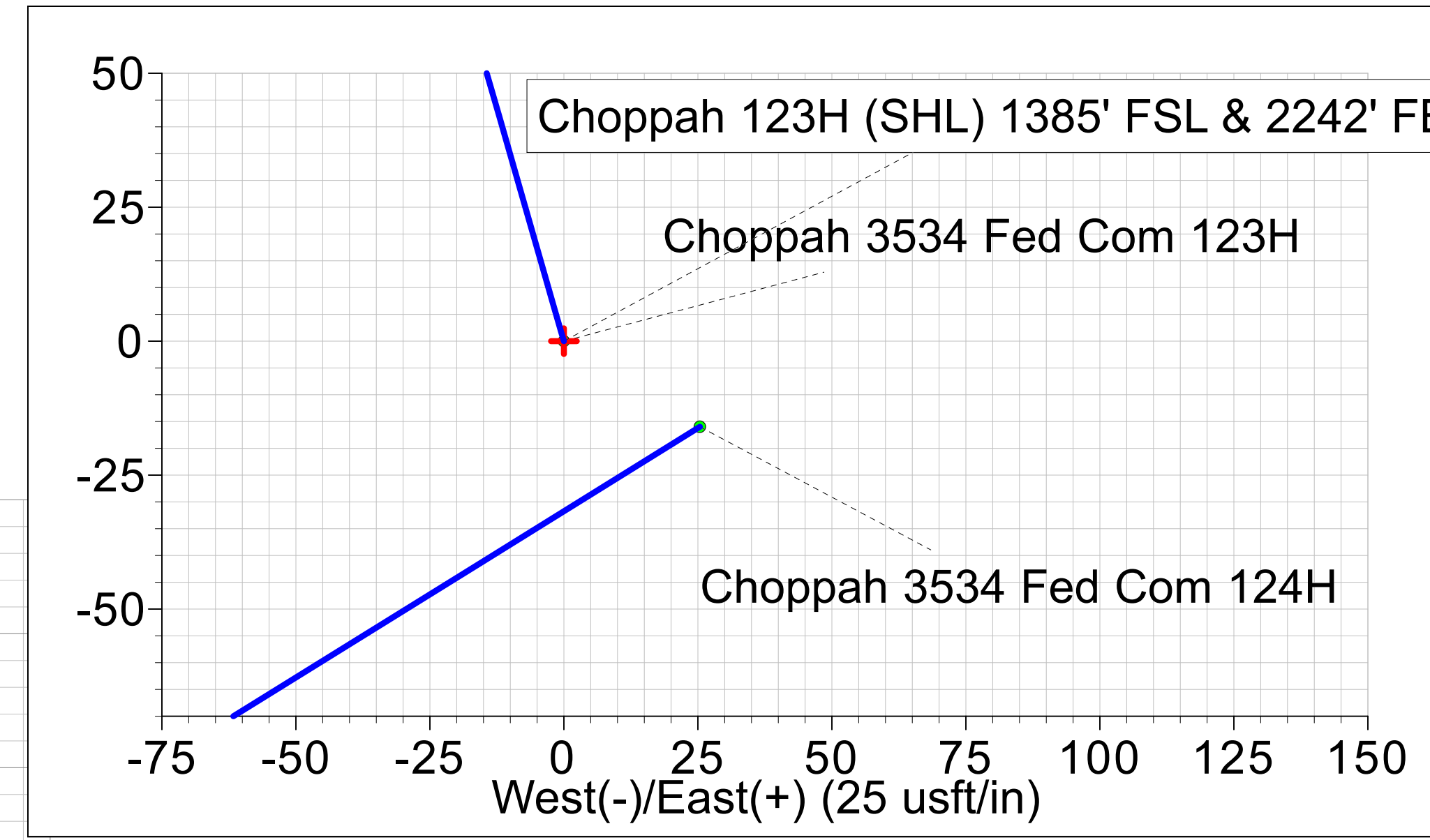
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	Vsect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1500.00	0.00	0.00	1500.00	0.00	0.00	0.00	0.00	0.00	
2211.71	14.23	343.97	2204.41	84.53	-24.29	2.00	343.97	24.29	
5916.63	14.23	343.97	5795.59	960.10	-275.84	0.00	0.00	275.84	
6628.34	0.00	0.00	6500.00	1044.63	-300.13	2.00	180.00	300.13	
7345.40	0.00	0.00	7217.06	1044.63	-300.13	0.00	0.00	300.13	
8241.55	89.61	269.87	7790.00	1043.32	-869.24	10.00	269.87	869.24	
15680.32	89.61	269.87	7840.00	1026.20	-8307.82	0.00	0.00	8307.82	



Azimuths to Grid North  
 True North: -0.21°  
 Magnetic North: 6.52°  
 Magnetic Field

Strength: 47318.6nT  
 Dip Angle: 60.35°  
 Date: 8/22/2025  
 Model: BGGM CURRENT

Project: EDDY CO., NM (NAD83)  
 Site: SEC 35-17S-30E  
 Well: Choppah 3534 Fed Com 123H  
 Wellbore: Wellbore #1  
 Design: Plan 1





## **Novo Oil & Gas II, LLC**

**EDDY CO., NM (NAD83)**

**SEC 35-17S-30E**

**Choppah 3534 Fed Com 123H**

**Wellbore #1**

**Plan: Plan 1**

## **Standard Planning Report**

**26 August, 2025**





Planning Report



<b>Database:</b>	1 - EDM Production	<b>Local Co-ordinate Reference:</b>	Well Choppah 3534 Fed Com 123H
<b>Company:</b>	Novo Oil & Gas II, LLC	<b>TVD Reference:</b>	RKB 25' (est) + GL 3592 @ 3617.00usft
<b>Project:</b>	EDDY CO., NM (NAD83)	<b>MD Reference:</b>	RKB 25' (est) + GL 3592 @ 3617.00usft
<b>Site:</b>	SEC 35-17S-30E	<b>North Reference:</b>	Grid
<b>Well:</b>	Choppah 3534 Fed Com 123H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan 1		

<b>Project</b>	EDDY CO., NM (NAD83)		
<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>	SEC 35-17S-30E				
<b>Site Position:</b>		<b>Northing:</b>	653,718.12 usft	<b>Latitude:</b>	32.79649879
<b>From:</b>	Map	<b>Easting:</b>	660,782.47 usft	<b>Longitude:</b>	-103.94461553
<b>Position Uncertainty:</b>	0.00 usft	<b>Slot Radius:</b>	13-3/16 "		

<b>Well</b>	Choppah 3534 Fed Com 123H					
<b>Well Position</b>	<b>+N/-S</b>	0.00 usft	<b>Northing:</b>	650,453.44 usft	<b>Latitude:</b>	32.78751511
	<b>+E/-W</b>	0.00 usft	<b>Easting:</b>	661,807.53 usft	<b>Longitude:</b>	-103.94131904
<b>Position Uncertainty</b>		0.50 usft	<b>Wellhead Elevation:</b>	usft	<b>Ground Level:</b>	3,592.00 usft
<b>Grid Convergence:</b>	0.21 °					

<b>Wellbore</b>	Wellbore #1				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	BGGM CURRENT	8/22/2025	6.74	60.35	47,318.60000000

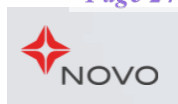
<b>Design</b>	Plan 1			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PLAN	<b>Tie On Depth:</b>	0.00
<b>Vertical Section:</b>	<b>Depth From (TVD) (usft)</b>	<b>+N/-S (usft)</b>	<b>+E/-W (usft)</b>	<b>Direction (°)</b>
	0.00	0.00	0.00	270.00

<b>Plan Survey Tool Program</b>	<b>Date</b>	8/25/2025		
<b>Depth From (usft)</b>	<b>Depth To (usft)</b>	<b>Survey (Wellbore)</b>	<b>Tool Name</b>	<b>Remarks</b>
1	0.00	15,680.31	Plan 1 (Wellbore #1)	MWD+HRGM OWSG MWD + HRGM

<b>Plan Sections</b>										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,211.71	14.23	343.97	2,204.41	84.53	-24.29	2.00	2.00	0.00	343.97	
5,916.63	14.23	343.97	5,795.59	960.10	-275.84	0.00	0.00	0.00	0.00	
6,628.34	0.00	0.00	6,500.00	1,044.63	-300.13	2.00	-2.00	0.00	180.00	
7,345.40	0.00	0.00	7,217.06	1,044.63	-300.13	0.00	0.00	0.00	0.00	
8,241.55	89.61	269.87	7,790.01	1,043.32	-869.24	10.00	10.00	-10.06	269.87	
15,680.32	89.61	269.87	7,840.00	1,026.20	-8,307.82	0.00	0.00	0.00	0.00	



Planning Report

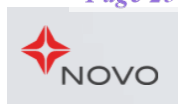


<b>Database:</b>	1 - EDM Production	<b>Local Co-ordinate Reference:</b>	Well Choppah 3534 Fed Com 123H
<b>Company:</b>	Novo Oil & Gas II, LLC	<b>TVD Reference:</b>	RKB 25' (est) + GL 3592 @ 3617.00usft
<b>Project:</b>	EDDY CO., NM (NAD83)	<b>MD Reference:</b>	RKB 25' (est) + GL 3592 @ 3617.00usft
<b>Site:</b>	SEC 35-17S-30E	<b>North Reference:</b>	Grid
<b>Well:</b>	Choppah 3534 Fed Com 123H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<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)	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
274.00	0.00	0.00	274.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>RUSTLER</b>										
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
595.00	0.00	0.00	595.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOP SALT</b>										
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,391.00	0.00	0.00	1,391.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>BOTTOM SALT</b>										
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>YATES</b>										
1,600.00	2.00	343.97	1,599.98	1.68	-0.48	0.48	2.00	2.00	2.00	0.00
1,700.00	4.00	343.97	1,699.84	6.71	-1.93	1.93	2.00	2.00	2.00	0.00
1,800.00	6.00	343.97	1,799.45	15.08	-4.33	4.33	2.00	2.00	2.00	0.00
1,900.00	8.00	343.97	1,898.70	26.80	-7.70	7.70	2.00	2.00	2.00	0.00
1,920.51	8.41	343.97	1,919.00	29.61	-8.51	8.51	2.00	2.00	2.00	0.00
<b>SEVEN RIVERS</b>										
2,000.00	10.00	343.97	1,997.47	41.83	-12.02	12.02	2.00	2.00	2.00	0.00
2,100.00	12.00	343.97	2,095.62	60.17	-17.29	17.29	2.00	2.00	2.00	0.00
2,200.00	14.00	343.97	2,193.06	81.79	-23.50	23.50	2.00	2.00	2.00	0.00
2,211.71	14.23	343.97	2,204.41	84.53	-24.29	24.29	2.00	2.00	2.00	0.00
2,300.00	14.23	343.97	2,289.99	105.40	-30.28	30.28	0.00	0.00	0.00	0.00
2,400.00	14.23	343.97	2,386.92	129.03	-37.07	37.07	0.00	0.00	0.00	0.00
2,473.33	14.23	343.97	2,458.00	146.36	-42.05	42.05	0.00	0.00	0.00	0.00
<b>QUEEN</b>										
2,500.00	14.23	343.97	2,483.85	152.66	-43.86	43.86	0.00	0.00	0.00	0.00
2,600.00	14.23	343.97	2,580.78	176.30	-50.65	50.65	0.00	0.00	0.00	0.00
2,700.00	14.23	343.97	2,677.71	199.93	-57.44	57.44	0.00	0.00	0.00	0.00
2,800.00	14.23	343.97	2,774.64	223.56	-64.23	64.23	0.00	0.00	0.00	0.00
2,872.59	14.23	343.97	2,845.00	240.71	-69.16	69.16	0.00	0.00	0.00	0.00
<b>GRAYBURG</b>										
2,900.00	14.23	343.97	2,871.57	247.19	-71.02	71.02	0.00	0.00	0.00	0.00
3,000.00	14.23	343.97	2,968.50	270.83	-77.81	77.81	0.00	0.00	0.00	0.00
3,100.00	14.23	343.97	3,065.43	294.46	-84.60	84.60	0.00	0.00	0.00	0.00
3,200.00	14.23	343.97	3,162.36	318.09	-91.39	91.39	0.00	0.00	0.00	0.00
3,300.00	14.23	343.97	3,259.29	341.72	-98.18	98.18	0.00	0.00	0.00	0.00
3,354.38	14.23	343.97	3,312.00	354.57	-101.87	101.87	0.00	0.00	0.00	0.00
<b>SAN ANDRES</b>										
3,400.00	14.23	343.97	3,356.22	365.36	-104.97	104.97	0.00	0.00	0.00	0.00
3,470.96	14.23	343.97	3,425.00	382.12	-109.79	109.79	0.00	0.00	0.00	0.00
<b>LAMAR</b>										



Planning Report



<b>Database:</b>	1 - EDM Production	<b>Local Co-ordinate Reference:</b>	Well Choppah 3534 Fed Com 123H
<b>Company:</b>	Novo Oil & Gas II, LLC	<b>TVD Reference:</b>	RKB 25' (est) + GL 3592 @ 3617.00usft
<b>Project:</b>	EDDY CO., NM (NAD83)	<b>MD Reference:</b>	RKB 25' (est) + GL 3592 @ 3617.00usft
<b>Site:</b>	SEC 35-17S-30E	<b>North Reference:</b>	Grid
<b>Well:</b>	Choppah 3534 Fed Com 123H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<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)	
3,500.00	14.23	343.97	3,453.15	388.99	-111.76	111.76	0.00	0.00	0.00	
3,600.00	14.23	343.97	3,550.08	412.62	-118.55	118.55	0.00	0.00	0.00	
3,700.00	14.23	343.97	3,647.01	436.25	-125.34	125.34	0.00	0.00	0.00	
3,800.00	14.23	343.97	3,743.94	459.88	-132.13	132.13	0.00	0.00	0.00	
3,900.00	14.23	343.97	3,840.87	483.52	-138.92	138.92	0.00	0.00	0.00	
4,000.00	14.23	343.97	3,937.80	507.15	-145.71	145.71	0.00	0.00	0.00	
4,100.00	14.23	343.97	4,034.73	530.78	-152.50	152.50	0.00	0.00	0.00	
4,200.00	14.23	343.97	4,131.66	554.41	-159.29	159.29	0.00	0.00	0.00	
4,201.38	14.23	343.97	4,133.00	554.74	-159.38	159.38	0.00	0.00	0.00	
<b>BONE SPRING</b>										
4,300.00	14.23	343.97	4,228.59	578.05	-166.08	166.08	0.00	0.00	0.00	
4,400.00	14.23	343.97	4,325.52	601.68	-172.87	172.87	0.00	0.00	0.00	
4,500.00	14.23	343.97	4,422.45	625.31	-179.66	179.66	0.00	0.00	0.00	
4,600.00	14.23	343.97	4,519.38	648.94	-186.45	186.45	0.00	0.00	0.00	
4,700.00	14.23	343.97	4,616.31	672.58	-193.24	193.24	0.00	0.00	0.00	
4,800.00	14.23	343.97	4,713.24	696.21	-200.03	200.03	0.00	0.00	0.00	
4,900.00	14.23	343.97	4,810.17	719.84	-206.82	206.82	0.00	0.00	0.00	
5,000.00	14.23	343.97	4,907.10	743.47	-213.61	213.61	0.00	0.00	0.00	
5,100.00	14.23	343.97	5,004.03	767.11	-220.40	220.40	0.00	0.00	0.00	
5,200.00	14.23	343.97	5,100.96	790.74	-227.19	227.19	0.00	0.00	0.00	
5,300.00	14.23	343.97	5,197.89	814.37	-233.98	233.98	0.00	0.00	0.00	
5,400.00	14.23	343.97	5,294.82	838.00	-240.76	240.76	0.00	0.00	0.00	
5,500.00	14.23	343.97	5,391.75	861.64	-247.55	247.55	0.00	0.00	0.00	
5,600.00	14.23	343.97	5,488.68	885.27	-254.34	254.34	0.00	0.00	0.00	
5,700.00	14.23	343.97	5,585.61	908.90	-261.13	261.13	0.00	0.00	0.00	
5,800.00	14.23	343.97	5,682.54	932.53	-267.92	267.92	0.00	0.00	0.00	
5,900.00	14.23	343.97	5,779.47	956.17	-274.71	274.71	0.00	0.00	0.00	
5,916.63	14.23	343.97	5,795.59	960.10	-275.84	275.84	0.00	0.00	0.00	
6,000.00	12.57	343.97	5,876.68	978.67	-281.18	281.18	2.00	-2.00	0.00	
6,100.00	10.57	343.97	5,974.65	997.94	-286.71	286.71	2.00	-2.00	0.00	
6,200.00	8.57	343.97	6,073.25	1,013.91	-291.30	291.30	2.00	-2.00	0.00	
6,300.00	6.57	343.97	6,172.38	1,026.57	-294.94	294.94	2.00	-2.00	0.00	
6,400.00	4.57	343.97	6,271.90	1,035.89	-297.62	297.62	2.00	-2.00	0.00	
6,500.00	2.57	343.97	6,371.70	1,041.87	-299.34	299.34	2.00	-2.00	0.00	
6,600.00	0.57	343.97	6,471.66	1,044.50	-300.09	300.09	2.00	-2.00	0.00	
6,628.34	0.00	0.00	6,500.00	1,044.63	-300.13	300.13	2.00	-2.00	0.00	
6,674.34	0.00	0.00	6,546.00	1,044.63	-300.13	300.13	0.00	0.00	0.00	
<b>FIRST BONE SPRING</b>										
6,700.00	0.00	0.00	6,571.66	1,044.63	-300.13	300.13	0.00	0.00	0.00	
6,800.00	0.00	0.00	6,671.66	1,044.63	-300.13	300.13	0.00	0.00	0.00	
6,837.34	0.00	0.00	6,709.00	1,044.63	-300.13	300.13	0.00	0.00	0.00	
<b>SECOND BONE SPRING CARB</b>										
6,900.00	0.00	0.00	6,771.66	1,044.63	-300.13	300.13	0.00	0.00	0.00	
7,000.00	0.00	0.00	6,871.66	1,044.63	-300.13	300.13	0.00	0.00	0.00	
7,100.00	0.00	0.00	6,971.66	1,044.63	-300.13	300.13	0.00	0.00	0.00	
7,200.00	0.00	0.00	7,071.66	1,044.63	-300.13	300.13	0.00	0.00	0.00	
7,300.00	0.00	0.00	7,171.66	1,044.63	-300.13	300.13	0.00	0.00	0.00	
7,345.40	0.00	0.00	7,217.06	1,044.63	-300.13	300.13	0.00	0.00	0.00	
7,350.00	0.46	269.87	7,221.66	1,044.63	-300.15	300.15	10.00	10.00	0.00	
7,400.00	5.46	269.87	7,271.58	1,044.62	-302.73	302.73	10.00	10.00	0.00	
7,450.00	10.46	269.87	7,321.08	1,044.61	-309.65	309.65	10.00	10.00	0.00	
7,500.00	15.46	269.87	7,369.79	1,044.58	-320.86	320.86	10.00	10.00	0.00	
7,541.13	19.57	269.87	7,409.00	1,044.55	-333.24	333.24	10.00	10.00	0.00	



Planning Report



<b>Database:</b>	1 - EDM Production	<b>Local Co-ordinate Reference:</b>	Well Choppah 3534 Fed Com 123H
<b>Company:</b>	Novo Oil & Gas II, LLC	<b>TVD Reference:</b>	RKB 25' (est) + GL 3592 @ 3617.00usft
<b>Project:</b>	EDDY CO., NM (NAD83)	<b>MD Reference:</b>	RKB 25' (est) + GL 3592 @ 3617.00usft
<b>Site:</b>	SEC 35-17S-30E	<b>North Reference:</b>	Grid
<b>Well:</b>	Choppah 3534 Fed Com 123H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<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)
<b>SECOND BONE SPRING SAND</b>									
7,550.00	20.46	269.87	7,417.34	1,044.55	-336.27	336.27	10.00	10.00	0.00
7,600.00	25.46	269.87	7,463.36	1,044.50	-355.77	355.77	10.00	10.00	0.00
7,650.00	30.46	269.87	7,507.51	1,044.45	-379.21	379.21	10.00	10.00	0.00
7,700.00	35.46	269.87	7,549.45	1,044.39	-406.40	406.40	10.00	10.00	0.00
7,750.00	40.46	269.87	7,588.86	1,044.31	-437.15	437.15	10.00	10.00	0.00
7,800.00	45.46	269.87	7,625.44	1,044.24	-471.21	471.21	10.00	10.00	0.00
7,850.00	50.46	269.87	7,658.91	1,044.15	-508.33	508.33	10.00	10.00	0.00
7,900.00	55.46	269.87	7,689.02	1,044.06	-548.23	548.23	10.00	10.00	0.00
7,950.00	60.46	269.87	7,715.54	1,043.96	-590.60	590.60	10.00	10.00	0.00
8,000.00	65.46	269.87	7,738.26	1,043.86	-635.12	635.12	10.00	10.00	0.00
8,050.00	70.46	269.87	7,757.02	1,043.75	-681.45	681.45	10.00	10.00	0.00
8,100.00	75.46	269.87	7,771.67	1,043.64	-729.24	729.24	10.00	10.00	0.00
8,150.00	80.46	269.87	7,782.09	1,043.53	-778.12	778.12	10.00	10.00	0.00
8,200.00	85.46	269.87	7,788.22	1,043.42	-827.73	827.73	10.00	10.00	0.00
8,240.89	89.55	269.87	7,790.00	1,043.32	-868.57	868.57	10.00	10.00	0.00
<b>TARGET</b>									
8,241.55	89.61	269.87	7,790.01	1,043.32	-869.24	869.24	10.00	10.00	0.00
8,300.00	89.61	269.87	7,790.40	1,043.19	-927.68	927.68	0.00	0.00	0.00
8,400.00	89.61	269.87	7,791.07	1,042.96	-1,027.68	1,027.68	0.00	0.00	0.00
8,500.00	89.61	269.87	7,791.74	1,042.73	-1,127.68	1,127.68	0.00	0.00	0.00
8,600.00	89.61	269.87	7,792.41	1,042.50	-1,227.68	1,227.68	0.00	0.00	0.00
8,700.00	89.61	269.87	7,793.09	1,042.27	-1,327.67	1,327.67	0.00	0.00	0.00
8,800.00	89.61	269.87	7,793.76	1,042.03	-1,427.67	1,427.67	0.00	0.00	0.00
8,900.00	89.61	269.87	7,794.43	1,041.80	-1,527.67	1,527.67	0.00	0.00	0.00
9,000.00	89.61	269.87	7,795.10	1,041.57	-1,627.67	1,627.67	0.00	0.00	0.00
9,100.00	89.61	269.87	7,795.77	1,041.34	-1,727.66	1,727.66	0.00	0.00	0.00
9,200.00	89.61	269.87	7,796.45	1,041.11	-1,827.66	1,827.66	0.00	0.00	0.00
9,300.00	89.61	269.87	7,797.12	1,040.88	-1,927.66	1,927.66	0.00	0.00	0.00
9,400.00	89.61	269.87	7,797.79	1,040.65	-2,027.66	2,027.66	0.00	0.00	0.00
9,500.00	89.61	269.87	7,798.46	1,040.42	-2,127.65	2,127.65	0.00	0.00	0.00
9,600.00	89.61	269.87	7,799.14	1,040.19	-2,227.65	2,227.65	0.00	0.00	0.00
9,700.00	89.61	269.87	7,799.81	1,039.96	-2,327.65	2,327.65	0.00	0.00	0.00
9,800.00	89.61	269.87	7,800.48	1,039.73	-2,427.65	2,427.65	0.00	0.00	0.00
9,900.00	89.61	269.87	7,801.15	1,039.50	-2,527.64	2,527.64	0.00	0.00	0.00
10,000.00	89.61	269.87	7,801.82	1,039.27	-2,627.64	2,627.64	0.00	0.00	0.00
10,100.00	89.61	269.87	7,802.50	1,039.04	-2,727.64	2,727.64	0.00	0.00	0.00
10,200.00	89.61	269.87	7,803.17	1,038.81	-2,827.64	2,827.64	0.00	0.00	0.00
10,300.00	89.61	269.87	7,803.84	1,038.58	-2,927.63	2,927.63	0.00	0.00	0.00
10,400.00	89.61	269.87	7,804.51	1,038.35	-3,027.63	3,027.63	0.00	0.00	0.00
10,500.00	89.61	269.87	7,805.18	1,038.12	-3,127.63	3,127.63	0.00	0.00	0.00
10,600.00	89.61	269.87	7,805.86	1,037.89	-3,227.63	3,227.63	0.00	0.00	0.00
10,700.00	89.61	269.87	7,806.53	1,037.66	-3,327.62	3,327.62	0.00	0.00	0.00
10,800.00	89.61	269.87	7,807.20	1,037.43	-3,427.62	3,427.62	0.00	0.00	0.00
10,900.00	89.61	269.87	7,807.87	1,037.20	-3,527.62	3,527.62	0.00	0.00	0.00
11,000.00	89.61	269.87	7,808.54	1,036.97	-3,627.61	3,627.61	0.00	0.00	0.00
11,100.00	89.61	269.87	7,809.22	1,036.74	-3,727.61	3,727.61	0.00	0.00	0.00
11,200.00	89.61	269.87	7,809.89	1,036.51	-3,827.61	3,827.61	0.00	0.00	0.00
11,300.00	89.61	269.87	7,810.56	1,036.28	-3,927.61	3,927.61	0.00	0.00	0.00
11,400.00	89.61	269.87	7,811.23	1,036.05	-4,027.60	4,027.60	0.00	0.00	0.00
11,500.00	89.61	269.87	7,811.90	1,035.82	-4,127.60	4,127.60	0.00	0.00	0.00
11,600.00	89.61	269.87	7,812.58	1,035.59	-4,227.60	4,227.60	0.00	0.00	0.00
11,700.00	89.61	269.87	7,813.25	1,035.36	-4,327.60	4,327.60	0.00	0.00	0.00



Planning Report



<b>Database:</b>	1 - EDM Production	<b>Local Co-ordinate Reference:</b>	Well Choppah 3534 Fed Com 123H
<b>Company:</b>	Novo Oil & Gas II, LLC	<b>TVD Reference:</b>	RKB 25' (est) + GL 3592 @ 3617.00usft
<b>Project:</b>	EDDY CO., NM (NAD83)	<b>MD Reference:</b>	RKB 25' (est) + GL 3592 @ 3617.00usft
<b>Site:</b>	SEC 35-17S-30E	<b>North Reference:</b>	Grid
<b>Well:</b>	Choppah 3534 Fed Com 123H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<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)	
11,800.00	89.61	269.87	7,813.92	1,035.13	-4,427.59	4,427.59	0.00	0.00	0.00	
11,900.00	89.61	269.87	7,814.59	1,034.90	-4,527.59	4,527.59	0.00	0.00	0.00	
12,000.00	89.61	269.87	7,815.27	1,034.67	-4,627.59	4,627.59	0.00	0.00	0.00	
12,100.00	89.61	269.87	7,815.94	1,034.44	-4,727.59	4,727.59	0.00	0.00	0.00	
12,200.00	89.61	269.87	7,816.61	1,034.21	-4,827.58	4,827.58	0.00	0.00	0.00	
12,300.00	89.61	269.87	7,817.28	1,033.98	-4,927.58	4,927.58	0.00	0.00	0.00	
12,400.00	89.61	269.87	7,817.95	1,033.75	-5,027.58	5,027.58	0.00	0.00	0.00	
12,500.00	89.61	269.87	7,818.63	1,033.52	-5,127.58	5,127.58	0.00	0.00	0.00	
12,600.00	89.61	269.87	7,819.30	1,033.29	-5,227.57	5,227.57	0.00	0.00	0.00	
12,700.00	89.61	269.87	7,819.97	1,033.06	-5,327.57	5,327.57	0.00	0.00	0.00	
12,800.00	89.61	269.87	7,820.64	1,032.83	-5,427.57	5,427.57	0.00	0.00	0.00	
12,900.00	89.61	269.87	7,821.31	1,032.60	-5,527.57	5,527.57	0.00	0.00	0.00	
13,000.00	89.61	269.87	7,821.99	1,032.37	-5,627.56	5,627.56	0.00	0.00	0.00	
13,100.00	89.61	269.87	7,822.66	1,032.14	-5,727.56	5,727.56	0.00	0.00	0.00	
13,200.00	89.61	269.87	7,823.33	1,031.91	-5,827.56	5,827.56	0.00	0.00	0.00	
13,300.00	89.61	269.87	7,824.00	1,031.68	-5,927.56	5,927.56	0.00	0.00	0.00	
13,400.00	89.61	269.87	7,824.67	1,031.45	-6,027.55	6,027.55	0.00	0.00	0.00	
13,500.00	89.61	269.87	7,825.35	1,031.22	-6,127.55	6,127.55	0.00	0.00	0.00	
13,600.00	89.61	269.87	7,826.02	1,030.99	-6,227.55	6,227.55	0.00	0.00	0.00	
13,700.00	89.61	269.87	7,826.69	1,030.76	-6,327.55	6,327.55	0.00	0.00	0.00	
13,800.00	89.61	269.87	7,827.36	1,030.53	-6,427.54	6,427.54	0.00	0.00	0.00	
13,900.00	89.61	269.87	7,828.03	1,030.30	-6,527.54	6,527.54	0.00	0.00	0.00	
14,000.00	89.61	269.87	7,828.71	1,030.07	-6,627.54	6,627.54	0.00	0.00	0.00	
14,100.00	89.61	269.87	7,829.38	1,029.84	-6,727.54	6,727.54	0.00	0.00	0.00	
14,200.00	89.61	269.87	7,830.05	1,029.61	-6,827.53	6,827.53	0.00	0.00	0.00	
14,300.00	89.61	269.87	7,830.72	1,029.38	-6,927.53	6,927.53	0.00	0.00	0.00	
14,400.00	89.61	269.87	7,831.40	1,029.15	-7,027.53	7,027.53	0.00	0.00	0.00	
14,500.00	89.61	269.87	7,832.07	1,028.92	-7,127.53	7,127.53	0.00	0.00	0.00	
14,600.00	89.61	269.87	7,832.74	1,028.69	-7,227.52	7,227.52	0.00	0.00	0.00	
14,700.00	89.61	269.87	7,833.41	1,028.46	-7,327.52	7,327.52	0.00	0.00	0.00	
14,800.00	89.61	269.87	7,834.08	1,028.23	-7,427.52	7,427.52	0.00	0.00	0.00	
14,900.00	89.61	269.87	7,834.76	1,028.00	-7,527.52	7,527.52	0.00	0.00	0.00	
15,000.00	89.61	269.87	7,835.43	1,027.77	-7,627.51	7,627.51	0.00	0.00	0.00	
15,100.00	89.61	269.87	7,836.10	1,027.54	-7,727.51	7,727.51	0.00	0.00	0.00	
15,200.00	89.61	269.87	7,836.77	1,027.31	-7,827.51	7,827.51	0.00	0.00	0.00	
15,300.00	89.61	269.87	7,837.44	1,027.08	-7,927.51	7,927.51	0.00	0.00	0.00	
15,400.00	89.61	269.87	7,838.12	1,026.85	-8,027.50	8,027.50	0.00	0.00	0.00	
15,500.00	89.61	269.87	7,838.79	1,026.62	-8,127.50	8,127.50	0.00	0.00	0.00	
15,600.00	89.61	269.87	7,839.46	1,026.38	-8,227.50	8,227.50	0.00	0.00	0.00	
15,680.32	89.61	269.87	7,840.00	1,026.20	-8,307.82	8,307.82	0.00	0.00	0.00	



Planning Report



<b>Database:</b>	1 - EDM Production	<b>Local Co-ordinate Reference:</b>	Well Choppah 3534 Fed Com 123H
<b>Company:</b>	Novo Oil & Gas II, LLC	<b>TVD Reference:</b>	RKB 25' (est) + GL 3592 @ 3617.00usft
<b>Project:</b>	EDDY CO., NM (NAD83)	<b>MD Reference:</b>	RKB 25' (est) + GL 3592 @ 3617.00usft
<b>Site:</b>	SEC 35-17S-30E	<b>North Reference:</b>	Grid
<b>Well:</b>	Choppah 3534 Fed Com 123H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan 1		

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
Choppah 123H (PPP#2) - hit/miss target - Shape	0.00	0.00	0.00	1,034.68	-4,358.33	651,488.12	657,449.20	32.79040261	-103.95548893
- plan misses target center by 4479.46usft at 0.00usft MD (0.00 TVD, 0.00 N, 0.00 E)									
- Point									
Choppah 123H (PPP#4) - hit/miss target - Shape	0.00	0.00	0.00	1,029.01	-6,997.94	651,482.45	654,809.59	32.79041264	-103.96407851
- plan misses target center by 7073.19usft at 0.00usft MD (0.00 TVD, 0.00 N, 0.00 E)									
- Point									
Choppah 123H (LTP) 24 - hit/miss target - Shape	0.00	0.00	0.00	1,026.40	-8,217.82	651,479.84	653,589.71	32.79041711	-103.96804814
- plan misses target center by 7839.22usft at 15537.63usft MD (7839.04 TVD, 1026.53 N, -8165.13 E)									
- Point									
Choppah 123H 2430' FS - hit/miss target - Shape	0.00	0.00	0.00	1,031.85	-5,678.06	651,485.29	656,129.47	32.79040771	-103.95978348
- plan misses target center by 5771.06usft at 0.00usft MD (0.00 TVD, 0.00 N, 0.00 E)									
- Point									
Choppah 123H (SHL) 13 - hit/miss target - Shape	0.00	0.00	0.00	0.00	0.00	650,453.44	661,807.53	32.78751511	-103.94131904
- plan hits target center									
- Point									
Choppah 123H (BHL) 24 - hit/miss target - Shape	0.00	0.00	0.00	1,026.20	-8,307.82	651,479.64	653,499.71	32.79041741	-103.96834101
- plan misses target center by 7839.87usft at 15600.00usft MD (7839.46 TVD, 1026.38 N, -8227.50 E)									
- Point									
Choppah 123H (FTP/PP) - hit/miss target - Shape	0.00	0.00	0.00	1,044.11	-498.61	651,497.55	661,308.92	32.79039001	-103.94292897
- plan misses target center by 1157.06usft at 0.00usft MD (0.00 TVD, 0.00 N, 0.00 E)									
- Point									
Choppah 123H (KOP) 24 - hit/miss target - Shape	0.00	0.00	0.00	1,044.63	-300.13	651,498.07	661,507.40	32.79038943	-103.94228310
- plan misses target center by 1086.89usft at 0.00usft MD (0.00 TVD, 0.00 N, 0.00 E)									
- Point									

Formations						
Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)	
274.00	274.00	RUSTLER				
595.00	595.00	TOP SALT				
1,391.00	1,391.00	BOTTOM SALT				
1,500.00	1,500.00	YATES				
1,920.51	1,919.00	SEVEN RIVERS				
2,473.33	2,458.00	QUEEN				
2,872.59	2,845.00	GRAYBURG				
3,354.38	3,312.00	SAN ANDRES				
3,470.96	3,425.00	LAMAR				
4,201.38	4,133.00	BONE SPRING				
6,674.34	6,546.00	FIRST BONE SPRING				
6,837.34	6,709.00	SECOND BONE SPRING CARB				
7,541.13	7,409.00	SECOND BONE SPRING SAND				
8,240.89	7,790.00	TARGET				

## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b> NOVO II Operating LLC
<b>WELL NAME &amp; NO.:</b> Choppah 35-34 Fed Com 123H
<b>LOCATION:</b> Sec 35-17S-30E-NMP
<b>COUNTY:</b> <input style="width: 150px;" type="text" value="Eddy County, New Mexico"/>

Create COAs

<b>H<sub>2</sub>S</b>	<b>Cave / Karst</b>	<b>Waste Prevention Rule</b>
<input style="width: 100%;" type="text" value="Present"/>	<input style="width: 100%;" type="text" value="Low"/>	<input style="width: 100%;" type="text" value="Waste Minimization Plan"/>
<b>Potash</b>	<b>R-111-Q Design</b>	
<input style="width: 100%;" type="text" value="None"/>	<input style="width: 100%;" type="text"/>	
<b>Wellhead</b>	<b>Casing</b>	
<input style="width: 100%;" type="text" value="Multibowl"/>	<input style="width: 100%;" type="text" value="3-String Well"/>	
<input type="checkbox"/> Flex Hose	<input type="checkbox"/> Liner <input type="checkbox"/> Fluid Filled <input type="checkbox"/> Casing Clearance	
<input type="checkbox"/> Break Testing	<b>Cementing</b>	
	<input type="checkbox"/> DV Tool <input type="checkbox"/> Bradenhead <input type="checkbox"/> Echometer	
	<input type="checkbox"/> Offline Cement <input type="checkbox"/> Open Annulus <input type="checkbox"/> Pilot Hole	
<b>Special Requirements</b>		
<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM <input type="checkbox"/> Unit

**A. HYDROGEN SULFIDE**

A Hydrogen Sulfide (H<sub>2</sub>S) Drilling Plan shall be activated 500 feet prior to drilling into the **Bone Spring** formation(s). As a result, the Hydrogen Sulfide area must meet all requirements from 43 CFR 3176, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

**B. CASING**

1. The **13-3/8** inch surface casing shall be set at approximately **400** feet (a minimum of **70'** into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface. **Set depth adjusted per BLM geologist.**
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic-type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the

- cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
- b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or **500 pounds compressive strength**, whichever is greater (including 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 **8-5/8** inch intermediate casing is **cement to surface**. If cement does not circulate, see B.1.a, c-d above.
  3. The minimum required fill of cement behind the **5-1/2** inch production casing is at least **200 feet** into previous casing string. Operator shall provide method of verification.
    - If cement does not circulate to surface on the previous casing, this string must come to surface.

### C. PRESSURE CONTROL

1. Operator has proposed a multi-bowl wellhead assembly. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.
  - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
  - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
  - c. Manufacturer representative shall install the test plug for the initial BOP test.
  - d. If the cement does not circulate and one-inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
  - e. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172 must be followed.
2. 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).

### D. SPECIAL REQUIREMENT(S)

#### Communitization Agreement:

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

## GENERAL REQUIREMENTS

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

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

### Contact Eddy County Petroleum Engineering Inspection Staff:

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

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
  - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
  - b. When the operator proposes to set surface casing with Spudder Rig
    - i. Notify the BLM when moving in and removing the Spudder Rig.
    - ii. Notify the BLM when moving in the 2<sup>nd</sup> Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
    - iii. BOP/BOPE test to be conducted per **43 CFR 3172** as soon as 2<sup>nd</sup> 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. For intervals in which cement to surface is required, cement to surface should be verified with a visual check and density or pH check to differentiate cement from spacer and drilling mud. The results should be documented in the driller's log and daily reports.

### A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or

- if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends of both lead and tail cement, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
  3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
  4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
  5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
  6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
  7. If 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-Q potash area, the NMOCD requirements shall be followed.

## **B. PRESSURE CONTROL**

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in **43 CFR 3172**.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible

- hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
  4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
    - i. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
    - ii. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
    - iii. Manufacturer representative shall install the test plug for the initial BOP test.
    - iv. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172.6(b)(9) must be followed.
    - v. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
  5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
    - i. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead cement), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
    - ii. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)
    - iii. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve

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

- iv. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- v. The results of the test shall be reported to the appropriate BLM office.
- vi. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- vii. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- viii. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per **43 CFR 3172**.

### **C. DRILLING MUD**

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

### **D. WASTE MATERIAL AND FLUIDS**

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



H<sub>2</sub>S Drilling Operations Plan

- a. All personnel will be trained in H<sub>2</sub>S working conditions as required by Onshore Order 6 before drilling out of the surface casing.
- b. Two briefing areas will be established. Each will be at least 150' from the wellhead, perpendicular from one another, and easily entered and exited. See H<sub>2</sub>S page 5 for more details.
- c. H<sub>2</sub>S Safety Equipment/Systems:
  - i. Well Control Equipment
    - Flare line will be  $\geq 150'$  from the wellhead and ignited by a pilot light.
    - Beware of SO<sub>2</sub> created by flaring.
    - Choke manifold will include a remotely operated choke.
    - Mud gas separator
  - ii. Protective Equipment for Essential Personnel
    - Every person on site will be required to wear a personal H<sub>2</sub>S and SO<sub>2</sub> monitor at all times while on site. Monitors will not be worn on hard hats. Monitors will be worn on the front of the chest.
    - One self-contained breathing apparatus (SCBA) 30-minute rescue pack will be at each briefing area. Two 30-minute SCBA packs will be stored in the safety trailer.
    - Four work/escape packs will be on the rig floor. Each pack will have a long enough hose to allow unimpaired work activity.
    - Four emergency escape packs will be in the doghouse for emergency evacuation.
    - Hand signals will be used when wearing protective breathing apparatus.
    - Stokes litter or stretcher
    - Two full OSHA compliant body harnesses
    - A 100-foot long x 5/8" OSHA compliant rope
    - One 20-pound ABC fire extinguisher

iii. H<sub>2</sub>S Detection & Monitoring Equipment

- Every person on site will be required to wear a personal H<sub>2</sub>S and SO<sub>2</sub> monitor at all times while on site. Monitors will not be worn on hard hats. Monitors will be worn on the front of the chest.
- A stationary detector with three sensors will be in the doghouse.
- Sensors will be installed on the rig floor, bell nipple, and at the end of the flow line or where drilling fluids are discharged.
- Visual alarm will be triggered at 10 ppm.
- Audible alarm will be triggered at 10 ppm.
- Calibration will occur at least every 30 days. Gas sample tubes will be kept in the safety trailer.

iv. Visual Warning System

- Color-coded H<sub>2</sub>S condition sign will be set at the entrance to the pad.
- Color-coded condition flag will be installed to indicate current H<sub>2</sub>S conditions.
- Two windsocks will be installed that will be visible from all sides.

v. Mud Program

- A water-based mud with a pH of  $\geq 10$  will be maintained to control corrosion, H<sub>2</sub>S gas returns to the surface, and minimize sulfide stress cracking and embrittlement.
- Drilling mud containing H<sub>2</sub>S gas will be degassed at an optimum location for the rig configuration.
- This gas will be piped into the flare system.
- Enough mud additives will be on location to scavenge and/or neutralize H<sub>2</sub>S where formation pressures are unknown.

vi. Metallurgy

- All equipment that has the potential to be exposed to H<sub>2</sub>S will be suitable for H<sub>2</sub>S service.
- Equipment that will meet these metallurgical standards include the drill string, casing, wellhead, BOP assembly, casing head and spool, rotating head, kill lines, choke, choke manifold and lines, valves, mud-gas separators, DST tools, test units, tubing, flanges, and other related equipment (elastomer packings and seals).

vii. Communication from well site

- Cell phones and/or two-way radios will be used to communicate from the well site.

d. A remote-controlled choke, mud-gas separator, and a rotating head will be installed before drilling or testing any formation expected to contain H<sub>2</sub>S.

Company Personnel to be Notified

Kurt Shipley, COO Office: (405) 286-3916

Boone Bajgier, VP - Operations Office: (405) 286-3125

Local & County Agencies

Loving Fire Department 911 or (575) 745-3600

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

none

Air Evacuation

Med Flight Air Ambulance (Albuquerque) (800) 842-4431

Lifeguard (Albuquerque) (888) 866-7256







Veterinarians

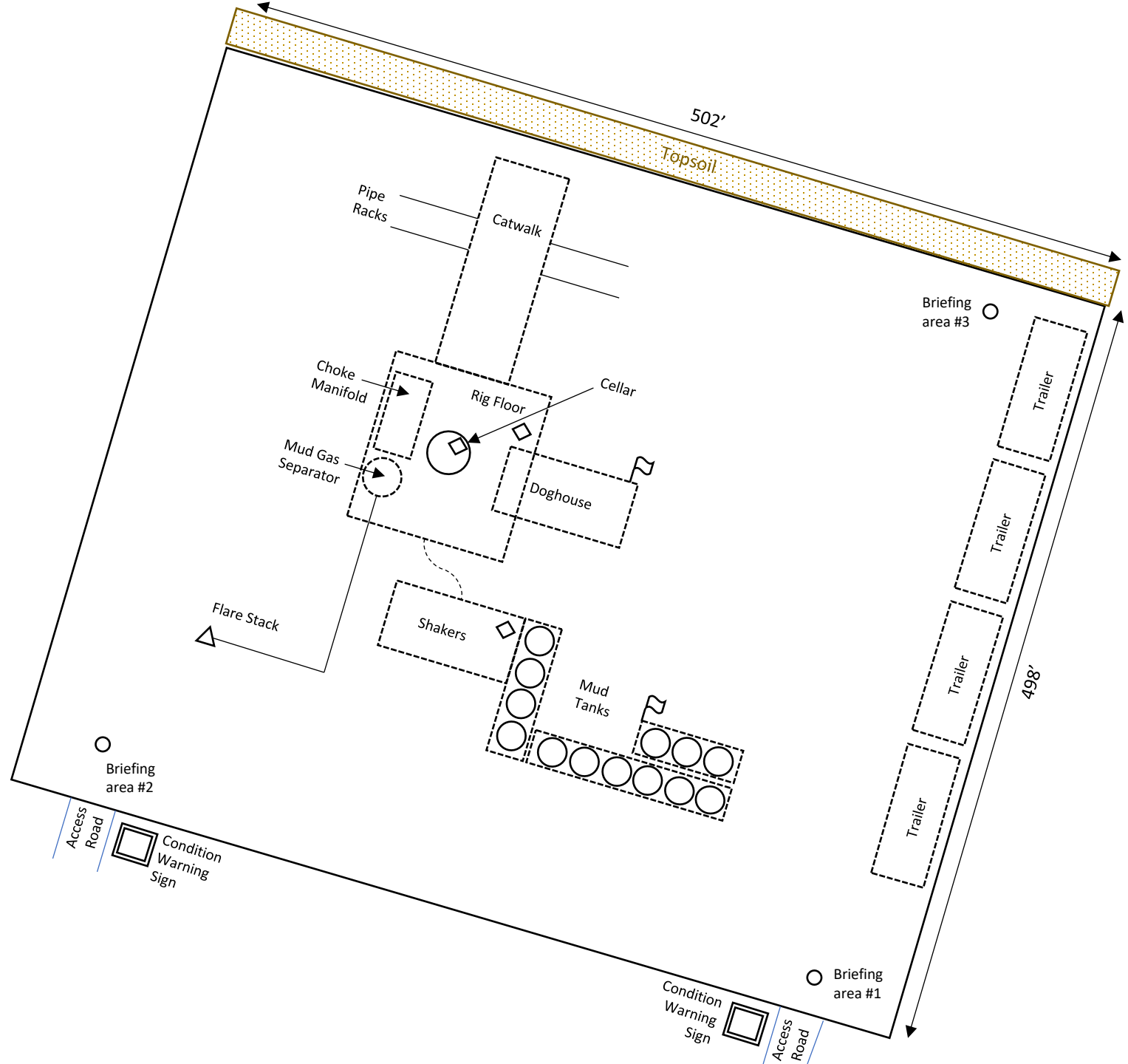
Desert Willow Veterinary Services (Carlsbad) (575) 885-3399

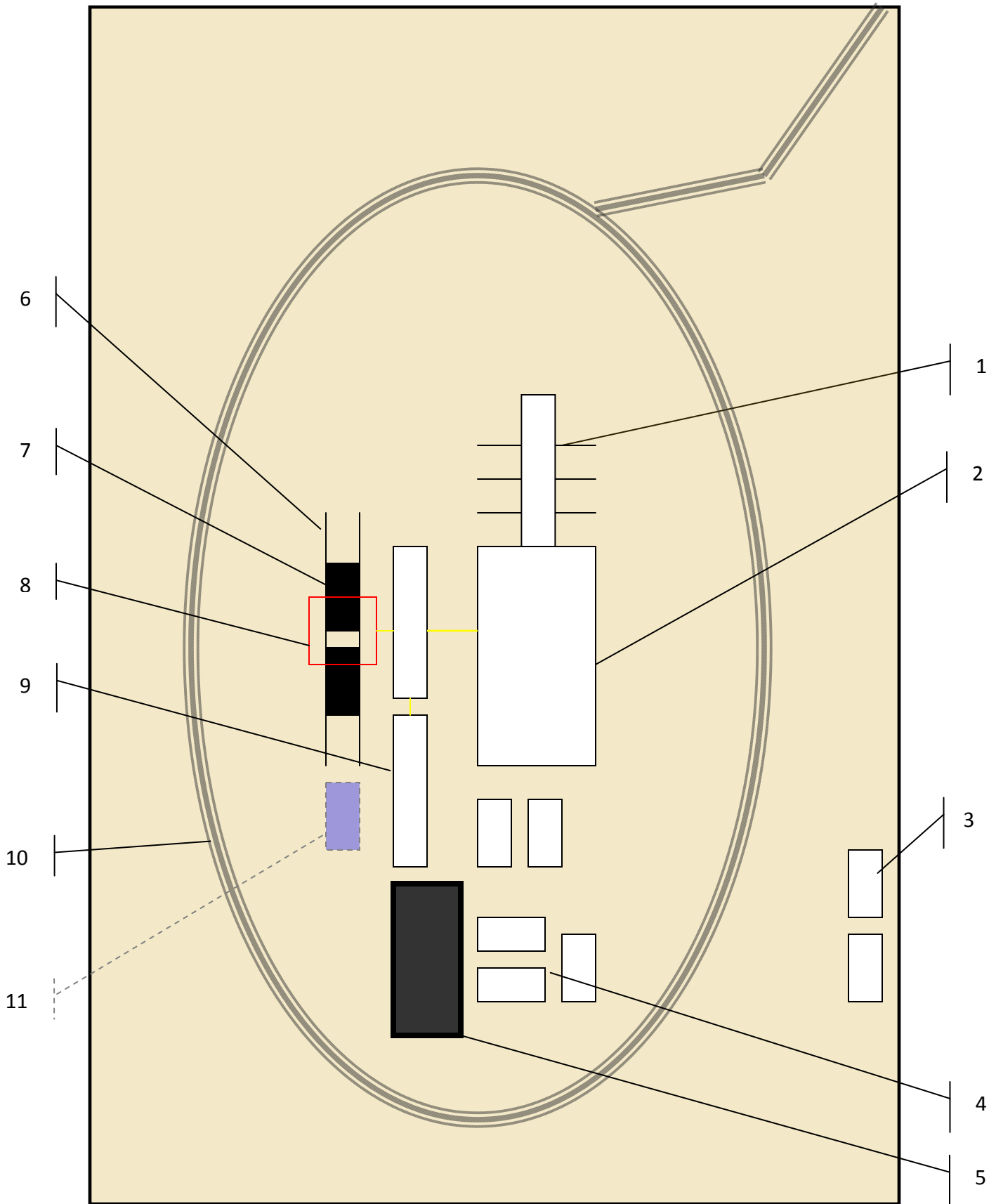
Animal Care Center (Carlsbad) (575) 885-5352

Rig Diagram  
Choppah 3534 Fed Com  
South Well Pad  
Novo II Operating, LLC  
35-17S-30E  
Eddy County, NM



-  Briefing Area
-  Current Well
-  Flare Stack
-  H2S Monitor
-  Wind Indicator
-  Mud Gas Separator





**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



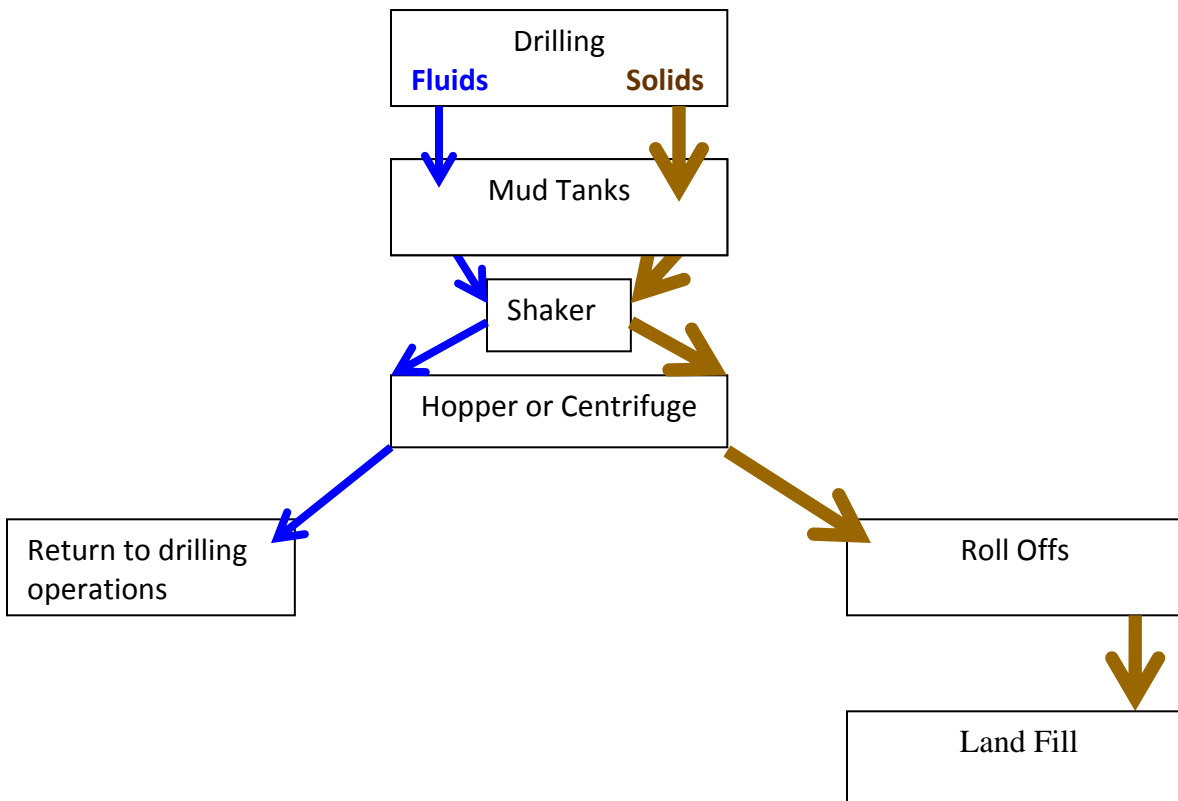
Above: Centrifugal Closed Loop System

**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



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**

ACKNOWLEDGMENTS

Action 542400

**ACKNOWLEDGMENTS**

Operator: Novo II Operating, LLC 1001 W. Wilshire Blvd, 206 Oklahoma City, OK 73116	OGRID: 333465
	Action Number: 542400
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

**ACKNOWLEDGMENTS**

<input checked="" type="checkbox"/>	I hereby certify that no additives containing PFAS chemicals will be added to the completion or recompletion of this well.
-------------------------------------	--

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

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/oecd/contact-us>

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

CONDITIONS

Action 542400

**CONDITIONS**

Operator: Novo II Operating, LLC 1001 W. Wilshire Blvd, 206 Oklahoma City, OK 73116	OGRID: 333465
	Action Number: 542400
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

**CONDITIONS**

Created By	Condition	Condition Date
permitsw	Cement is required to circulate on both surface and intermediate1 strings of casing.	1/12/2026
permitsw	If cement does not circulate on any string, a Cement Bond Log (CBL) is required for that string of casing.	1/12/2026
ward.rikala	Notify the OCD 24 hours prior to casing & cement.	3/2/2026
ward.rikala	File As Drilled C-102 and a directional Survey with C-104 completion packet.	3/2/2026
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.	3/2/2026
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.	3/2/2026
ward.rikala	If the method of isolation was not by circulation, a CBL must be performed; if strata isolation is not achieved, then remediation will be required before further operations.	3/2/2026