

Form 3160-3  
(October 2024)

FORM APPROVED  
OMB No. 1004-0137  
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 type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No.
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator		8. Lease Name and Well No.
3a. Address		9. API Well No. <b>30-025-56107</b>
3b. Phone No. (include area code)		10. Field and Pool, or Exploratory
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface At proposed prod. zone		11. Sec., T. R. M. or Blk. and Survey or Area
14. Distance in miles and direction from nearest town or post office*		12. County or Parish
		13. State
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
24. Attachments		

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

- |  |   |
|--|---|
| 1. Well plat certified by a registered surveyor.   | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan.  | 5. Operator certification.  |
| 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). | 6. Such other site specific information and/or plans as may be requested by the BLM.            |

25. Signature	Name (Printed/Typed)	Date
Title		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

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



(Continued on page 2)

\*(Instructions on page 2)

## INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

## NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48( d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM connects this information to a new evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Connection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

## Additional Operator Remarks

### Location of Well

0. SHL: NENE / 1184 FNL / 915 FEL / TWSP: 18S / RANGE: 32E / SECTION: 24 / LAT: 32.736934 / LONG: -103.714229 ( TVD: 0 feet, MD: 0 feet )

PPP: NENE / 330 FNL / 330 FEL / TWSP: 18S / RANGE: 32E / SECTION: 24 / LAT: 32.739277 / LONG: -103.712328 ( TVD: 9500 feet, MD: 9983 feet )

BHL: SESE / 10 FSL / 330 FEL / TWSP: 18S / RANGE: 32E / SECTION: 25 / LAT: 32.711159 / LONG: -103.712307 ( TVD: 9500 feet, MD: 20217 feet )

### BLM Point of Contact

Name: JORDAN NAVARRETTE

Title: LIE

Phone: (575) 234-5972

Email: JNAVARRETTE@BLM.GOV

CONFIDENTIAL

**PECOS DISTRICT  
SURFACE USE  
CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	EGL Resources Inc
LEASE NO.:	NMNM142558,0078148, and 094195
COUNTY:	Lea County, New Mexico

Wells:

LTK 24-25 FED COM 203H

Surface Hole Location: 1178 feet from north line (FNL) and  
955 feet from east line (FEL), Section 24, T. 18S., R. 32 E.

Bottom Hole Location: 10 feet from south line (FSL) and  
1320 feet from east line (FEL), Section 25, T. 18S., R. 32 E.

LTK 24-25 FED COM 205H

Surface Hole Location: 1184 feet from north line (FNL) and  
915 feet from east line (FEL), Section 24, T. 18S., R. 32 E.

Bottom Hole Location: 10 feet from south line (FSL) and  
330 feet from east line (FEL), Section 25, T. 18S., R. 32 E.

LTK 24-25 FED COM 301H

Surface Hole Location: 1181 feet from north line (FNL) and  
935 feet from east line (FEL), Section 24, T. 18S., R. 32 E.

Bottom Hole Location: 10 feet from south line (FSL) and  
330 feet from east line (FEL), Section 25, T. 18S., R. 32 E.

LTK 24-25 FED COM 303H

Surface Hole Location: 1172 feet from north line (FNL) and  
994 feet from east line (FEL), Section 24, T. 18S., R. 32 E.

Bottom Hole Location: 10 feet from south line (FSL) and  
2310 feet from east line (FEL), Section 25, T. 18S., R. 32 E.

LTK 24-25 FED COM 802H

Surface Hole Location: 1102 feet from north line (FNL) and  
1469 feet from east line (FEL), Section 24, T. 18S., R. 32 E.

Bottom Hole Location: 10 feet from south line (FSL) and  
660 feet from east line (FEL), Section 25, T. 18S., R. 32 E.

LTK 24-25 FED COM 201H

Surface Hole Location: 1169 feet from north line (FNL) and  
1014 feet from east line (FEL), Section 24, T. 18S., R. 32 E.

Bottom Hole Location: 10 feet from south line (FSL) and  
2310 feet from east line (FEL), Section 25, T. 18S., R. 32 E.

LTK 24-25 FED COM 102H

Surface Hole Location: 1137 feet from north line (FNL) and  
1232 feet from east line (FEL), Section 24, T. 18S., R. 32 E.

Bottom Hole Location: 10 feet from south line (FSL) and  
1320 feet from east line (FEL), Section 25, T. 18S., R. 32 E.

LTK 24-25 FED COM 003H

Surface Hole Location: 1105 feet from north line (FNL) and  
1449 feet from east line (FEL), Section 24, T. 18S., R. 32 E.

Bottom Hole Location: 10 feet from south line (FSL) and  
330 feet from east line (FEL), Section 25, T. 18S., R. 32 E.

LTK 24-25 FED COM 101H

Surface Hole Location: 1134 feet from north line (FNL) and  
1251 feet from east line (FEL), Section 24, T. 18S., R. 32 E.

Bottom Hole Location: 10 feet from south line (FSL) and  
2310 feet from east line (FEL), Section 25, T. 18S., R. 32 E.

LTK 24-25 FED COM 103H

Surface Hole Location: 1140 feet from north line (FNL) and  
1212 feet from east line (FEL), Section 24, T. 18S., R. 32 E.

Bottom Hole Location: 10 feet from south line (FSL) and  
330 feet from east line (FEL), Section 25, T. 18S., R. 32 E.

LTK 24-25 FED COM 801H

Surface Hole Location: 1096 feet from north line (FNL) and  
1508 feet from east line (FEL), Section 24, T. 18S., R. 32 E.

Bottom Hole Location: 10 feet from south line (FSL) and  
1980 feet from east line (FEL), Section 25, T. 18S., R. 32 E.

LTK 24-25 FED COM 302H

Surface Hole Location: 1175 feet from north line (FNL) and  
974 feet from east line (FEL), Section 24, T. 18S., R. 32 E.

Bottom Hole Location: 10 feet from south line (FSL) and  
1320 feet from east line (FEL), Section 25, T. 18S., R. 32 E.

LTK 24-25 FED COM 002H

Surface Hole Location: 1099 feet from north line (FNL) and  
1489 feet from east line (FEL), Section 24, T. 18S., R. 32 E.

Bottom Hole Location: 10 feet from south line (FSL) and  
1320 feet from east line (FEL), Section 25, T. 18S., R. 32 E.

LTK 24-25 FED COM 001H

Surface Hole Location: 1093 feet from north line (FNL) and  
1528 feet from east line (FEL), Section 24, T. 18S., R. 32 E.

Bottom Hole Location: 10 feet from south line (FSL) and  
2310 feet from east line (FEL), Section 25, T. 18S., R. 32 E.

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## 1. GENERAL PROVISIONS

The failure of the operator to comply with these requirements may result in the assessment of liquidated damages or penalties pursuant to 43 CFR 3163.1 or 3163.2. A copy of these conditions of approval shall be present on the location during construction, drilling and reclamation activity. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

### 1.1. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural resource (historic or prehistoric site or object) discovered by the operator, or any person working on the operator's behalf, on the public or federal land shall be immediately reported to the Authorized Officer. The operator shall suspend all operations in the immediate area (within 100ft) of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer, in conjunction with a BLM Cultural Resource Specialist, to determine appropriate actions to prevent the loss of significant scientific values. The operator shall be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the operator.

Traditional Cultural Properties (TCPs) are protected by NHPA as codified in 36 CFR 800 for possessing traditional, religious, and cultural significance tied to a certain group of individuals. Though there are currently no designated TCPs within the project area or within a mile of the project area, but it is possible for a TCP to be designated after the approval of this project. **If a TCP is designated in the project area after the project's approval, the BLM Authorized Officer will notify the operator of the following conditions and the duration for which these conditions are required.**

1. Temporary halting of all construction, drilling, and production activities to lower noise.
2. Temporary shut-off of all artificial lights at night.

The operator is hereby obligated to comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA), specifically NAGPRA Subpart B regarding discoveries, to protect human remains, associated funerary objects, sacred objects, and objects of cultural patrimony discovered during project work. If any human skeletal remains, funerary objects, sacred objects, or objects of cultural patrimony are discovered at any time during construction, all construction activities shall halt and a BLM-CFO Authorized Officer will be notified immediately. The BLM will then be required to be notified, in writing, within 24 hours of the discovery. The written notification should include the geographic location by county and state, the contents of the discovery, and the steps taken to protect said discovery. You must also include any potential threats to the discovery and a conformation that all activity within 100ft of the discovery has ceased and work will not resume until written certification is issued. All work on the entire project must halt for a minimum of 3 days and work cannot resume until an Authorized Officer grants permission to do so.

Any paleontological resource discovered by the operator, or any person working on the operator's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. The operator will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the Authorized Officer after consulting with the operator.

### 1.2. RANGELAND RESOURCES

#### 1.2.1. Cattleguards

Where a permanent cattleguard is approved, an appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s). Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations. A gate shall be constructed on one side of the cattleguard and fastened securely to H-braces.

### 1.2.2. Fence Requirement

Where entry granted across a fence line, the fence must be braced and tied off on both sides of the passageway prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

### 1.2.3. Livestock Watering Requirement

Any damage to structures that provide water to livestock throughout the life of the well, caused by operations from the well site, must be immediately corrected by the operator. The operator must notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment holder if any damage occurs to structures that provide water to livestock.

## 1.3. NOXIOUS WEEDS

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

### 1.3.1 African Rue (*Peganum harmala*)

**Spraying:** The spraying of African Rue must be completed by a licensed or certified applicator. In order to attempt to kill or remove African Rue the proper mix of chemical is needed. The mix consists of 2% Arsenal (Imazapyr) and 2% Roundup (Glyphosate) along with a nonionic surfactant. Any other chemicals or combinations shall be approved by the BLM Noxious Weeds Coordinator prior to treatment. African Rue shall be sprayed in connection to any dirt working activities or disturbances to the site being sprayed. Spraying of African Rue shall be done on immature plants at initial growth through flowering and mature plants between budding and flowering stages. Spraying shall not be conducted after flowering when plant is fruiting. This will ensure optimal intake of chemical and decrease chances of developing herbicide resistance. After spraying, the operator or necessary parties must contact the Carlsbad Field Office to inspect the effectiveness of the application treatment to the plant species. No ground disturbing activities can take place until the inspection by the authorized officer is complete. The operator may contact the Environmental Protection Department or the BLM Noxious Weed Coordinator at (575) 234-5972 or [BLM\\_NM\\_CFO\\_NoxiousWeeds@blm.gov](mailto:BLM_NM_CFO_NoxiousWeeds@blm.gov).

**Management Practices:** In addition to spraying for African Rue, good management practices should be followed. All equipment should be washed off using a power washer in a designated containment area. The containment area shall be bermed to allow for containment of the seed to prevent it from entering any open areas of the nearby landscape. The containment area shall be excavated near or adjacent to the well pad at a depth of three feet and just large enough to get equipment inside it to be washed off. This will allow all seeds to be in a centrally located area that can be treated at a later date if the need arises.

## 1.4. LIGHT POLLUTION

### 1.4.1. Downfacing

All permanent lighting will be pointed straight down at the ground in order to prevent light spill beyond the edge of approved surface disturbance.

### 1.4.2. Shielding

All permanent lighting will use full cutoff luminaires, which are fully shielded (i.e., not emitting direct or indirect light above an imaginary horizontal plane passing through the lowest part of the light source).

### 1.4.3. Lighting Color

Lighting shall be 3,500 Kelvin or less (Warm White) except during drilling, completion, and workover operations. No bluish-white lighting shall be used in permanent outdoor lighting.

## 2. SPECIAL REQUIREMENTS

### 2.1. WATERSHED

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

#### 2.1.1. Tank Battery

Tank battery locations will be lined and bermed. A 20-mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Secondary containment holding capacity must be large enough to contain 1 ½ times the content of the largest tank or 24-hour production, whichever is greater (displaced volume from all tanks within the berms MUST be subtracted from total volume of containment in calculating holding capacity). Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

### 2.3 WILDLIFE

#### 2.3.1 Lesser Prairie Chicken

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

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

##### 2.3.1.2 Timing Limitation Exceptions:

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

##### 2.3.1.3 Ground-level Abandoned Well Marker to avoid raptor perching:

Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at BLM\_NM\_CFO\_Construction\_Reclamation@blm.gov.

### 2.3.3 Dunes Sagebrush Lizard

- Pre-construction contact with a BLM wildlife biologist is required within 5 days before any ground disturbing activities associated with the project occurs.
- Successful completion of the BLM Trench Stipulation Workshop is required for a non-agency person to be approved as a monitor.
- Any trench left open for (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, an agency approved monitor shall walk the entire length of the open trench and remove all trapped vertebrates. The bottom surface of the trench will be disturbed a minimum of 2 inches in order to arouse any buried vertebrates. All vertebrates will be released alive at least 100 yards from the trench.
- For trenches left open for eight (8) hours or more the following requirements apply:
  - Earthen escape ramps and/or structures (built at no more than a 30-degree slope and spaced no more than 500 feet apart) shall be placed in the trench. Metal structures will not be authorized. Options will be discussed in detail at the required Trench Stipulation Workshop.
  - One approved monitor shall be required to survey up to three miles of trench between the hours of 11 AM-2 PM. A daily report (consolidate if there is more than one monitor) on the vertebrates found and removed from the trench shall be provided to the BLM (email/fax is acceptable) the following morning.
  - Prior to backfilling of the trench all structures used as escape ramps will be removed and the bottom surface of the trench will be disturbed a minimum of 2 inches in order to arouse any buried vertebrates. All vertebrates will be released alive a minimum of 100 yards from the trench.
- This stipulation shall apply to the entire length of the project in the DSL habitat polygon regardless of land ownership or CCA/CCAA enrollment status.
- A project closeout will be required within three business days of the completion of the project.

## 2.4 VISUAL RESOURCE MANAGEMENT

### 2.5.1 VRM IV

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

## 3. CONSTRUCTION REQUIREMENTS

### 3.1 CONSTRUCTION NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at BLM\_NM\_CFO\_Construction\_Reclamation@blm.gov at least 3 working days prior to commencing construction of the access road and/or well pad.

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

### 3.2 TOPSOIL

The operator shall strip the topsoil (the A horizon) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. No more than the top 6 inches of topsoil shall be removed. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming

the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

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

### 3.3 CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No reserve pits will be used for drill cuttings. The operator shall properly dispose of drilling contents at an authorized disposal site.

### 3.4 FEDERAL MINERAL PIT

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

### 3.5 WELL PAD & SURFACING

Any surfacing material used to surface the well pad will be removed at the time of interim and final reclamation.

### 3.6 EXCLOSURE FENCING (CELLARS & PITS)

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

The operator will also install and maintain mesh netting for all open well cellars to prevent access to smaller wildlife before and after drilling operations until the well cellar is free of fluids and the operator. Use a maximum netting mesh size of 1 ½ inches. The netting must not have holes or gaps.

### 3.7 ON LEASE ACCESS ROAD

#### 3.7.1 Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed twenty (20) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed thirty (30) feet.

#### 3.7.2 Surfacing

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

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

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

#### 3.7.3 Crowning

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

**3.7.4 Ditching**

Ditching shall be required on both sides of the road.

**3.7.5 Turnouts**

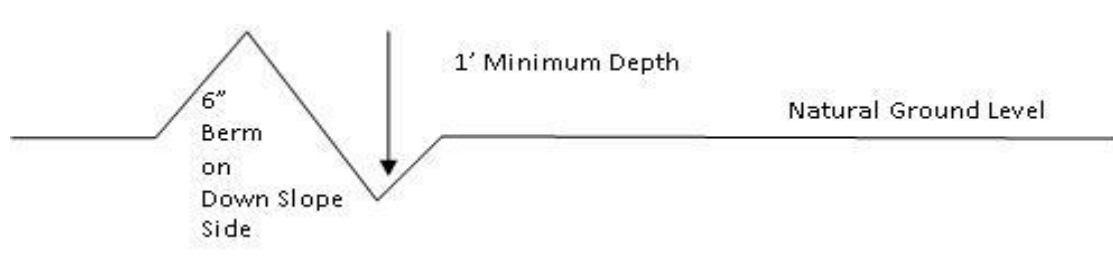
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

**3.7.6 Drainage**

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

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

**Cross Section of a Typical Lead-off Ditch**



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

**Formula for Spacing Interval of Lead-off Ditches**

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

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

**3.7.7 Public Access**

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

**Construction Steps**

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

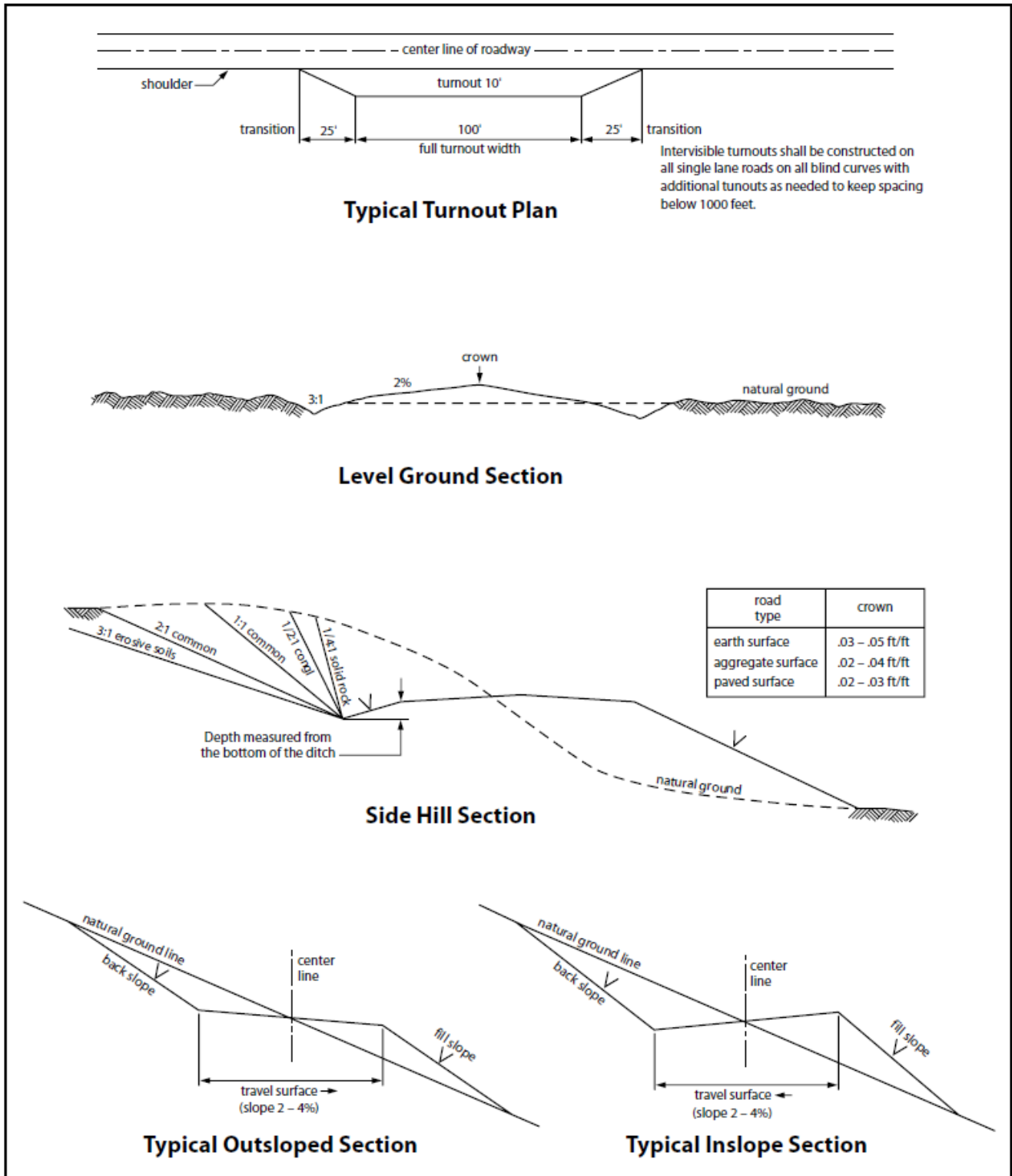


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

## 4.1 RANGLAND MITIGATION FOR PIPELINES

### 4.5.1 Fence Requirement

Where entry is granted across a fence line, the fence must be braced and tied off on both sides of the passageway with H-braces prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment operator prior to crossing any fence(s).

### 4.5.2 Cattleguards

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at road-fence crossing(s). Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations. A gate shall be constructed on one side of the cattleguard and fastened securely to H-braces.

### 4.5.3 Livestock Watering Requirement

Structures that provide water to livestock, such as windmills, pipelines, drinking troughs, and earthen reservoirs, will be avoided by moving the proposed action.

Any damage to structures that provide water to livestock throughout the life of the well, caused by operations from the well site, must be immediately corrected by the operator. The operator must notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment operator if any damage occurs to structures that provide water to livestock.

- Livestock operators will be contacted, and adequate crossing facilities will be provided as needed to ensure livestock are not prevented from reaching water sources because of the open trench.
- Wildlife and livestock trails will remain open and passable by adding soft plugs (areas where the trench is excavated and replaced with minimal compaction) during the construction phase. Soft plugs with ramps on either side will be left at all well-defined livestock and wildlife trails along the open trench to allow passage across the trench and provide a means of escape for livestock and wildlife that may enter the trench.
- Trenches will be backfilled as soon as feasible to minimize the amount of open trench. The Operator will avoid leaving trenches open overnight to the extent possible and open trenches that cannot be backfilled immediately will have escape ramps (wooden) placed at no more than 2,500 feet intervals and sloped no more than 45 degrees.

## 5. PRODUCTION (POST DRILLING)

### 5.1 WELL STRUCTURES & FACILITIES

#### 5.1.1 Placement of Production Facilities

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

#### 5.1.2 Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife

entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

### **5.1.3. Chemical and Fuel Secondary Containment and Enclosure Screening**

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

### **5.1.4. Open-Vent Exhaust Stack Enclosures**

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

### **5.1.5. Containment Structures**

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

## **6. RECLAMATION**

Stipulations required by the Authorized Officer on specific actions may differ from the following general guidelines

### **6.1 ROAD AND SITE RECLAMATION**

Any roads constructed during the life of the well will have the caliche removed or linear burial. If contaminants are indicated then testing will be required for chlorides and applicable contaminate anomalies for final disposal determination (disposed of in a manner approved by the Authorized Officer within Federal, State and Local statutes, regulations, and ordinances) and seeded to the specifications in sections 6.5 and 6.6.

### **6.2 EROSION CONTROL**

Install erosion control berms, windrows, and hummocks. Windrows must be level and constructed perpendicular to down-slope drainage; steeper slopes will require greater windrow density. Topsoil between windrows must be ripped to a depth of at least 12", unless bedrock is encountered. Any large boulders pulled up during ripping must be deep-buried on location. Ripping must be perpendicular to down-slope. The surface must be left rough in order to catch and contain rainfall on-site. Any trenches resulting from erosion cause by run-off shall be addressed immediately.

### 6.3 INTERIM RECLAMATION

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

Within six (6) months of well completion, operators must work with BLM surface protection specialists (BLM\_NM\_CFO\_Construction\_Reclamation@blm.gov) to devise the best strategies to reduce the size of the location. Interim reclamation must allow for remedial well operations, as well as safe and efficient removal of oil and gas.

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

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided in section 6.6.

Upon completion of interim reclamation, the operator shall submit a Sundry Notice, Subsequent Report of Reclamation (Form 3160-5).

### 6.4 FINAL ABANDONMENT & RECLAMATION

Prior to surface abandonment, the operator shall submit a Notice of Intent Sundry Notice and reclamation plan.

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

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

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding will be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM. After earthwork and seeding is completed, the operator is required to submit a Sundry Notice, Subsequent Report of Reclamation.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (BLM\_NM\_CFO\_Construction\_Reclamation@blm.gov).

### 6.5 SEEDING TECHNIQUES

Seeds shall be hydro-seeded, mechanically drilled, or broadcast, with the broadcast-seeded area raked, ripped or dragged to aid in covering the seed. The seed mixture shall be evenly and uniformly planted over the disturbed area.

## 6.6 SOIL SPECIFIC SEED MIXTURE

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

Seed land application will be accomplished by mechanical planting using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area. Smaller/heavier seeds tend to drop the bottom of the drill and are planted first; the operator shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory BLM or Soil Conservation

District stand is established as determined by the Authorized Officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding or until several months of precipitation have occurred, enabling a full four months of growth, with one or more seed generations being established.

**Seed Mixture #2 for LPC Sand/Shinnery Sites**

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

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

\*Pounds of pure live seed:

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



### PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	EGL Resources
<b>LOCATION:</b>	Section 24, T.18 S., R.32 E., NMPM
<b>COUNTY:</b>	Lea County, New Mexico

<b>WELL NAME &amp; NO.:</b>	LTK 24-25 Fed Com 103H
<b>ATS/API ID:</b>	ATS-24-2423
<b>APD ID:</b>	10400100262
<b>Sundry ID:</b>	N/a

<b>WELL NAME &amp; NO.:</b>	LTK 24-25 Fed Com 205H
<b>ATS/API ID:</b>	ATS-24-2426
<b>APD ID:</b>	10400100265
<b>Sundry ID:</b>	N/a

<b>WELL NAME &amp; NO.:</b>	LTK 24-25 Fed Com 301H
<b>ATS/API ID:</b>	ATS-24-2427
<b>APD ID:</b>	10400100267
<b>Sundry ID:</b>	N/a

COA

H2S	Yes		
Potash	None	None	
Cave/Karst Potential	Low		
Cave/Karst Potential	<input type="checkbox"/> Critical		
Variance	<input checked="" type="radio"/> None	<input checked="" type="radio"/> Flex Hose	<input checked="" type="radio"/> Other
Wellhead	Conventional and Multibowl		
Other	<input type="checkbox"/> 4 String <input type="checkbox"/> 5 String	Capitan Reef None	<input type="checkbox"/> WIPP
Other	Pilot Hole None	<input type="checkbox"/> Open Annulus	
Cementing	Contingency Squeeze None	Echo-Meter None	Primary Cement Squeeze None
Special Requirements	<input type="checkbox"/> Water Disposal/Injection	<input type="checkbox"/> COM	<input type="checkbox"/> Unit
Special Requirements	<input type="checkbox"/> Batch Sundry	Waste Prevention Waste MP	
Special Requirements Variance	<input type="checkbox"/> BOPE Break Testing <input type="checkbox"/> Offline BOPE Testing	<input type="checkbox"/> Offline Cementing	<input type="checkbox"/> Casing Clearance

## A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H<sub>2</sub>S) Drilling Plan shall be activated 500 feet prior to drilling into the **Delaware** formation. As a result, the Hydrogen Sulfide area must meet **43 CFR part 3170 Subpart 3176** requirements, 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 **1380 feet** (a minimum of **25 feet (Lea County)** into the Rustler Anhydrite and above the salt when present, and below usable fresh water) and cemented to the surface. The surface hole shall be **17 1/2** inch in diameter.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
  - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

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

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

### C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
- 2.

#### Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **8-5/8** inch intermediate casing shoe shall be **5000 (5M)** psi.

#### Option 2:

Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the **13-3/8** inch surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.

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

## 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)

Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,  
(575) 689-5981

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
  - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
  - b. When the operator proposes to set surface casing with Spudder Rig
    - Notify the BLM when moving in and removing the Spudder Rig.
    - Notify the BLM when moving in the 2<sup>nd</sup> Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
    - BOP/BOPE test to be conducted per **43 CFR part 3170 Subpart 3172** as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

### 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-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in **43 CFR part 3170 Subpart 3172 and API STD 53 Sec. 5.3**.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke

manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

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

initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)

- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to **43 CFR part 3170 Subpart 3172** with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for 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).
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per **43 CFR part 3170 Subpart 3172**.

#### C. DRILLING MUD

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

#### D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and

disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

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

Long Vo (LVO) 4/10/2025



# Operator Certification Data Report

11/19/2025

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

## Operator

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

**NAME:** MIKAH THOMAS

**Signed on:** 08/01/2024

**Title:** Regulatory Manager

**Street Address:** 223 WEST WALL STREET STE 900

**City:** MIDLAND

**State:** TX

**Zip:** 79701

**Phone:** (432)661-7106

**Email address:** MIKAH@PBEX.COM

## Field

**Representative Name:**

**Street Address:**

**City:**

**State:**

**Zip:**

**Phone:**

**Email address:**



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

# Application Data

11/19/2025

APD ID: 10400100265

Submission Date: 08/01/2024

Highlighted data reflects the most recent changes  
[Show Final Text](#)

Operator Name: EGL RESOURCES INCORPORATED

Well Name: LTK 24-25 FED COM

Well Number: 205H

Well Type: OIL WELL

Well Work Type: Drill

## Section 1 - General

APD ID: 10400100265

Tie to previous NOS? N

Submission Date: 08/01/2024

BLM Office: Carlsbad

User: MIKAH THOMAS

Title: Regulatory Manager

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM078148

Lease Acres:

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? NO

Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? Y

Permitting Agent? NO

APD Operator: EGL RESOURCES INCORPORATED

Operator letter of

## Operator Info

Operator Organization Name: EGL RESOURCES INCORPORATED

Operator Address: P O BOX 10886

Zip: 79702

Operator PO Box: P O BOX 10886

Operator City: MIDLAND

State: TX

Operator Phone: (432)687-6560

Operator Internet Address:

## Section 2 - Well Information

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: LTK 24-25 FED COM

Well Number: 205H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: CORBIN

Pool Name: Bone Spring, South

**Operator Name:** EGL RESOURCES INCORPORATED

**Well Name:** LTK 24-25 FED COM

**Well Number:** 205H

Is the proposed well in an area containing other mineral resources? NATURAL GAS,OIL

Is the proposed well in a Helium production area? N Use Existing Well Pad? N New surface disturbance?

**Type of Well Pad:** MULTIPLE WELL

**Multiple Well Pad Name:** LTK 24-25 FED COM PAD

**Number:** 1

**Well Class:** HORIZONTAL

**Number of Legs:** 1

**Well Work Type:** Drill

**Well Type:** OIL WELL

**Describe Well Type:**

**Well sub-Type:** INFILL

**Describe sub-type:**

**Distance to town:** 25 Miles

**Distance to nearest well:** 1174 FT

**Distance to lease line:** 915 FT

**Reservoir well spacing assigned acres Measurement:** 640 Acres

**Well plat:** LTK\_24\_25\_Fed\_Com\_205H\_C\_102\_20240801101735.pdf

**Well work start Date:** 01/01/2024

**Duration:** 90 DAYS

**Section 3 - Well Location Table**

**Survey Type:** RECTANGULAR

**Describe Survey Type:**

**Datum:** NAD83

**Vertical Datum:** NAVD88

**Survey number:** 12177

**Reference Datum:** KELLY BUSHING

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this
SHL Leg #1	118 4	FNL	915	FEL	18S	32E	24	Aliquot NENE	32.73693 4	- 103.7142 29	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 078148	381 0			Y
KOP Leg #1	118 4	FNL	915	FEL	18S	32E	24	Aliquot NENE	32.73693 4	- 103.7142 29	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 078148	- 568 8	995 0	949 8	Y
PPP Leg #1-1	330	FNL	330	FEL	18S	32E	24	Aliquot NENE	32.73927 7	- 103.7123 28	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 078148	- 569 0	998 3	950 0	Y

**Operator Name:** EGL RESOURCES INCORPORATED

**Well Name:** LTK 24-25 FED COM

**Well Number:** 205H

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this
EXIT Leg #1	330	FSL	330	FEL	18S	32E	25	Aliquot SESE	32.712038	-103.712307	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 078148	-5690	19897	9500	Y
BHL Leg #1	10	FSL	330	FEL	18S	32E	25	Aliquot SESE	32.711159	-103.712307	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 078148	-5690	20217	9500	Y

<b>C-102</b>  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024
		Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number <b>30-025-56107</b>	Pool Code <b>13160</b>	Pool Name <b>CORBIN;BONE SPRING, SOUTH</b>
Property Code <b>337714</b>	Property Name <b>LTK 24-25 FED COM</b>	
OGRID No. <b>192373</b>	Operator Name <b>EGL RESOURCES INC.</b>	Well Number <b>205H</b>
Ground Level Elevation <b>3,810'</b>		
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>A</b>	<b>24</b>	<b>18 S</b>	<b>32 E</b>		<b>1,184' FNL</b>	<b>915' FEL</b>	<b>32.736934</b>	<b>-103.714229</b>	<b>LEA</b>

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>P</b>	<b>25</b>	<b>18 S</b>	<b>32 E</b>		<b>10' FSL</b>	<b>330' FEL</b>	<b>32.711159</b>	<b>-103.712307</b>	<b>LEA</b>

Dedicated Acres <b>640</b>	Infill or Defining Well <b>Infill</b>	Defining Well API <b>30-025-55065</b>	Overlapping Spacing Unit (Y/N) <b>N</b>	Consolidation Code <b>F</b>
Order Numbers. <b>R-23525</b>			Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>A</b>	<b>24</b>	<b>18 S</b>	<b>32 E</b>		<b>1,184' FNL</b>	<b>915' FEL</b>	<b>32.736934</b>	<b>-103.714229</b>	<b>LEA</b>

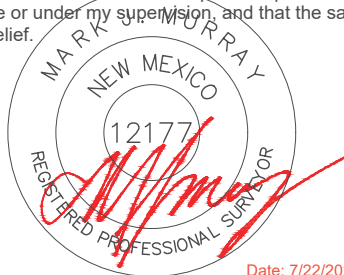
First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>A</b>	<b>24</b>	<b>18 S</b>	<b>32 E</b>		<b>330' FNL</b>	<b>330' FEL</b>	<b>32.739277</b>	<b>-103.712328</b>	<b>LEA</b>

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>P</b>	<b>25</b>	<b>18 S</b>	<b>32 E</b>		<b>330' FSL</b>	<b>330' FEL</b>	<b>32.712038</b>	<b>-103.712307</b>	<b>LEA</b>

Unitized Area or Area of Uniform Interest pending Com approval	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: <b>3,810</b>
---	--	--------------------------------------

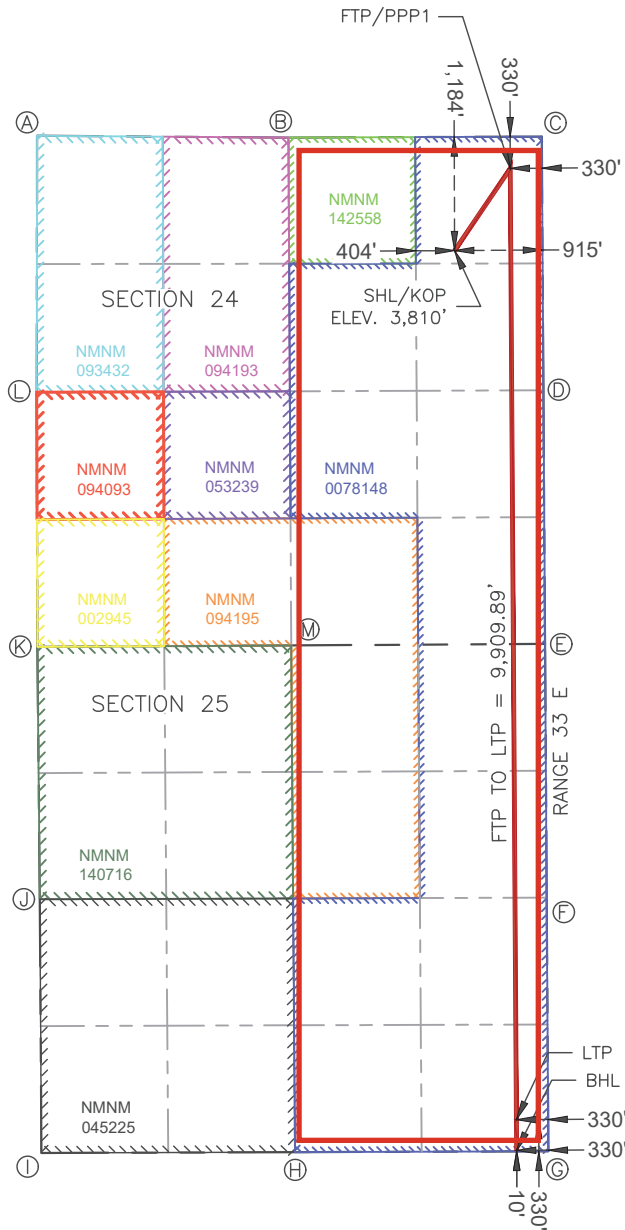
<p><b>OPERATOR CERTIFICATIONS</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land 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.</p> <p>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.</p> <p><i>Mikah Thomas</i> <span style="float: right;"><b>7/28/24</b></span></p>	<p><b>SURVEYOR CERTIFICATIONS</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <div style="text-align: center;">  <p>Date: 7/22/2024</p> </div>
Signature <b>Mikah Thomas</b>	Signature and Seal of Professional Surveyor
Printed Name <b>mikah@pbex.com</b>	Certificate Number <b>12177</b>
Email Address	Date of Survey <b>7/22/2024</b>

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 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.



**SURFACE HOLE LOCATION & KICK-OFF POINT**  
 1,184' FNL & 915' FEL  
 ELEV. = 3,810'

---

NAD 83 X = 731,703.23'  
 NAD 83 Y = 632,384.28'  
 NAD 83 LAT = 32.736934°  
 NAD 83 LONG = -103.714229°  
 NAD 27 X = 690,524.43'  
 NAD 27 Y = 632,320.46'  
 NAD 27 LAT = 32.736813°  
 NAD 27 LONG = -103.713727°

**FIRST TAKE POINT & PENETRATION POINT 1**  
 330' FNL & 330' FEL

---

NAD 83 X = 732,282.86'  
 NAD 83 Y = 633,240.12'  
 NAD 83 LAT = 32.739277°  
 NAD 83 LONG = -103.712328°  
 NAD 27 X = 691,104.08'  
 NAD 27 Y = 633,176.27'  
 NAD 27 LAT = 32.739155°  
 NAD 27 LONG = -103.711826°

**LAST TAKE POINT**  
 330' FSL & 330' FEL

---

NAD 83 X = 732,347.13'  
 NAD 83 Y = 623,330.44'  
 NAD 83 LAT = 32.712038°  
 NAD 83 LONG = -103.712307°  
 NAD 27 X = 691,168.08'  
 NAD 27 Y = 623,266.85'  
 NAD 27 LAT = 32.711917°  
 NAD 27 LONG = -103.711807°

**BOTTOM HOLE LOCATION**  
 10' FSL & 330' FEL

---

NAD 83 X = 732,349.24'  
 NAD 83 Y = 623,010.44'  
 NAD 83 LAT = 32.711159°  
 NAD 83 LONG = -103.712307°  
 NAD 27 X = 691,170.18'  
 NAD 27 Y = 622,946.86'  
 NAD 27 LAT = 32.711038°  
 NAD 27 LONG = -103.711806°



# Drilling Plan Data Report

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

11/19/2025

**APD ID:** 10400100265

**Submission Date:** 08/01/2024

Highlighted data reflects the most recent changes

**Operator Name:** EGL RESOURCES INCORPORATED

**Well Name:** LTK 24-25 FED COM

**Well Number:** 205H

**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
15513409	QUATERNARY	3810	0	0	ALLUVIUM	NONE	N
15513411	RUSTLER	2635	1175	1175	ANHYDRITE, LIMESTONE, SALT	NONE	N
15513412	TOP OF SALT	2350	1460	1460	ANHYDRITE, SALT	NONE	N
15513413	BASE OF SALT	1270	2540	2550	ANHYDRITE, SALT	NONE	N
15513428	YATES	1020	2790	2790	ANHYDRITE, DOLOMITE, SANDSTONE, SHALE	NONE	N
15513429	SEVEN RIVERS	800	3010	3030	ANHYDRITE, DOLOMITE, SANDSTONE, SHALE	NONE	N
15513430	QUEEN	-100	3910	3940	ANHYDRITE, DOLOMITE, SANDSTONE, SHALE	NONE	N
15513431	GRAYBURG	-360	4170	4210	ANHYDRITE, DOLOMITE, SANDSTONE, SHALE	NONE	N
15513432	SAN ANDRES	-720	4530	4560	ANHYDRITE, DOLOMITE, SANDSTONE, SHALE	NONE	N
15513417	CHERRY CANYON	-885	4695	4735	LIMESTONE, SANDSTONE, SHALE	NONE	N
15513418	BRUSHY CANYON	-1960	5770	5810	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
15513419	BONE SPRING LIME	-2975	6785	6815	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
15513420	AVALON SAND	-3240	7050	7090	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
15513433	BONE SPRING 1ST	-4540	8350	8400	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
15513434	BONE SPRING 2ND	-4840	8650	8710	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	Y
15513435	BONE SPRING 2ND	-5220	9030	9090	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	Y

## Section 2 - Blowout Prevention

**Operator Name:** EGL RESOURCES INCORPORATED

**Well Name:** LTK 24-25 FED COM

**Well Number:** 205H

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

**Rating Depth:** 5000

**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 Onshore Order 2 III.B.1.h. The BOPE will be isolated and tested by an independent tester to 250 psi low and 5,000 psi high for 10 minutes. per CFR 3172 requirements. The annular will only be tested to 3,500 psi for 5M systems. All BOP equipment and auxiliary equipment (Kelly Cocks, Floor Safety Valves, & IBOP) will be compliant with CFR 3172.6 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 Length Of Casing, which is equivalent to 1003.2 psi OR 1,500 psi, whichever is higher) for 30 minutes

**Choke Diagram Attachment:**

5M\_Choke\_EGL\_20240221195726.pdf

**BOP Diagram Attachment:**

5M\_BOP\_EGL\_20240221195731.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	1380	0	1380	3810	2430	1380	J-55	54.5	BUTT	1.125	1.125	BUOY	1.6	BUOY	1.6
2	INTERMEDIATE	9.875	8.625	NEW	API	N	0	4590	0	4560	3643	-750	4590	P-110	32	OTHER - Talon HTQ	1.125	1.125	BUOY	1.6	BUOY	1.6
3	PRODUCTION	7.875	5.5	NEW	API	N	0	20215	0	9450	3643	-5640	20215	P-110	17	OTHER - CDC HTQ	1.125	1.125	BUOY	1.6	BUOY	1.6

**Casing Attachments**

**Operator Name:** EGL RESOURCES INCORPORATED

**Well Name:** LTK 24-25 FED COM

**Well Number:** 205H

**Casing Attachments**

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

**Inspection Document:**

**Spec Document:**

**Tapered String Spec:**

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

13.375\_54.5000\_0.3800\_J55\_data\_sheet\_20240801104114.pdf

Casing\_Design\_Assmpt\_3\_string\_casing\_20240801104117.pdf

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

**Inspection Document:**

**Spec Document:**

**Tapered String Spec:**

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

8.625\_P110HP\_TALON\_HTQ\_Casing\_Spec\_20230407121740\_20240801104049.pdf

Casing\_Design\_Assmpt\_3\_string\_casing\_20240801104051.pdf

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

**Inspection Document:**

**Spec Document:**

**Tapered String Spec:**

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

5.5in\_P110\_EC\_Casing\_Spec\_20240801104103.pdf

Casing\_Design\_Assmpt\_3\_string\_casing\_20240801104106.pdf

**Operator Name:** EGL RESOURCES INCORPORATED

**Well Name:** LTK 24-25 FED COM

**Well Number:** 205H

**Section 4 - Cement**

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1200	751	2.22	12.5	1667.3	100	C	Gel, Accelerator, LCM
SURFACE	Tail		1200	1380	136	1.84	13.2	250.1	100	C	Gel, Accelerator, LCM
INTERMEDIATE	Lead		0	3840	252	4.65	10.5	1172.8	100	C or H	Fluid Loss, Retarder, LCM, Possibly beads
INTERMEDIATE	Tail		3840	4590	130	1.83	13.2	237.9	100	C or H	Fluid Loss, Retarder, LCM
PRODUCTION	Lead		4090	8530	217	4.3	10.5	934.6	20	H	Fluid Loss, Retarder, LCM
PRODUCTION	Tail		8530	20215	1498	1.68	13	2517.3	20	H	Fluid Loss, Retarder, LCM

**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. A closed loop system will be used.

**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	1380	SPUD MUD	8.3	8.3							

**Operator Name:** EGL RESOURCES INCORPORATED

**Well Name:** LTK 24-25 FED COM

**Well Number:** 205H

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
1380	4560	SALT SATURATED	10.2	10.2							
4560	2021 5	OIL-BASED MUD	9.7	9.7							

### 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,

**Coring operation description for the well:**

No core or drill stem test is planned.

### Section 7 - Pressure

**Anticipated Bottom Hole Pressure:** 6143

**Anticipated Surface Pressure:** 4052

**Anticipated Bottom Hole Temperature(F):** 215

**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**

EGL\_H2S\_Plan\_20240221201317.pdf

**Operator Name:** EGL RESOURCES INCORPORATED

**Well Name:** LTK 24-25 FED COM

**Well Number:** 205H

### Section 8 - Other Information

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

LTK\_24\_25\_FED\_COM\_205H\_\_Plan\_3\_\_20240801104312.pdf

LTK\_24\_25\_FED\_COM\_205H\_\_Plan\_3\_AC\_Report\_20240801104319.pdf

LTK\_24\_25\_FED\_COM\_205H\_\_Plan\_3\_Plot\_20240801104322.pdf

**Other proposed operations facets description:**

**Other proposed operations facets attachment:**

Drill\_Plan\_LTK\_24\_25\_FED\_COM\_205H\_v1\_20240801104341.pdf

Choke\_Kill\_Line\_Certs\_20240221201455.pdf

EGL\_Resources\_NGMP\_20240728201916.pdf

NGMP\_LTK\_24\_25\_Fed\_Com\_20240728201854.pdf

Speedhead\_Specs\_3string\_20230407122522\_20240221201501.pdf

Wellhead\_3T\_Design\_20240221201505.pdf

PBEX\_NM\_Curve\_volumes\_2BSS\_20241024155049.pdf

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

**Other Variance attachment:**



E.G.L. Resources, Inc.

E.G.L. Resources, Inc.

223 W Wall St, Midland, TX 79701

Date

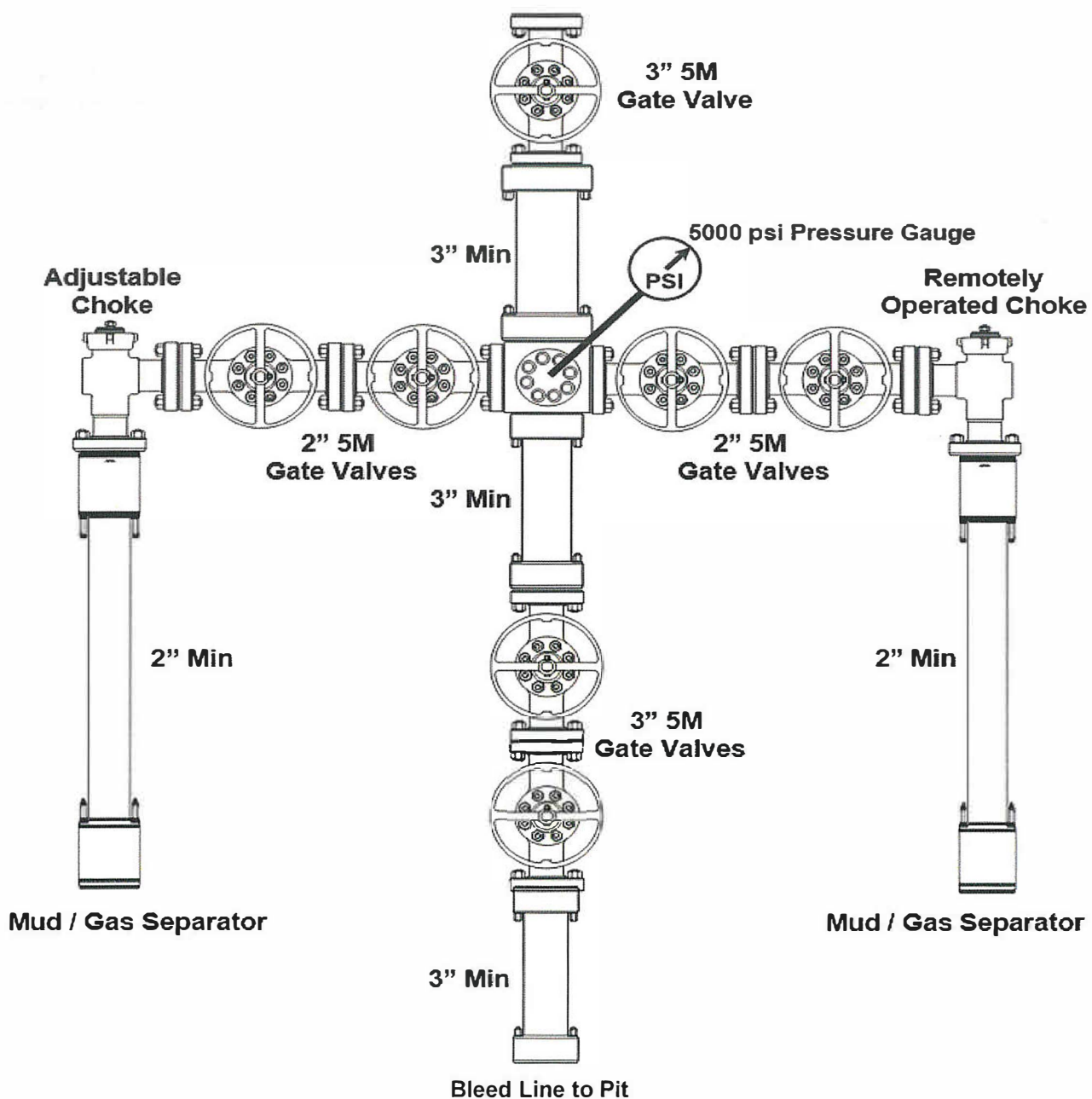
01/26/2024

Page No.

1 of 1

**5M CHOKE MANIFOLD SCHEMATIC**

ITEM	SIZE	PRESSURE	DESCRIPTION





E.G.L. Resources, Inc.

E.G.L. Resources, Inc.

Date

1/26/2024

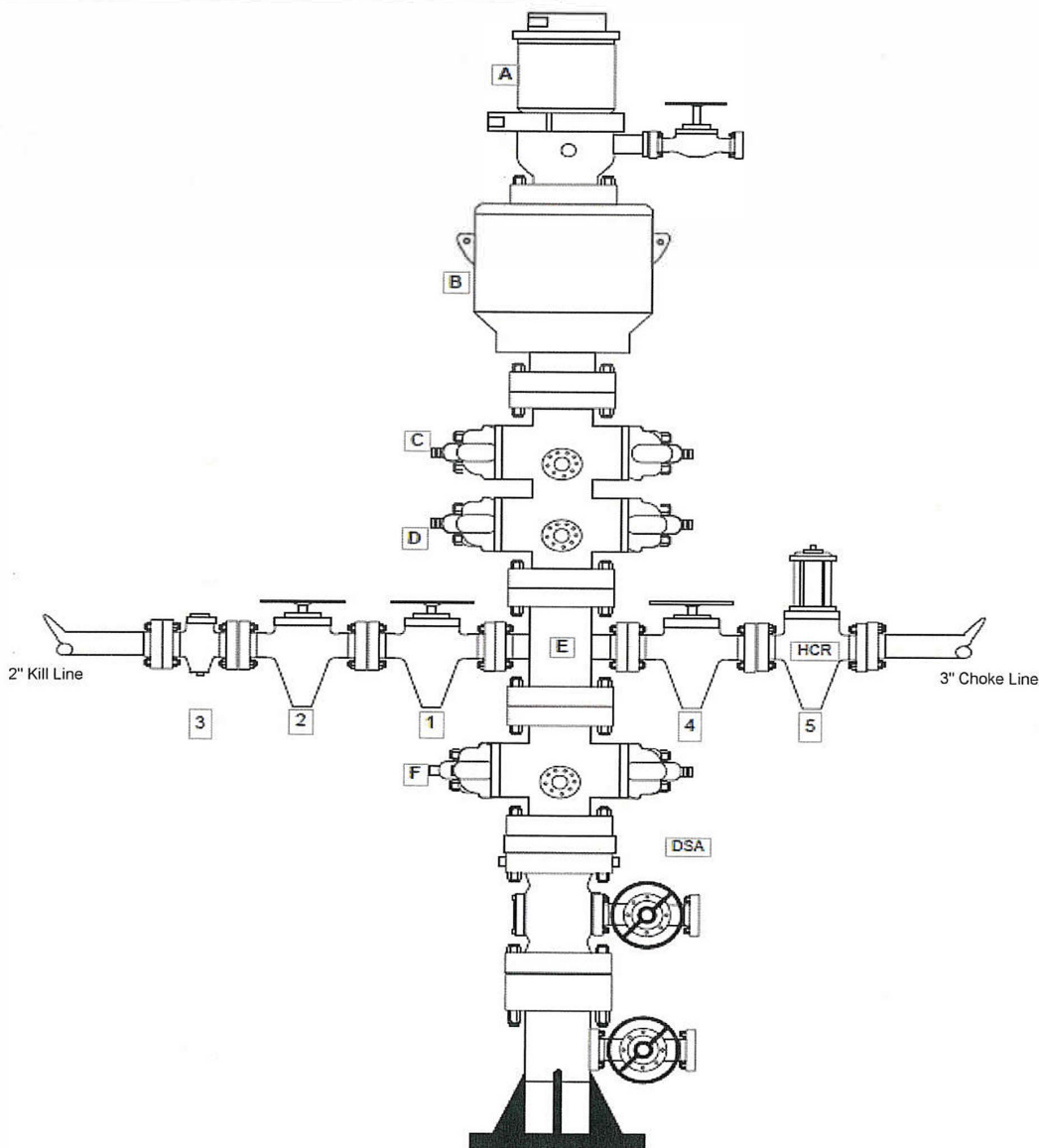
223 W Wall St, Midland, TX 79701

Page No.

1 of 1

**5M BLOWOUT PREVENTER SCHEMATIC**

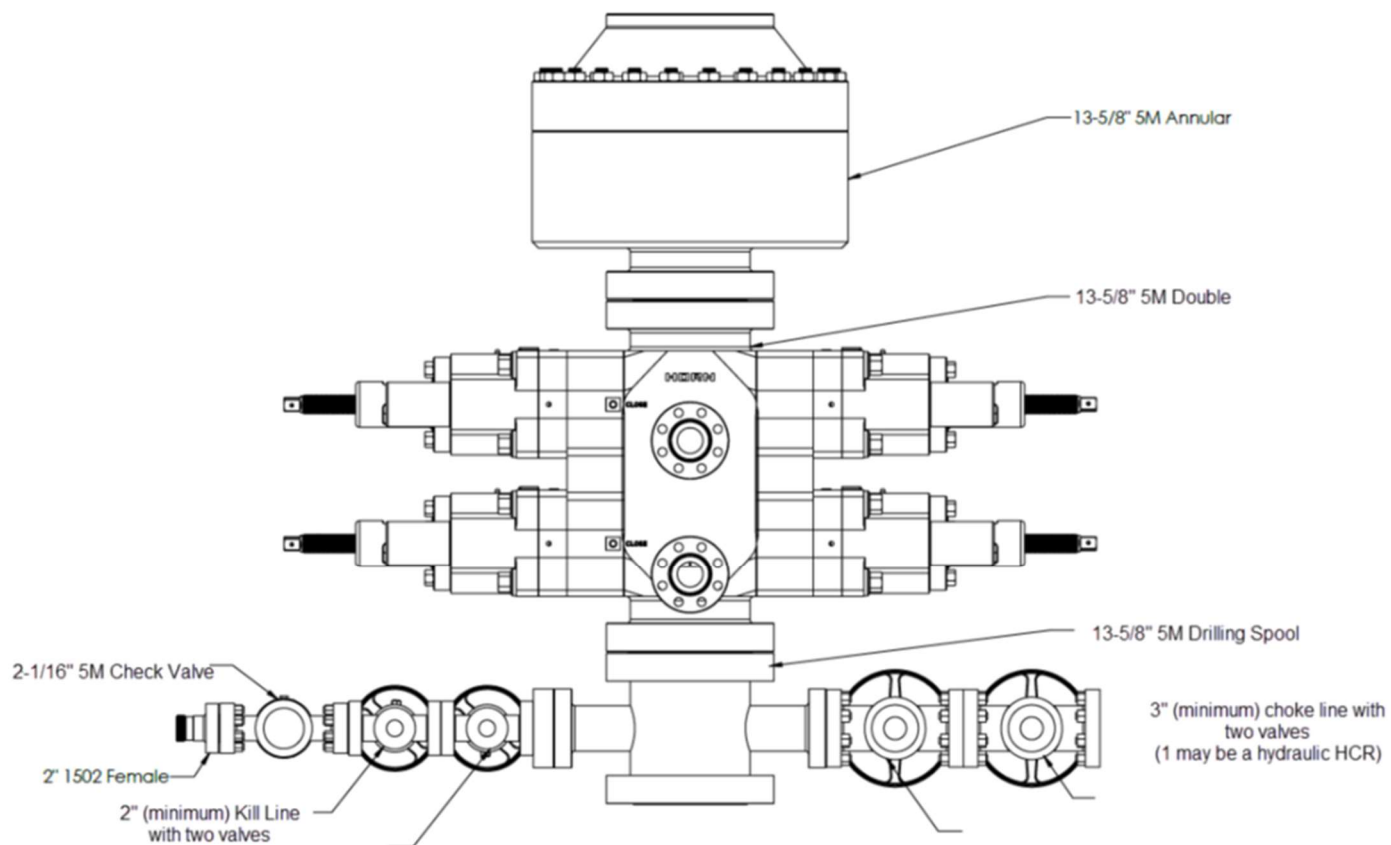
BLOWOUT PREVENTER COMPONENTS			
ITEM	SIZE	PRESSURE	DESCRIPTION
A	13-5/8"	1,500 psi	Rotating Head + Valve
B	13-5/8"	5,000 psi	Annular Preventer
C	13-5/8"	5,000 psi	Pipe Rams
D	13-5/8"	5,000 psi	Blind Rams
E	13-5/8"	5,000 psi	Mud Cross
F	13-5/8"	5,000 psi	Pipe Rams



KILL LINE			
ITEM	SIZE	PRESSURE	DESCRIPTION
1	2"	5,000 psi	Gate Valve
2	2"	5,000 psi	Gate Valve
3	2"	5,000 psi	Check Valve

CHOKER LINE			
ITEM	SIZE	PRESSURE	DESCRIPTION
4	3"	5,000 psi	Gate Valve
5	3"	5,000 psi	HCR Valve

BOP Diagram 502H



**DRAFT**



**U. S. Steel Tubular Products**

**8 5/8 32.00 lb (0.352) P110 HP**

**USS-TALON HTQ™RD9.000**

**PIPE**

**CONNECTION**

**MECHANICAL PROPERTIES** [6]

<b>Minimum Yield Strength</b>	<b>125,000</b>		<i>psi</i>
<b>Maximum Yield Strength</b>	<b>140,000</b>		<i>psi</i>
<b>Minimum Tensile Strength</b>	<b>130,000</b>		<i>psi</i>

**DIMENSIONS**

<b>Outside Diameter</b>	<b>8.625</b>	<b>9.000</b>	<i>in.</i>
Wall Thickness	0.352		<i>in.</i>
Inside Diameter	7.921	7.921	<i>in.</i>
Drift - API	7.796		<i>in.</i>
<b>Nominal Linear Weight, T&amp;C</b>	<b>32.00</b>	<b>32.00</b>	<i>lbs/ft</i>
Plain End Weight	31.13		<i>lbs/ft</i>

**SECTION AREA**

Cross Sectional Area   Critical Area	9.149	9.149	<i>sq. in.</i>
Joint Efficiency		100%	% <sup>[2]</sup>

**PERFORMANCE**

Minimum Collapse Pressure	4,530	4,530	<i>psi</i>
Minimum Internal Yield Pressure	8,930	8,930	<i>psi</i>
Minimum Pipe Body Yield Strength	1,144,000		<i>lbs</i>
Joint Strength		1,144,000	<i>lbs</i>
Compression Rating		1,144,000	<i>lbs</i>
Reference Length		23,833	<i>ft</i> <sup>[5]</sup>
Maximum Uniaxial Bend Rating		66.4	<i>deg/100 ft</i> <sup>[3]</sup>

**MAKE-UP DATA**

Minimum Make-Up Torque		20,200	<i>ft-lbs</i> <sup>[4]</sup>
Maximum Make-Up Torque		26,000	<i>ft-lbs</i> <sup>[4]</sup>
Maximum Operating Torque		119,000	<i>ft-lbs</i> <sup>[4]</sup>
Make-Up Loss		5.58	<i>in.</i>

**UNCONTROLLED**

**UNCONTROLLED**

Notes:

- 1) Other than proprietary collapse and connection values, performance properties have been calculated using standard equations defined by API 5C3 and do not incorporate any additional design or safety factors. Calculations assume nominal pipe OD, nominal wall thickness, and Specified Minimum Yield Strength (SMYS).
- 2) Compressive & Tensile Connection Efficiencies are calculated by dividing the connection critical area by the pipe body area.
- 3) Uniaxial bending rating shown is structural only, and equal to compression efficiency.
- 4) Torques have been calculated assuming a thread compound friction factor of 1.0 and are recommended only. Field make-up torques may require adjustment based on actual field conditions (e.g. make-up speed, temperature, thread compound, etc.).
- 5) Reference length is calculated by joint strength divided by Nominal Linear Weight, T&C with 1.5 safety factor.
- 6) Coupling must meet minimum mechanical properties of the pipe.

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Manual USS Product Data Sheet 2019 Rev29

### 3-string Casing Design Assumptions

#### Surface Casing

- Collapse:  $DF_C = 1.125$
- Full internal Evacuation: Collapse force is equal to mud gradient (0.433 psi/ft) in which the casing will be run and internal evacuation of casing.
  - Cementing: Collapse force is equal net force of the planned cement slurry gradient (0.718 psi/ft) in which the casing will be run and internal force equivalent to fresh water displacement gradient (0.433 psi/ft).
- Burst:  $DF_B = 1.125$
- Casing Pressure Test: According to BLM Onshore Order No. 2 with 0.22 psi/ft or 1500 psi, whichever is greater but not to exceed 70% of the minimum internal yield.
- Tensile:  $DF_T = 1.60$
- Overpull: A tensile force of 100,000 lbs over string weight with a buoyancy factor of 0.8727 in water (8.33 ppg).

#### Intermediate Casing

- Collapse:  $DF_C = 1.125$
- Full Internal Evacuation: Collapse force is equal to mud gradient (0.531 psi/ft) in which the casing will be run and internal evacuation of casing.
  - Cementing: Collapse force is equal net force of the planned cement slurry gradient (0.626 psi/ft) in which the casing will be run and internal force equivalent to the displacement of fluid gradient.
- Burst:  $DF_B = 1.125$
- Casing Pressure Test: According to BLM Onshore Order No. 2 with 0.22 psi/ft or 1500 psi, whichever is greater but to exceed 70% of the minimum internal yield.
  - Gas Kick: Internal burst load of a 50 bbl gas kick at the casing with drill pipe in the hole. External force will be 10.2 ppg brine water gradient (0.531 psi/ft) and internal force will be with 10.0 ppg brine water gradient (0.521 psi/ft) with gas kick.
- Tensile:  $DF_T = 1.60$
- Overpull: A tensile force of 100,000 lbs over string weight with a buoyancy factor of 0.8441 in brine water (10.2 ppg).

#### Production Casing

- Collapse:  $DF_C = 1.125$
- Full Internal Evacuation: Collapse force is equal to mud gradient (0.531 psi/ft) in which the casing will be run and internal evacuation of casing.
  - Cementing: Collapse force is equal net force of the planned cement slurry gradient (0.688 psi/ft) in which the casing will be run and internal force equivalent to fresh water displacement gradient (0.433 psi/ft).
- Burst:  $DF_B = 1.125$
- Pressure Test: Pressure test will be to 80% of Internal Yield Pressure of casing intended for fracture stimulation.
- Tensile:  $DF_T = 1.60$
- Overpull: A tensile force of 100,000 lbs over string weight with a buoyancy factor of 0.8472 in oil-based mud (10.0 ppg).

### Technical Specifications

<b>Connection Type:</b> DWC/C-IS PLUS Casing standard	<b>Size(O.D.):</b> 5-1/2 in	<b>Weight (Wall):</b> 20.00 lb/ft (0.361 in)	<b>Grade:</b> VST P110 EC
---	--------------------------------	---	------------------------------

<b>VST P110 EC</b>	<b>Material</b>
125,000	Grade
135,000	Minimum Yield Strength (psi)
	Minimum Ultimate Strength (psi)



VAM USA  
4424 W. Sam Houston Pkwy. Suite 150  
Houston, TX 77041  
Phone: 713-479-3200  
Fax: 713-479-3234  
E-mail: [VAMUSAsales@vam-usa.com](mailto:VAMUSAsales@vam-usa.com)

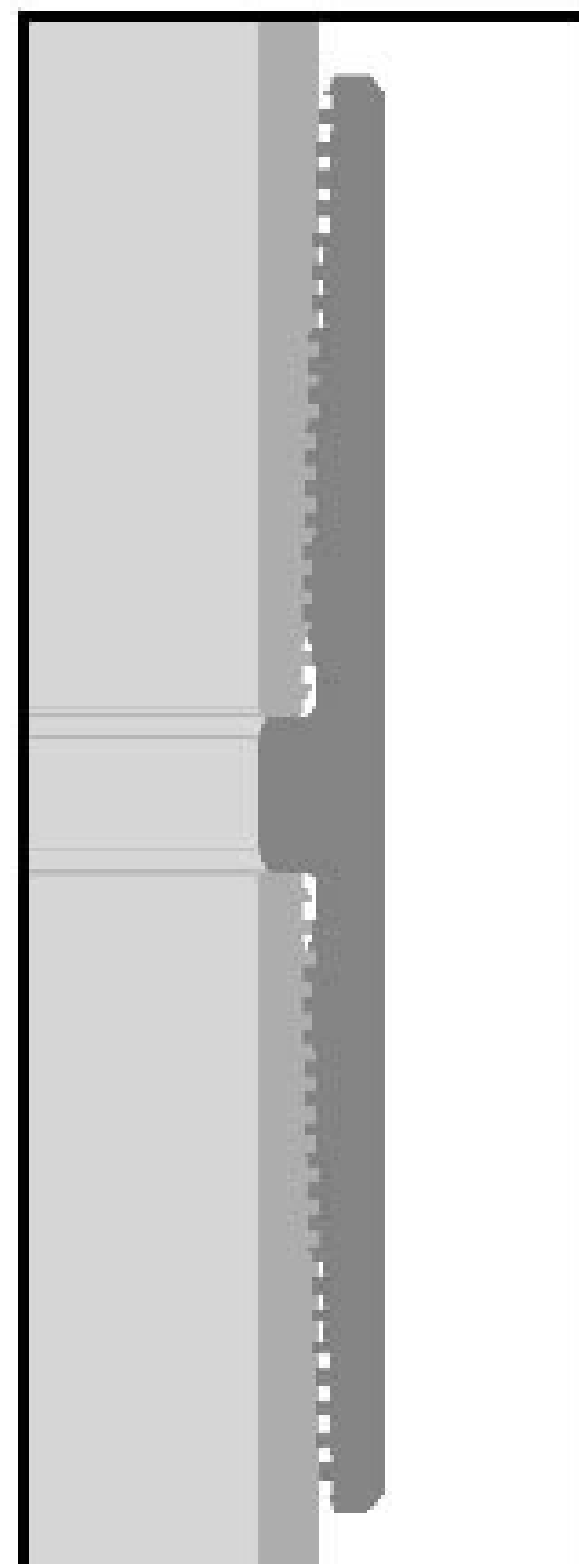
	<b>Pipe Dimensions</b>
5.500	Nominal Pipe Body O.D. (in)
4.778	Nominal Pipe Body I.D.(in)
0.361	Nominal Wall Thickness (in)
20.00	Nominal Weight (lbs/ft)
19.83	Plain End Weight (lbs/ft)
5.828	Nominal Pipe Body Area (sq in)

	<b>Pipe Body Performance Properties</b>
729,000	Minimum Pipe Body Yield Strength (lbs)
12,090	Minimum Collapse Pressure (psi)
14,360	Minimum Internal Yield Pressure (psi)
13,100	Hydrostatic Test Pressure (psi)

	<b>Connection Dimensions</b>
6.300	Connection O.D. (in)
4.778	Connection I.D. (in)
4.653	Connection Drift Diameter (in)
4.13	Make-up Loss (in)
5.828	Critical Area (sq in)
100.0	Joint Efficiency (%)

	<b>Connection Performance Properties</b>
729,000	Joint Strength (lbs)
26,040	Reference String Length (ft) 1.4 Design Factor
728,000	API Joint Strength (lbs)
729,000	Compression Rating (lbs)
12,090	API Collapse Pressure Rating (psi)
14,360	API Internal Pressure Resistance (psi)
104.2	Maximum Uniaxial Bend Rating [degrees/100 ft]

	<b>Appoximated Field End Torque Values</b>
16,600	Minimum Final Torque (ft-lbs)
19,100	Maximum Final Torque (ft-lbs)
21,600	Connection Yield Torque (ft-lbs)



For detailed information on performance properties, refer to DWC Connection Data Notes on following page(s).

Connection specifications within the control of VAM USA were correct as of the date printed. Specifications are subject to change without notice. Certain connection specifications are dependent on the mechanical properties of the pipe. Mechanical properties of mill proprietary pipe grades were obtained from mill publications and are subject to change. Properties of mill proprietary grades should be confirmed with the mill. Users are advised to obtain current connection specifications and verify pipe mechanical properties for each application.

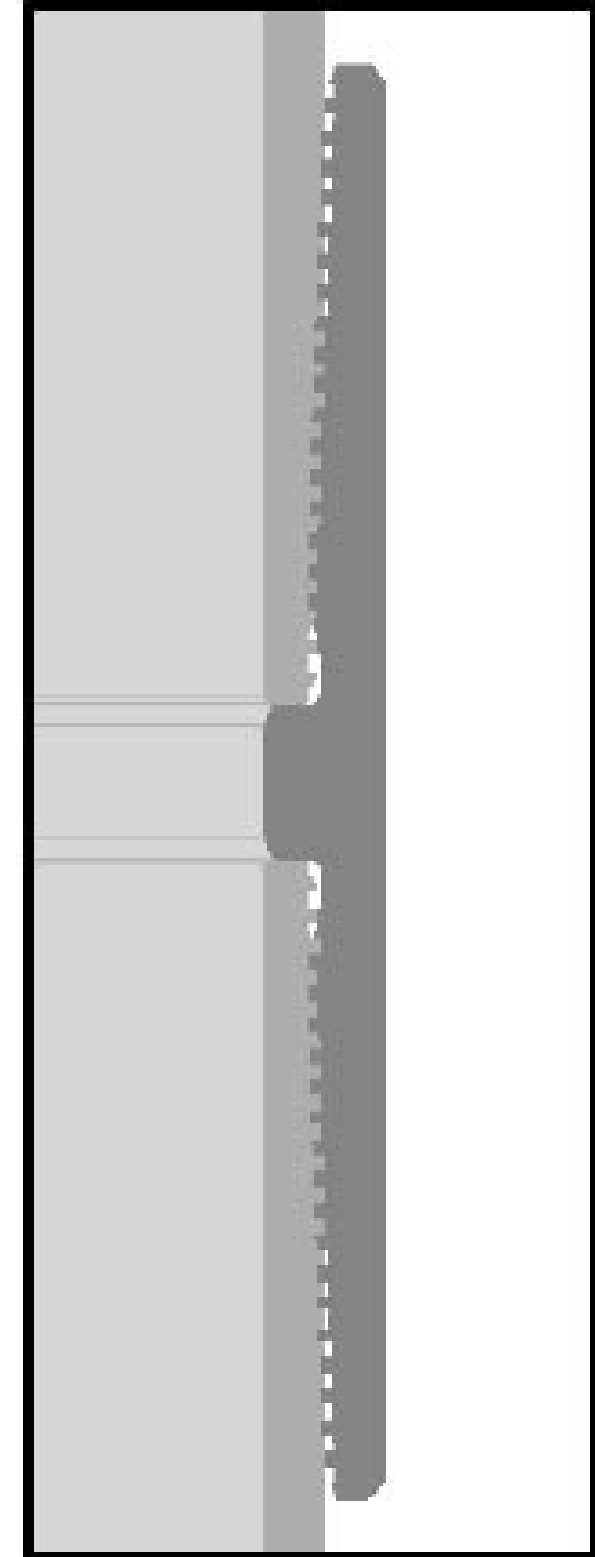
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2/6/2015



### DWC Connection Data Notes:

1. DWC connections are available with a seal ring (SR) option.
2. All standard DWC/C connections are interchangeable for a give pipe OD. DWC connections are interchangeable with DWC/C-SR connections of the same OD and wall.
3. Connection performance properties are based on nominal pipe body and connection dimensions.
4. DWC connection internal and external pressure resistance is calculated using the API rating for buttress connections. API Internal pressure resistance is calculated from formulas 31, 32, and 35 in the API Bulletin 5C3.
5. DWC joint strength is the minimum pipe body yield strength multiplied by the connection critical area.
6. API joint strength is for reference only. It is calculated from formulas 42 and 43 in the API Bulletin 5C3.
7. Bending efficiency is equal to the compression efficiency.
8. The torque values listed are recommended. The actual torque required may be affected by field conditions such as temperature, thread compound, speed of make-up, weather conditions, etc.
9. Connection yield torque is not to be exceeded.
10. Reference string length is calculated by dividing the joint strength by both the nominal weight in air and a design factor (DF) of 1.4. These values are offered for reference only and do not include load factors such as bending, buoyancy, temperature, load dynamics, etc.
11. DWC connections will accommodate API standard drift diameters.



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2/6/2015



**U. S. Steel Tubular Products**  
**13.375" 54.50lb/ft (0.380" Wall) J55**

11/1/2023 1:00:21 PM

<b>MECHANICAL PROPERTIES</b>	<b>Pipe</b>	<b>BTC</b>	<b>LTC</b>	<b>STC</b>		<b>--</b>
Minimum Yield Strength	55,000	--	--	--	psi	--
Maximum Yield Strength	80,000	--	--	--	psi	--
Minimum Tensile Strength	75,000	--	--	--	psi	--
<b>DIMENSIONS</b>	<b>Pipe</b>	<b>BTC</b>	<b>LTC</b>	<b>STC</b>		<b>--</b>
Outside Diameter	13.375	14.375	0.000	14.375	in.	--
Wall Thickness	0.380	--	--	--	in.	--
Inside Diameter	12.615	12.615	--	12.615	in.	--
Standard Drift	12.459	12.459	12.459	12.459	in.	--
Alternate Drift	--	12.500	--	--	in.	--
Nominal Linear Weight, T&C	54.50	--	--	--	lb/ft	--
Plain End Weight	52.79	--	--	--	lb/ft	--
<b>PERFORMANCE</b>	<b>Pipe</b>	<b>BTC</b>	<b>LTC</b>	<b>STC</b>		<b>--</b>
Minimum Collapse Pressure	1,130	1,130	1,130	1,130	psi	--
Minimum Internal Yield Pressure	2,740	2,740	2,740	2,740	psi	--
Minimum Pipe Body Yield Strength	853	--	--	--	1,000 lbs	--
Joint Strength	--	909	--	514	1,000 lbs	--
Reference Length	--	11,119	--	6,290	ft	--
<b>MAKE-UP DATA</b>	<b>Pipe</b>	<b>BTC</b>	<b>LTC</b>	<b>STC</b>		<b>--</b>
Make-Up Loss	--	4.81	--	3.50	in.	--
Minimum Make-Up Torque	--	--	--	3,860	ft-lb	--
Maximum Make-Up Torque	--	--	--	6,430	ft-lb	--

**UNCONTROLLED**

**Notes**

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 Spring, Texas 77380  
 1-877-893-9461  
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 www.usstubular.com



## E. G. L. Resources, Inc.

### 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. 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.
- d. 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 inch 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 wind socks 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.

Hydrogen Sulfide Drilling Operations Plan  
EGL Resources, Inc  
Section 15, T19S, R33E  
Lea County, NM

**Coordination with Authorities**

It is EGL’s responsibility to work with the proper agencies to properly respond to a major release. Every response by EGL must be in coordination with the State of New Mexico’s “Hazardous Materials Emergency Response Plan” (HMER). In case of release, the OCD must be notified no later than four hours after start of release. When reporting a release, EGL must possess necessary information about the release such as: directions to wellsite, wind direction, volume, and location of release, etc. See below for contact information of company, local, state, and national officials and agencies.

**EGL Resources, Inc**

Office.....432-687-6560

**Hobbs Agencies**

Ambulance.....911  
City Police.....575-397-9265  
Fire Department.....575-397-9308  
State Police.....575-885-3138  
Emergency Planning.....575-391-2983  
New Mexico OCD.....575-393-6161 (**EMERGENCY: 575-370-3186**)  
Bureau of Land Management.....575-393-3612



## **E.G.L. Resources, Inc.**

**Lea, County NM (NAD 83)**

**Sec 24-18S-32E**

**LTK 24-25 FED COM 205H**

**Wellbore #1**

**Plan: Plan 3**

## **Standard Planning Report**

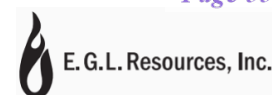
**19 July, 2024**



**E. G. L. Resources, Inc.**



Planning Report



<b>Database:</b>	1 - EDM Production	<b>Local Co-ordinate Reference:</b>	Well LTK 24-25 FED COM 205H
<b>Company:</b>	E.G.L. Resources, Inc.	<b>TVD Reference:</b>	RKB 25' + 3812.95 @ 3837.95usft
<b>Project:</b>	Lea, County NM (NAD 83)	<b>MD Reference:</b>	RKB 25' + 3812.95 @ 3837.95usft
<b>Site:</b>	Sec 24-18S-32E	<b>North Reference:</b>	Grid
<b>Well:</b>	LTK 24-25 FED COM 205H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan 3		

<b>Project</b>	Lea, County NM (NAD 83)		
<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 24-18S-32E				
<b>Site Position:</b>		<b>Northing:</b>	632,436.81 usft	<b>Latitude:</b>	32.73708098
<b>From:</b>	Map	<b>Easting:</b>	731,512.89 usft	<b>Longitude:</b>	-103.71484682
<b>Position Uncertainty:</b>	0.00 usft	<b>Slot Radius:</b>	13-3/16 "		

<b>Well</b>	LTK 24-25 FED COM 205H					
<b>Well Position</b>	<b>+N/-S</b>	0.00 usft	<b>Northing:</b>	632,384.28 usft	<b>Latitude:</b>	32.73693354
	<b>+E/-W</b>	0.00 usft	<b>Easting:</b>	731,703.23 usft	<b>Longitude:</b>	-103.71422882
<b>Position Uncertainty</b>		0.50 usft	<b>Wellhead Elevation:</b>	usft	<b>Ground Level:</b>	3,812.95 usft
<b>Grid Convergence:</b>		0.33 °				

<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 2023	5/13/2024	6.49	60.48	47,501.20000000

<b>Design</b>	Plan 3			
<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	180.00

<b>Plan Survey Tool Program</b>	<b>Date</b>	7/19/2024		
<b>Depth From (usft)</b>	<b>Depth To (usft)</b>	<b>Survey (Wellbore)</b>	<b>Tool Name</b>	<b>Remarks</b>
1	0.00	20,217.09 Plan 3 (Wellbore #1)	MWD+HRGM OWSG MWD + HRGM	



Planning Report

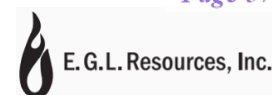


<b>Database:</b>	1 - EDM Production	<b>Local Co-ordinate Reference:</b>	Well LTK 24-25 FED COM 205H
<b>Company:</b>	E.G.L. Resources, Inc.	<b>TVD Reference:</b>	RKB 25' + 3812.95 @ 3837.95usft
<b>Project:</b>	Lea, County NM (NAD 83)	<b>MD Reference:</b>	RKB 25' + 3812.95 @ 3837.95usft
<b>Site:</b>	Sec 24-18S-32E	<b>North Reference:</b>	Grid
<b>Well:</b>	LTK 24-25 FED COM 205H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan 3		

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	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	
2,160.13	13.20	22.83	2,154.31	69.79	29.38	2.00	2.00	0.00	22.83	
8,211.47	13.20	22.83	8,045.69	1,343.62	565.62	0.00	0.00	0.00	0.00	
8,871.60	0.00	0.00	8,700.00	1,413.41	595.00	2.00	-2.00	0.00	180.00	
9,098.64	0.00	0.00	8,927.04	1,413.41	595.00	0.00	0.00	0.00	0.00	
9,998.64	90.00	181.50	9,500.00	840.65	580.00	10.00	10.00	0.00	181.50	
10,091.98	90.00	179.63	9,500.00	747.32	579.08	2.00	0.00	-2.00	-90.00	
20,217.09	90.00	179.63	9,500.00	-9,377.59	643.89	0.00	0.00	0.00	0.00	LTK 205H PBHL(10' F



Planning Report

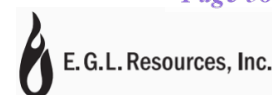


<b>Database:</b>	1 - EDM Production	<b>Local Co-ordinate Reference:</b>	Well LTK 24-25 FED COM 205H
<b>Company:</b>	E.G.L. Resources, Inc.	<b>TVD Reference:</b>	RKB 25' + 3812.95 @ 3837.95usft
<b>Project:</b>	Lea, County NM (NAD 83)	<b>MD Reference:</b>	RKB 25' + 3812.95 @ 3837.95usft
<b>Site:</b>	Sec 24-18S-32E	<b>North Reference:</b>	Grid
<b>Well:</b>	LTK 24-25 FED COM 205H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan 3		

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
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
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
1,400.00	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>Start Build 2.00</b>										
1,600.00	2.00	22.83	1,599.98	1.61	0.68	-1.61	2.00	2.00	2.00	0.00
1,700.00	4.00	22.83	1,699.84	6.43	2.71	-6.43	2.00	2.00	2.00	0.00
1,800.00	6.00	22.83	1,799.45	14.46	6.09	-14.46	2.00	2.00	2.00	0.00
1,900.00	8.00	22.83	1,898.70	25.70	10.82	-25.70	2.00	2.00	2.00	0.00
2,000.00	10.00	22.83	1,997.47	40.11	16.89	-40.11	2.00	2.00	2.00	0.00
2,100.00	12.00	22.83	2,095.62	57.70	24.29	-57.70	2.00	2.00	2.00	0.00
2,160.13	13.20	22.83	2,154.31	69.79	29.38	-69.79	2.00	2.00	2.00	0.00
<b>Start 6051.33 hold at 2160.13 MD</b>										
2,200.00	13.20	22.83	2,193.12	78.18	32.91	-78.18	0.00	0.00	0.00	0.00
2,300.00	13.20	22.83	2,290.48	99.23	41.77	-99.23	0.00	0.00	0.00	0.00
2,400.00	13.20	22.83	2,387.83	120.28	50.64	-120.28	0.00	0.00	0.00	0.00
2,500.00	13.20	22.83	2,485.19	141.33	59.50	-141.33	0.00	0.00	0.00	0.00
2,600.00	13.20	22.83	2,582.55	162.38	68.36	-162.38	0.00	0.00	0.00	0.00
2,700.00	13.20	22.83	2,679.90	183.43	77.22	-183.43	0.00	0.00	0.00	0.00
2,800.00	13.20	22.83	2,777.26	204.48	86.08	-204.48	0.00	0.00	0.00	0.00
2,900.00	13.20	22.83	2,874.62	225.53	94.94	-225.53	0.00	0.00	0.00	0.00
3,000.00	13.20	22.83	2,971.97	246.59	103.80	-246.59	0.00	0.00	0.00	0.00
3,100.00	13.20	22.83	3,069.33	267.64	112.67	-267.64	0.00	0.00	0.00	0.00
3,200.00	13.20	22.83	3,166.69	288.69	121.53	-288.69	0.00	0.00	0.00	0.00
3,300.00	13.20	22.83	3,264.05	309.74	130.39	-309.74	0.00	0.00	0.00	0.00
3,400.00	13.20	22.83	3,361.40	330.79	139.25	-330.79	0.00	0.00	0.00	0.00
3,500.00	13.20	22.83	3,458.76	351.84	148.11	-351.84	0.00	0.00	0.00	0.00
3,600.00	13.20	22.83	3,556.12	372.89	156.97	-372.89	0.00	0.00	0.00	0.00
3,700.00	13.20	22.83	3,653.47	393.94	165.84	-393.94	0.00	0.00	0.00	0.00
3,800.00	13.20	22.83	3,750.83	414.99	174.70	-414.99	0.00	0.00	0.00	0.00
3,900.00	13.20	22.83	3,848.19	436.04	183.56	-436.04	0.00	0.00	0.00	0.00
4,000.00	13.20	22.83	3,945.54	457.09	192.42	-457.09	0.00	0.00	0.00	0.00
4,100.00	13.20	22.83	4,042.90	478.14	201.28	-478.14	0.00	0.00	0.00	0.00
4,200.00	13.20	22.83	4,140.26	499.19	210.14	-499.19	0.00	0.00	0.00	0.00
4,300.00	13.20	22.83	4,237.61	520.24	219.00	-520.24	0.00	0.00	0.00	0.00
4,400.00	13.20	22.83	4,334.97	541.29	227.87	-541.29	0.00	0.00	0.00	0.00
4,500.00	13.20	22.83	4,432.33	562.34	236.73	-562.34	0.00	0.00	0.00	0.00
4,600.00	13.20	22.83	4,529.68	583.39	245.59	-583.39	0.00	0.00	0.00	0.00
4,700.00	13.20	22.83	4,627.04	604.44	254.45	-604.44	0.00	0.00	0.00	0.00
4,800.00	13.20	22.83	4,724.40	625.49	263.31	-625.49	0.00	0.00	0.00	0.00
4,900.00	13.20	22.83	4,821.75	646.54	272.17	-646.54	0.00	0.00	0.00	0.00
5,000.00	13.20	22.83	4,919.11	667.59	281.04	-667.59	0.00	0.00	0.00	0.00



Planning Report

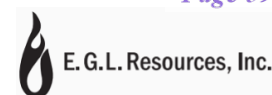


<b>Database:</b>	1 - EDM Production	<b>Local Co-ordinate Reference:</b>	Well LTK 24-25 FED COM 205H
<b>Company:</b>	E.G.L. Resources, Inc.	<b>TVD Reference:</b>	RKB 25' + 3812.95 @ 3837.95usft
<b>Project:</b>	Lea, County NM (NAD 83)	<b>MD Reference:</b>	RKB 25' + 3812.95 @ 3837.95usft
<b>Site:</b>	Sec 24-18S-32E	<b>North Reference:</b>	Grid
<b>Well:</b>	LTK 24-25 FED COM 205H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan 3		

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)	
5,100.00	13.20	22.83	5,016.47	688.64	289.90	-688.64	0.00	0.00	0.00	
5,200.00	13.20	22.83	5,113.82	709.69	298.76	-709.69	0.00	0.00	0.00	
5,300.00	13.20	22.83	5,211.18	730.74	307.62	-730.74	0.00	0.00	0.00	
5,400.00	13.20	22.83	5,308.54	751.80	316.48	-751.80	0.00	0.00	0.00	
5,500.00	13.20	22.83	5,405.90	772.85	325.34	-772.85	0.00	0.00	0.00	
5,600.00	13.20	22.83	5,503.25	793.90	334.20	-793.90	0.00	0.00	0.00	
5,700.00	13.20	22.83	5,600.61	814.95	343.07	-814.95	0.00	0.00	0.00	
5,800.00	13.20	22.83	5,697.97	836.00	351.93	-836.00	0.00	0.00	0.00	
5,900.00	13.20	22.83	5,795.32	857.05	360.79	-857.05	0.00	0.00	0.00	
6,000.00	13.20	22.83	5,892.68	878.10	369.65	-878.10	0.00	0.00	0.00	
6,100.00	13.20	22.83	5,990.04	899.15	378.51	-899.15	0.00	0.00	0.00	
6,200.00	13.20	22.83	6,087.39	920.20	387.37	-920.20	0.00	0.00	0.00	
6,300.00	13.20	22.83	6,184.75	941.25	396.24	-941.25	0.00	0.00	0.00	
6,400.00	13.20	22.83	6,282.11	962.30	405.10	-962.30	0.00	0.00	0.00	
6,500.00	13.20	22.83	6,379.46	983.35	413.96	-983.35	0.00	0.00	0.00	
6,600.00	13.20	22.83	6,476.82	1,004.40	422.82	-1,004.40	0.00	0.00	0.00	
6,700.00	13.20	22.83	6,574.18	1,025.45	431.68	-1,025.45	0.00	0.00	0.00	
6,800.00	13.20	22.83	6,671.53	1,046.50	440.54	-1,046.50	0.00	0.00	0.00	
6,900.00	13.20	22.83	6,768.89	1,067.55	449.40	-1,067.55	0.00	0.00	0.00	
7,000.00	13.20	22.83	6,866.25	1,088.60	458.27	-1,088.60	0.00	0.00	0.00	
7,100.00	13.20	22.83	6,963.60	1,109.65	467.13	-1,109.65	0.00	0.00	0.00	
7,200.00	13.20	22.83	7,060.96	1,130.70	475.99	-1,130.70	0.00	0.00	0.00	
7,300.00	13.20	22.83	7,158.32	1,151.75	484.85	-1,151.75	0.00	0.00	0.00	
7,400.00	13.20	22.83	7,255.68	1,172.80	493.71	-1,172.80	0.00	0.00	0.00	
7,500.00	13.20	22.83	7,353.03	1,193.85	502.57	-1,193.85	0.00	0.00	0.00	
7,600.00	13.20	22.83	7,450.39	1,214.90	511.44	-1,214.90	0.00	0.00	0.00	
7,700.00	13.20	22.83	7,547.75	1,235.95	520.30	-1,235.95	0.00	0.00	0.00	
7,800.00	13.20	22.83	7,645.10	1,257.01	529.16	-1,257.01	0.00	0.00	0.00	
7,900.00	13.20	22.83	7,742.46	1,278.06	538.02	-1,278.06	0.00	0.00	0.00	
8,000.00	13.20	22.83	7,839.82	1,299.11	546.88	-1,299.11	0.00	0.00	0.00	
8,100.00	13.20	22.83	7,937.17	1,320.16	555.74	-1,320.16	0.00	0.00	0.00	
8,200.00	13.20	22.83	8,034.53	1,341.21	564.60	-1,341.21	0.00	0.00	0.00	
8,211.47	13.20	22.83	8,045.69	1,343.62	565.62	-1,343.62	0.00	0.00	0.00	
<b>Start Drop -2.00</b>										
8,300.00	11.43	22.83	8,132.19	1,361.03	572.95	-1,361.03	2.00	-2.00	0.00	
8,400.00	9.43	22.83	8,230.53	1,377.71	579.97	-1,377.71	2.00	-2.00	0.00	
8,500.00	7.43	22.83	8,329.44	1,391.23	585.66	-1,391.23	2.00	-2.00	0.00	
8,600.00	5.43	22.83	8,428.81	1,401.55	590.01	-1,401.55	2.00	-2.00	0.00	
8,700.00	3.43	22.83	8,528.50	1,408.67	593.01	-1,408.67	2.00	-2.00	0.00	
8,800.00	1.43	22.83	8,628.41	1,412.59	594.65	-1,412.59	2.00	-2.00	0.00	
8,871.60	0.00	0.00	8,700.00	1,413.41	595.00	-1,413.41	2.00	-2.00	0.00	
<b>Start 227.04 hold at 8871.60 MD</b>										
8,900.00	0.00	0.00	8,728.40	1,413.41	595.00	-1,413.41	0.00	0.00	0.00	
9,000.00	0.00	0.00	8,828.40	1,413.41	595.00	-1,413.41	0.00	0.00	0.00	
9,098.64	0.00	0.00	8,927.04	1,413.41	595.00	-1,413.41	0.00	0.00	0.00	
<b>Start Build 10.00</b>										
9,100.00	0.14	181.50	8,928.40	1,413.41	595.00	-1,413.41	10.00	10.00	0.00	
9,150.00	5.14	181.50	8,978.33	1,411.11	594.94	-1,411.11	10.00	10.00	0.00	
9,200.00	10.14	181.50	9,027.87	1,404.47	594.77	-1,404.47	10.00	10.00	0.00	
9,250.00	15.14	181.50	9,076.65	1,393.54	594.48	-1,393.54	10.00	10.00	0.00	
9,300.00	20.14	181.50	9,124.28	1,378.40	594.08	-1,378.40	10.00	10.00	0.00	
9,350.00	25.14	181.50	9,170.41	1,359.17	593.58	-1,359.17	10.00	10.00	0.00	
9,400.00	30.14	181.50	9,214.70	1,335.99	592.97	-1,335.99	10.00	10.00	0.00	



Planning Report

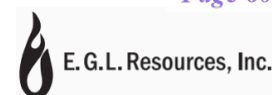


<b>Database:</b>	1 - EDM Production	<b>Local Co-ordinate Reference:</b>	Well LTK 24-25 FED COM 205H
<b>Company:</b>	E.G.L. Resources, Inc.	<b>TVD Reference:</b>	RKB 25' + 3812.95 @ 3837.95usft
<b>Project:</b>	Lea, County NM (NAD 83)	<b>MD Reference:</b>	RKB 25' + 3812.95 @ 3837.95usft
<b>Site:</b>	Sec 24-18S-32E	<b>North Reference:</b>	Grid
<b>Well:</b>	LTK 24-25 FED COM 205H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan 3		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
9,450.00	35.14	181.50	9,256.79	1,309.05	592.27	-1,309.05	10.00	10.00	0.00	
9,500.00	40.14	181.50	9,296.37	1,278.53	591.47	-1,278.53	10.00	10.00	0.00	
9,550.00	45.14	181.50	9,333.14	1,244.69	590.58	-1,244.69	10.00	10.00	0.00	
9,600.00	50.14	181.50	9,366.82	1,207.77	589.62	-1,207.77	10.00	10.00	0.00	
9,650.00	55.14	181.50	9,397.16	1,168.06	588.58	-1,168.06	10.00	10.00	0.00	
9,700.00	60.14	181.50	9,423.91	1,125.85	587.47	-1,125.85	10.00	10.00	0.00	
9,750.00	65.14	181.50	9,446.89	1,081.48	586.31	-1,081.48	10.00	10.00	0.00	
9,800.00	70.14	181.50	9,465.91	1,035.27	585.10	-1,035.27	10.00	10.00	0.00	
9,850.00	75.14	181.50	9,480.83	987.58	583.85	-987.58	10.00	10.00	0.00	
9,900.00	80.14	181.50	9,491.53	938.77	582.57	-938.77	10.00	10.00	0.00	
9,950.00	85.14	181.50	9,497.93	889.21	581.27	-889.21	10.00	10.00	0.00	
9,998.64	90.00	181.50	9,500.00	840.65	580.00	-840.65	10.00	10.00	0.00	
<b>Start DLS 2.00 TFO -90.00</b>										
10,000.00	90.00	181.47	9,500.00	839.29	579.97	-839.29	2.00	0.00	-2.00	
10,091.98	90.00	179.63	9,500.00	747.32	579.08	-747.32	2.00	0.00	-2.00	
<b>Start 10125.12 hold at 10091.98 MD</b>										
10,100.00	90.00	179.63	9,500.00	739.30	579.13	-739.30	0.00	0.00	0.00	
10,200.00	90.00	179.63	9,500.00	639.30	579.77	-639.30	0.00	0.00	0.00	
10,300.00	90.00	179.63	9,500.00	539.30	580.41	-539.30	0.00	0.00	0.00	
10,400.00	90.00	179.63	9,500.00	439.30	581.05	-439.30	0.00	0.00	0.00	
10,500.00	90.00	179.63	9,500.00	339.31	581.69	-339.31	0.00	0.00	0.00	
10,600.00	90.00	179.63	9,500.00	239.31	582.33	-239.31	0.00	0.00	0.00	
10,700.00	90.00	179.63	9,500.00	139.31	582.97	-139.31	0.00	0.00	0.00	
10,800.00	90.00	179.63	9,500.00	39.31	583.61	-39.31	0.00	0.00	0.00	
10,900.00	90.00	179.63	9,500.00	-60.69	584.25	60.69	0.00	0.00	0.00	
11,000.00	90.00	179.63	9,500.00	-160.68	584.89	160.68	0.00	0.00	0.00	
11,100.00	90.00	179.63	9,500.00	-260.68	585.53	260.68	0.00	0.00	0.00	
11,200.00	90.00	179.63	9,500.00	-360.68	586.17	360.68	0.00	0.00	0.00	
11,300.00	90.00	179.63	9,500.00	-460.68	586.81	460.68	0.00	0.00	0.00	
11,400.00	90.00	179.63	9,500.00	-560.68	587.45	560.68	0.00	0.00	0.00	
11,500.00	90.00	179.63	9,500.00	-660.67	588.09	660.67	0.00	0.00	0.00	
11,600.00	90.00	179.63	9,500.00	-760.67	588.73	760.67	0.00	0.00	0.00	
11,700.00	90.00	179.63	9,500.00	-860.67	589.37	860.67	0.00	0.00	0.00	
11,800.00	90.00	179.63	9,500.00	-960.67	590.01	960.67	0.00	0.00	0.00	
11,900.00	90.00	179.63	9,500.00	-1,060.67	590.65	1,060.67	0.00	0.00	0.00	
12,000.00	90.00	179.63	9,500.00	-1,160.66	591.29	1,160.66	0.00	0.00	0.00	
12,100.00	90.00	179.63	9,500.00	-1,260.66	591.93	1,260.66	0.00	0.00	0.00	
12,200.00	90.00	179.63	9,500.00	-1,360.66	592.57	1,360.66	0.00	0.00	0.00	
12,300.00	90.00	179.63	9,500.00	-1,460.66	593.21	1,460.66	0.00	0.00	0.00	
12,400.00	90.00	179.63	9,500.00	-1,560.66	593.85	1,560.66	0.00	0.00	0.00	
12,500.00	90.00	179.63	9,500.00	-1,660.65	594.49	1,660.65	0.00	0.00	0.00	
12,600.00	90.00	179.63	9,500.00	-1,760.65	595.13	1,760.65	0.00	0.00	0.00	
12,700.00	90.00	179.63	9,500.00	-1,860.65	595.77	1,860.65	0.00	0.00	0.00	
12,800.00	90.00	179.63	9,500.00	-1,960.65	596.41	1,960.65	0.00	0.00	0.00	
12,900.00	90.00	179.63	9,500.00	-2,060.65	597.05	2,060.65	0.00	0.00	0.00	
13,000.00	90.00	179.63	9,500.00	-2,160.64	597.69	2,160.64	0.00	0.00	0.00	
13,100.00	90.00	179.63	9,500.00	-2,260.64	598.33	2,260.64	0.00	0.00	0.00	
13,200.00	90.00	179.63	9,500.00	-2,360.64	598.97	2,360.64	0.00	0.00	0.00	
13,300.00	90.00	179.63	9,500.00	-2,460.64	599.61	2,460.64	0.00	0.00	0.00	
13,400.00	90.00	179.63	9,500.00	-2,560.64	600.25	2,560.64	0.00	0.00	0.00	
13,500.00	90.00	179.63	9,500.00	-2,660.63	600.89	2,660.63	0.00	0.00	0.00	
13,600.00	90.00	179.63	9,500.00	-2,760.63	601.53	2,760.63	0.00	0.00	0.00	
13,700.00	90.00	179.63	9,500.00	-2,860.63	602.17	2,860.63	0.00	0.00	0.00	
13,800.00	90.00	179.63	9,500.00	-2,960.63	602.81	2,960.63	0.00	0.00	0.00	



Planning Report

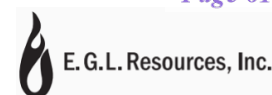


<b>Database:</b>	1 - EDM Production	<b>Local Co-ordinate Reference:</b>	Well LTK 24-25 FED COM 205H
<b>Company:</b>	E.G.L. Resources, Inc.	<b>TVD Reference:</b>	RKB 25' + 3812.95 @ 3837.95usft
<b>Project:</b>	Lea, County NM (NAD 83)	<b>MD Reference:</b>	RKB 25' + 3812.95 @ 3837.95usft
<b>Site:</b>	Sec 24-18S-32E	<b>North Reference:</b>	Grid
<b>Well:</b>	LTK 24-25 FED COM 205H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan 3		

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)	
13,900.00	90.00	179.63	9,500.00	-3,060.62	603.45	3,060.62	0.00	0.00	0.00	
14,000.00	90.00	179.63	9,500.00	-3,160.62	604.09	3,160.62	0.00	0.00	0.00	
14,100.00	90.00	179.63	9,500.00	-3,260.62	604.73	3,260.62	0.00	0.00	0.00	
14,200.00	90.00	179.63	9,500.00	-3,360.62	605.37	3,360.62	0.00	0.00	0.00	
14,300.00	90.00	179.63	9,500.00	-3,460.62	606.01	3,460.62	0.00	0.00	0.00	
14,400.00	90.00	179.63	9,500.00	-3,560.61	606.65	3,560.61	0.00	0.00	0.00	
14,500.00	90.00	179.63	9,500.00	-3,660.61	607.29	3,660.61	0.00	0.00	0.00	
14,600.00	90.00	179.63	9,500.00	-3,760.61	607.93	3,760.61	0.00	0.00	0.00	
14,700.00	90.00	179.63	9,500.00	-3,860.61	608.57	3,860.61	0.00	0.00	0.00	
14,800.00	90.00	179.63	9,500.00	-3,960.61	609.21	3,960.61	0.00	0.00	0.00	
14,900.00	90.00	179.63	9,500.00	-4,060.60	609.85	4,060.60	0.00	0.00	0.00	
15,000.00	90.00	179.63	9,500.00	-4,160.60	610.49	4,160.60	0.00	0.00	0.00	
15,100.00	90.00	179.63	9,500.00	-4,260.60	611.13	4,260.60	0.00	0.00	0.00	
15,200.00	90.00	179.63	9,500.00	-4,360.60	611.77	4,360.60	0.00	0.00	0.00	
15,300.00	90.00	179.63	9,500.00	-4,460.60	612.41	4,460.60	0.00	0.00	0.00	
15,400.00	90.00	179.63	9,500.00	-4,560.59	613.05	4,560.59	0.00	0.00	0.00	
15,500.00	90.00	179.63	9,500.00	-4,660.59	613.69	4,660.59	0.00	0.00	0.00	
15,600.00	90.00	179.63	9,500.00	-4,760.59	614.33	4,760.59	0.00	0.00	0.00	
15,700.00	90.00	179.63	9,500.00	-4,860.59	614.97	4,860.59	0.00	0.00	0.00	
15,800.00	90.00	179.63	9,500.00	-4,960.59	615.61	4,960.59	0.00	0.00	0.00	
15,900.00	90.00	179.63	9,500.00	-5,060.58	616.25	5,060.58	0.00	0.00	0.00	
16,000.00	90.00	179.63	9,500.00	-5,160.58	616.89	5,160.58	0.00	0.00	0.00	
16,100.00	90.00	179.63	9,500.00	-5,260.58	617.53	5,260.58	0.00	0.00	0.00	
16,200.00	90.00	179.63	9,500.00	-5,360.58	618.17	5,360.58	0.00	0.00	0.00	
16,300.00	90.00	179.63	9,500.00	-5,460.58	618.81	5,460.58	0.00	0.00	0.00	
16,400.00	90.00	179.63	9,500.00	-5,560.57	619.45	5,560.57	0.00	0.00	0.00	
16,500.00	90.00	179.63	9,500.00	-5,660.57	620.09	5,660.57	0.00	0.00	0.00	
16,600.00	90.00	179.63	9,500.00	-5,760.57	620.73	5,760.57	0.00	0.00	0.00	
16,700.00	90.00	179.63	9,500.00	-5,860.57	621.38	5,860.57	0.00	0.00	0.00	
16,800.00	90.00	179.63	9,500.00	-5,960.57	622.02	5,960.57	0.00	0.00	0.00	
16,900.00	90.00	179.63	9,500.00	-6,060.56	622.66	6,060.56	0.00	0.00	0.00	
17,000.00	90.00	179.63	9,500.00	-6,160.56	623.30	6,160.56	0.00	0.00	0.00	
17,100.00	90.00	179.63	9,500.00	-6,260.56	623.94	6,260.56	0.00	0.00	0.00	
17,200.00	90.00	179.63	9,500.00	-6,360.56	624.58	6,360.56	0.00	0.00	0.00	
17,300.00	90.00	179.63	9,500.00	-6,460.56	625.22	6,460.56	0.00	0.00	0.00	
17,400.00	90.00	179.63	9,500.00	-6,560.55	625.86	6,560.55	0.00	0.00	0.00	
17,500.00	90.00	179.63	9,500.00	-6,660.55	626.50	6,660.55	0.00	0.00	0.00	
17,600.00	90.00	179.63	9,500.00	-6,760.55	627.14	6,760.55	0.00	0.00	0.00	
17,700.00	90.00	179.63	9,500.00	-6,860.55	627.78	6,860.55	0.00	0.00	0.00	
17,800.00	90.00	179.63	9,500.00	-6,960.55	628.42	6,960.55	0.00	0.00	0.00	
17,900.00	90.00	179.63	9,500.00	-7,060.54	629.06	7,060.54	0.00	0.00	0.00	
18,000.00	90.00	179.63	9,500.00	-7,160.54	629.70	7,160.54	0.00	0.00	0.00	
18,100.00	90.00	179.63	9,500.00	-7,260.54	630.34	7,260.54	0.00	0.00	0.00	
18,200.00	90.00	179.63	9,500.00	-7,360.54	630.98	7,360.54	0.00	0.00	0.00	
18,300.00	90.00	179.63	9,500.00	-7,460.53	631.62	7,460.53	0.00	0.00	0.00	
18,400.00	90.00	179.63	9,500.00	-7,560.53	632.26	7,560.53	0.00	0.00	0.00	
18,500.00	90.00	179.63	9,500.00	-7,660.53	632.90	7,660.53	0.00	0.00	0.00	
18,600.00	90.00	179.63	9,500.00	-7,760.53	633.54	7,760.53	0.00	0.00	0.00	
18,700.00	90.00	179.63	9,500.00	-7,860.53	634.18	7,860.53	0.00	0.00	0.00	
18,800.00	90.00	179.63	9,500.00	-7,960.52	634.82	7,960.52	0.00	0.00	0.00	
18,900.00	90.00	179.63	9,500.00	-8,060.52	635.46	8,060.52	0.00	0.00	0.00	
19,000.00	90.00	179.63	9,500.00	-8,160.52	636.10	8,160.52	0.00	0.00	0.00	
19,100.00	90.00	179.63	9,500.00	-8,260.52	636.74	8,260.52	0.00	0.00	0.00	
19,200.00	90.00	179.63	9,500.00	-8,360.52	637.38	8,360.52	0.00	0.00	0.00	



Planning Report



<b>Database:</b>	1 - EDM Production	<b>Local Co-ordinate Reference:</b>	Well LTK 24-25 FED COM 205H
<b>Company:</b>	E.G.L. Resources, Inc.	<b>TVD Reference:</b>	RKB 25' + 3812.95 @ 3837.95usft
<b>Project:</b>	Lea, County NM (NAD 83)	<b>MD Reference:</b>	RKB 25' + 3812.95 @ 3837.95usft
<b>Site:</b>	Sec 24-18S-32E	<b>North Reference:</b>	Grid
<b>Well:</b>	LTK 24-25 FED COM 205H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan 3		

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)	
19,300.00	90.00	179.63	9,500.00	-8,460.51	638.02	8,460.51	0.00	0.00	0.00	
19,400.00	90.00	179.63	9,500.00	-8,560.51	638.66	8,560.51	0.00	0.00	0.00	
19,500.00	90.00	179.63	9,500.00	-8,660.51	639.30	8,660.51	0.00	0.00	0.00	
19,600.00	90.00	179.63	9,500.00	-8,760.51	639.94	8,760.51	0.00	0.00	0.00	
19,700.00	90.00	179.63	9,500.00	-8,860.51	640.58	8,860.51	0.00	0.00	0.00	
19,800.00	90.00	179.63	9,500.00	-8,960.50	641.22	8,960.50	0.00	0.00	0.00	
19,900.00	90.00	179.63	9,500.00	-9,060.50	641.86	9,060.50	0.00	0.00	0.00	
20,000.00	90.00	179.63	9,500.00	-9,160.50	642.50	9,160.50	0.00	0.00	0.00	
20,100.00	90.00	179.63	9,500.00	-9,260.50	643.14	9,260.50	0.00	0.00	0.00	
20,200.00	90.00	179.63	9,500.00	-9,360.50	643.78	9,360.50	0.00	0.00	0.00	
20,217.09	90.00	179.63	9,500.00	-9,377.59	643.89	9,377.59	0.00	0.00	0.00	
TD at 20217.09										

Design Targets										
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
Plan @ 8700.00 (LTK 24)	0.00	0.00	8,700.00	1,411.41	377.96	633,795.69	732,081.19	32.74080676	-103.71297281	
- hit/miss target										
- plan misses target center by 217.05usft at 8870.52usft MD (8698.92 TVD, 1413.41 N, 595.00 E)										
- Point										
LTK 205H FTP(330' FNL)	0.00	0.00	9,500.00	838.73	579.96	633,223.02	732,283.19	32.73922949	-103.71232679	
- plan misses target center by 0.01usft at 10000.56usft MD (9500.00 TVD, 838.73 N, 579.95 E)										
- Point										
LTK 205H PBHL(10' FSL)	0.00	0.00	9,500.00	-9,377.59	643.89	623,006.69	732,347.11	32.71114863	-103.71231359	
- plan hits target center										
- Point										
LTK 205H LTP(330' FSL)	0.00	0.00	9,500.00	-9,057.94	643.89	623,326.34	732,347.11	32.71202720	-103.71230750	
- plan misses target center by 2.05usft at 19897.45usft MD (9500.00 TVD, -9057.95 N, 641.84 E)										
- Point										

Casing Points					
Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (")	Hole Diameter (")	
20,424.51		20" Casing	20	24	

Plan Annotations					
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	+E/-W (usft)	Comment	
1,500.00	1,500.00	0.00	0.00	Start Build 2.00	
2,160.13	2,154.31	69.79	29.38	Start 6051.33 hold at 2160.13 MD	
8,211.47	8,045.69	1,343.62	565.62	Start Drop -2.00	
8,871.60	8,700.00	1,413.41	595.00	Start 227.04 hold at 8871.60 MD	
9,098.64	8,927.04	1,413.41	595.00	Start Build 10.00	
9,998.64	9,500.00	840.65	580.00	Start DLS 2.00 TFO -90.00	
10,091.98	9,500.00	747.32	579.08	Start 10125.12 hold at 10091.98 MD	
20,217.09	9,500.00	-9,377.59	643.89	TD at 20217.09	



LUOHE LETONE HYDRAULICS TECHNOLOGY CO.,LTD

CERTIFICATE OF QUALITY

LTYQ/QR-5.7.1-19B

No: LT2023-052-006

Customer Name	Austin Hose		
Product Name	Choke And Kill Hose		
Product Specification	3"×10000psi×35ft (10.67m)	Quantity	8PCS
Serial Number	7660103~7660110	FSL	FSL3
Temperature Range	-29°C~+121°C	Standard	API Spec 16C 3 <sup>rd</sup> edition
Inspection Department	Q.C. Department	Inspection date	2023.04.22

Inspection Items	Inspection results				
Appearance Checking	In accordance with API Spec 16C 3 <sup>rd</sup> edition				
Size and Lengths	In accordance with API Spec 16C 3 <sup>rd</sup> edition				
Dimensions and Tolerances	In accordance with API Spec 16C 3 <sup>rd</sup> edition				
End Connections: 4-1/16"×10000psi Integral flange for sour gas service	In accordance with API Spec 6A 21 <sup>st</sup> edition				
Hydrostatic Testing	In accordance with API Spec 16C 3 <sup>rd</sup> edition				
product Marking	In accordance with API Spec 16C 3 <sup>rd</sup> edition				
Inspection conclusion	The inspected items meet standard requirements of API Spec 16C 3 <sup>rd</sup> edition				
Remarks					
Approver	Jiaolong Chen	Auditor	Huiling Dong	Inspector	Zhansheng Wang



LUOHE LETONE HYDRAULICS TECHNOLOGY CO.,LTD

HYDROSTATIC TESING REPORT

LTYT/QR-5.7.1-28

No: 230422006

Product Name	Choke And Kill Hose	Standard	API Spec 16C 3 <sup>rd</sup> edition
Product Specification	3"×10000psi×35ft (10.67m)	Serial Number	7660103
Inspection Equipment	MTU-BS-1600-3200-E	Test medium	Water
Inspection Department	Q.C. Department	Inspection Date	2023.04.20

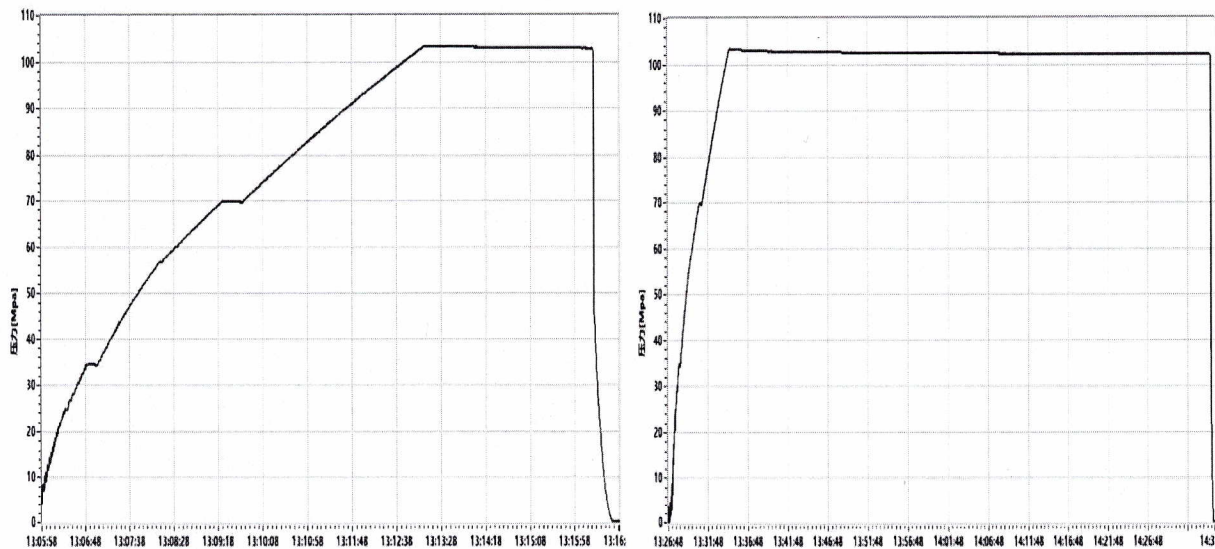
Rate of length change

Standard requirements	At working pressure ,the rate of length change should not more than $\pm 2\%$
Testing result	10000psi (69.0MPa) ,Rate of length change 0.8%

Hydrostatic testing

Standard requirements	At 1.5 times working pressure, the initial pressure-holding period of not less than three minutes, the second pressure-holding period of not less than one hour, no leaks.
Testing result	15000psi (103.5MPa), 3 min for the first time, 60 min for the second time, no leakage

Graph of pressure testing:



Conclusion	The inspected items meet standard requirements of API Spec 16C 3 <sup>rd</sup> edition				
Approver	Jiaolong Chen	Auditor	Huiling Dong	Inspector	Zhansheng Wang



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**LUOHE LETONE HYDRAULICS TECHNOLOGY CO.,LTD**

**CERTIFICATE OF CONFORMANCE**

**No:LT230422014**

Product Name: Choke And Kill Hose

Product Specification: 3"×10000psi×35ft(10.67m)

Serial Number: 7660103~7660110

End Connections: 4-1/16"×10000psi Integral flange for sour gas service

The Choke And Kill Hose assembly was produced by LUOHE LETONE HYDRAULICS TECHNOLOGY CO.,LTD . in April 2023, and inspected by LUOHE LETONE HYDRAULICS TECHNOLOGY CO.,LTD. according to API Spec 16C 3<sup>rd</sup> edition on April 22, 2023. The overall condition is good. This is to certify that the high pressure steel wire drilling hose assembly complies with all current standards and specifications for API Spec 16C 3<sup>rd</sup> edition .

QC Manager:

*Jiaolong Chen*

Date:April 22, 2023

## NATURAL GAS MANAGEMENT PLAN

EGL Resources, Inc

**VI. Separation Equipment:**

Separation equipment installed at each EGL facility is designed for maximum anticipated throughput and pressure to minimize waste. Separation equipment is designed and built according to ASME Sec VIII Div I to ensure gas is separated from liquid streams according to projected production.

**VII./VIII. Operational & Best Management Practices:****1. General Requirements for Venting and Flaring of Natural Gas:**

- In all circumstances, EGL will flare rather than vent unless flaring is technically infeasible and venting of natural gas will avoid a risk of an immediate and substantial adverse impact on safety, public health, or the environment.
- EGL installs and operates vapor recovery units (VRUs) in new facilities to minimize venting and flaring. If a VRU experiences operating issues, it is quickly assessed so that action can be taken to return the VRU to operation or, if necessary, facilities are shut-in to reduce the venting or flaring of natural gas.

**2. During Drilling Operations:**

- Flare stacks will be located a minimum of 110 feet from the nearest surface hole location.
- If an emergency or malfunction occurs, gas will be flared or vented to avoid a risk of an immediate and substantial adverse impact on public health, safety or the environment and be properly reported to the NMOCD pursuant to 19.15.27.8.G.
- Natural gas is captured or combusted if technically feasible using best industry practices and control technologies, such as the use of separators (e.g., Sand Commanders) during normal drilling and completions operations.

**3. During Completions:**

- EGL typically does not complete traditional flowback, instead EGL will flow produced oil, water, and gas to a centralized tank battery and continuously recover salable quality gas. If EGL completes traditional flowback, EGL conducts reduced emission completions as required by 40 CFR 60.5375a by routing gas to a gas flow line as soon as practicable once there is enough gas to operate a separator. Venting does not occur once there is enough gas to operate a separator
- Normally, during completion, a flare is not on-site. A Snubbing Unit will have a flare on-site, and the flare volume will be estimated.
- If natural gas does not meet pipeline quality specifications, the gas is sampled twice per week until the gas meets the specifications.

**4. During Production:**

- An audio, visual and olfactory (AVO) inspection will be performed daily (at minimum) for active wells and facilities to confirm that all production equipment is operating properly and there are no leaks or releases except as allowed in Subsection D of 19.15.27.8 NMAC. Inactive, temporarily abandoned, or shut-in wells and facilities will be inspected weekly. Inspection records will be kept for a minimum of five years and will be available upon request by the division.
- Monitor manual liquid unloading for wells on-site, takes all reasonable actions to achieve a stabilized rate and pressure at the earliest practical time and takes reasonable actions to minimize venting to the maximum extent practicable.
- In all circumstances, EGL will flare rather than vent unless flaring is technically infeasible and venting of natural gas will avoid a risk of an immediate and substantial adverse impact on safety, public health, or the environment.
- EGL's design for new facilities utilizes air-activated pneumatic controllers and pumps.

## NATURAL GAS MANAGEMENT PLAN

EGL Resources, Inc

- If natural gas does not meet pipeline quality specifications, the gas is sampled twice per week until the gas meets the specifications.
- EGL does not produce oil or gas until all flowlines, tank batteries, and oil/gas takeaway are installed, tested, and determined operational.

### 5. Performance Standards

- Equipment installed at each facility is designed for maximum anticipated throughput and pressure to minimize waste. Tank pressure relief systems utilize soft seated or metal seated PSVs, as appropriate, which are both designed to not leak.
- Flare stack has been designed for proper size and combustion efficiency. The new flares will have a continuous pilot and will be located at least 100 feet from the well and storage tanks and will be securely anchored.
- New tanks will be equipped with an automatic gauging system.
- An AVO inspection will be performed daily (at minimum) for active wells and facilities to confirm that all production equipment is operating properly and there are no leaks or releases except as allowed in Subsection D of 19.15.27.8 NMAC. Inactive, temporarily abandoned, or shut-in wells and facilities will be inspected weekly. Inspection records will be kept for a minimum of five years and will be available upon request by the division.

### 6. Measurement or Estimation of Vented and Flared Natural Gas

- EGL estimates or measures the volume of natural gas that is vented, flared, or beneficially used during drilling operations, regardless of the reason or authorization for such venting or flaring.
- Where technically practicable, EGL will install meters on flares installed after May 25, 2021. Meters will conform to industry standards. Bypassing the meter will only occur for inspecting and servicing of the meter.

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:** EGL Resources, Inc. **OGRID:** 173413 **Date:** 07/28/2024

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

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

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

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
LTK 24-25 Fed Com 001H	30-025-	B-24-18S-32E	1093 FNL 1528 FEL	1348	5063	2402
LTK 24-25 Fed Com 002H	30-025-	B-24-18S-32E	1099 FNL 1489 FEL	1348	5063	2402
LTK 24-25 Fed Com 003H	30-025-	B-24-18S-32E	1105 FNL 1449 FEL	1348	5063	2402
LTK 24-25 Fed Com 101H	30-025-	B-24-18S-32E	1134 FNL 1251 FEL	1141	3197	2862
LTK 24-25 Fed Com 102H	30-025-	B-24-18S-32E	1137 FNL 1232 FEL	1141	3197	2862
LTK 24-25 Fed Com 103H	30-025-	B-24-18S-32E	1140 FNL 1212 FEL	1141	3197	2862
LTK 24-25 Fed Com 201H	30-025-	B-24-18S-32E	1169 FNL 1014 FEL	1176	1733	2585
LTK 24-25 Fed Com 203H	30-025-	B-24-18S-32E	1178 FNL 955 FEL	1176	1733	2585
LTK 24-25 Fed Com 205H	30-025-	B-24-18S-32E	1184 FNL 915 FEL	1176	1733	2585
LTK 24-25 Fed Com 301H	30-025-	B-24-18S-32E	1181 FNL 935 FEL	1171	1946	3188
LTK 24-25 Fed Com 302H	30-025-	B-24-18S-32E	1175 FNL 974 FEL	1171	1946	3188
LTK 24-25 Fed Com 303H	30-025-	B-24-18S-32E	1172 FNL 994 FEL	1171	1946	3188
LTK 24-25 Fed Com 801H	30-025-	B-24-18S-32E	1096 FNL 1508 FEL	740	6964	3684
LTK 24-25 Fed Com 802H	30-025-	B-24-18S-32E	1102 FNL 1469 FEL	740	6964	3684

**IV. Central Delivery Point Name:** LTK 24-25 Fed Com Battery [See 19.15.27.9(D)(1) NMAC]

**V. Anticipated Schedule:** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
LTK 24-25 Fed Com 001H	30-025-	1/1/2025	1/16/2025	2/1/2025	2/28/2025	2/28/2025
LTK 24-25 Fed Com 002H	30-025-	1/1/2025	1/16/2025	2/1/2025	2/28/2025	2/28/2025
LTK 24-25 Fed Com 003H	30-025-	1/1/2025	1/16/2025	2/1/2025	2/28/2025	2/28/2025
LTK 24-25 Fed Com 101H	30-025-	1/1/2025	1/16/2025	2/1/2025	2/28/2025	2/28/2025
LTK 24-25 Fed Com 102H	30-025-	1/1/2025	1/16/2025	2/1/2025	2/28/2025	2/28/2025
LTK 24-25 Fed Com 103H	30-025-	1/1/2025	1/16/2025	2/1/2025	2/28/2025	2/28/2025
LTK 24-25 Fed Com 201H	30-025-	1/1/2025	1/16/2025	2/1/2025	2/28/2025	2/28/2025
LTK 24-25 Fed Com 203H	30-025-	1/1/2025	1/16/2025	2/1/2025	2/28/2025	2/28/2025
LTK 24-25 Fed Com 205H	30-025-	1/1/2025	1/16/2025	2/1/2025	2/28/2025	2/28/2025
LTK 24-25 Fed Com 301H	30-025-	1/1/2025	1/16/2025	2/1/2025	2/28/2025	2/28/2025

LTK 24-25 Fed Com 302H	30-025-	1/1/2025	1/16/2025	2/1/2025	2/28/2025	2/28/2025
LTK 24-25 Fed Com 303H	30-025-	1/1/2025	1/16/2025	2/1/2025	2/28/2025	2/28/2025
LTK 24-25 Fed Com 801H	30-025-	1/1/2025	1/16/2025	2/1/2025	2/28/2025	2/28/2025
LTK 24-25 Fed Com 802H	30-025-	1/1/2025	1/16/2025	2/1/2025	2/28/2025	2/28/2025

**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

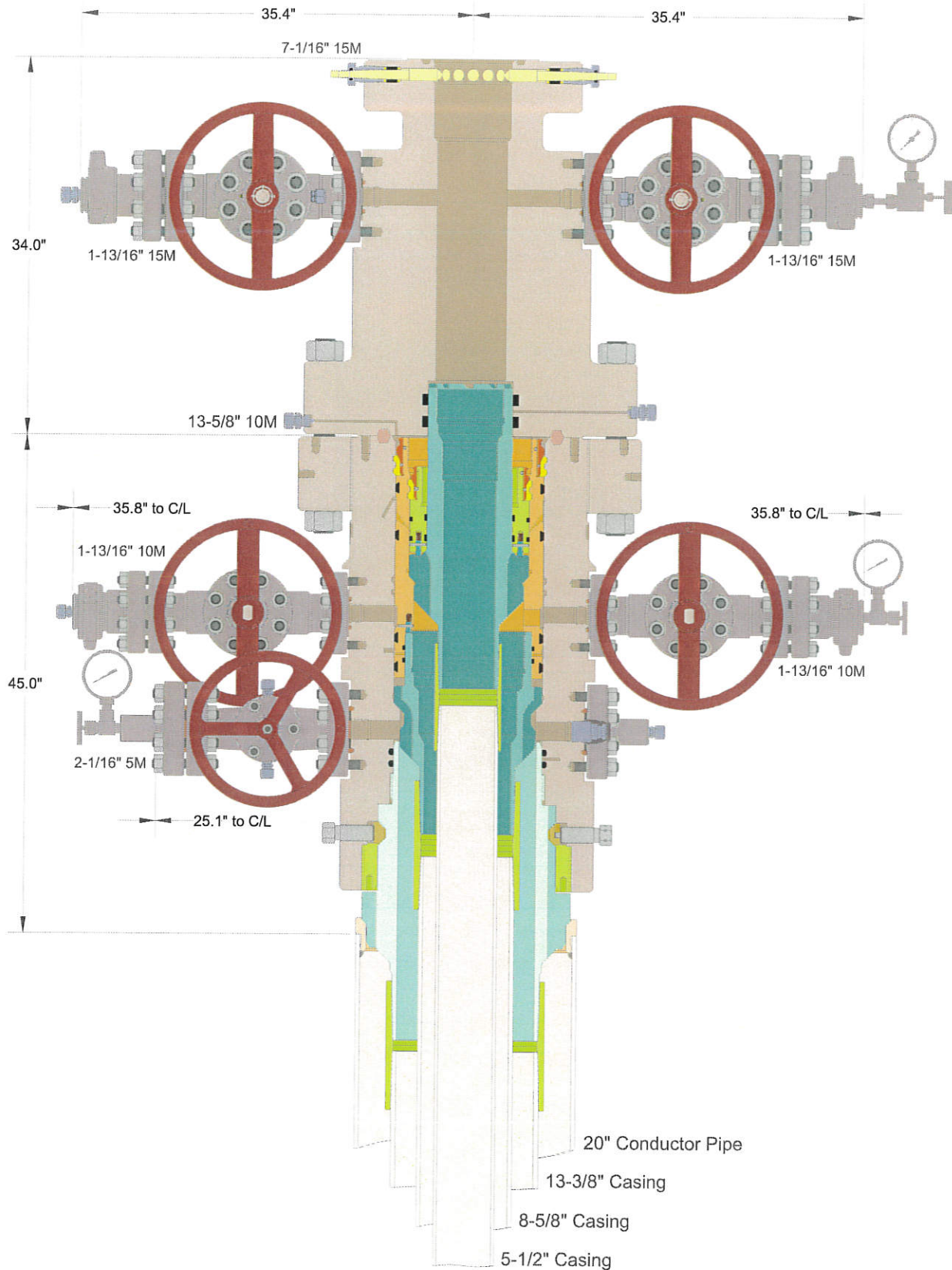
(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural 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: Mikah Thomas
Title: Regulatory Manager
E-mail Address: mikah@pbex.com
Date: 7/28/2024
Phone: 432.661.7106
<b>OIL CONSERVATION DIVISION</b> <b>(Only applicable when submitted as a standalone form)</b>
Approved By:
Title:
Approval Date:
Conditions of Approval:

LSE_NAME	ProdDate	Proj Oil	Proj Gas	Proj NGL	Proj Water
2BSS TIER 1	Month 1	12489	16290	88942	42534
2BSS TIER 1	Month 2	35620	52520	286760	78313
2BSS TIER 1	Month 3	30603	50007	273041	61615
2BSS TIER 1	Month 4	26796	47121	257281	53824
2BSS TIER 1	Month 5	22539	41935	228965	45199
2BSS TIER 1	Month 6	20632	40135	219139	41323
2BSS TIER 1	Month 7	18508	37354	203950	37033
2BSS TIER 1	Month 8	16279	33855	184848	32547
2BSS TIER 1	Month 9	15429	32910	179690	30830
2BSS TIER 1	Month 10	13798	30076	164212	27557
2BSS TIER 1	Month 11	13260	29449	160790	26471
2BSS TIER 1	Month 12	12385	27966	152695	24714
2BSS TIER 1	Month 13	10529	24109	131637	21003
2BSS TIER 1	Month 14	11015	25537	139430	21966
2BSS TIER 1	Month 15	10087	23657	129168	20111
2BSS TIER 1	Month 16	9895	23449	128031	19724
2BSS TIER 1	Month 17	9116	21807	119064	18168
2BSS TIER 1	Month 18	8991	21690	118429	17915
2BSS TIER 1	Month 19	8594	20898	114104	17122
2BSS TIER 1	Month 20	7973	19525	106607	15881
2BSS TIER 1	Month 21	7912	19504	106493	15759
2BSS TIER 1	Month 22	7366	18269	99748	14670
2BSS TIER 1	Month 23	7335	18292	99876	14605
2BSS TIER 1	Month 24	7074	17735	96833	14084
2BSS TIER 1	Month 25	6181	15568	85003	12304
2BSS TIER 1	Month 26	6627	16767	91547	13193
2BSS TIER 1	Month 27	6212	15782	86171	12364
2BSS TIER 1	Month 28	6224	15876	86681	12387
2BSS TIER 1	Month 29	5846	14967	81722	11634
2BSS TIER 1	Month 30	5869	15079	82329	11679
2BSS TIER 1	Month 31	5704	14705	80288	11350
2BSS TIER 1	Month 32	5372	13892	75853	10689
2BSS TIER 1	Month 33	5407	14023	76567	10757
2BSS TIER 1	Month 34	5100	13265	72424	10146
2BSS TIER 1	Month 35	5140	13405	73191	10226
2BSS TIER 1	Month 36	5015	13112	71591	9976
2BSS TIER 1	Month 37	4584	12013	65589	9118
2BSS TIER 1	Month 38	4790	12582	68696	9528



INFORMATION CONTAINED HEREIN IS THE PROPERTY OF CACTUS WELLHEAD, LLC. REPRODUCTION, DISCLOSURE, OR USE THEREOF IS PERMISSIBLE ONLY AS PROVIDED BY CONTRACT OR AS EXPRESSLY AUTHORIZED BY CACTUS WELLHEAD, LLC.

ALL DIMENSIONS APPROXIMATE

# CACTUS WELLHEAD LLC

20" x 13-3/8" x 8-5/8" x 5-1/2" MBU-3T-CFL-R-DBLO Wellhead  
 With 13-5/8" 10M x 7-1/16" 15M CTH-DBLHPS Tubing Head,  
 And 13-3/8", 8-5/8" & 5-1/2" Pin Bottom Mandrel Hangers

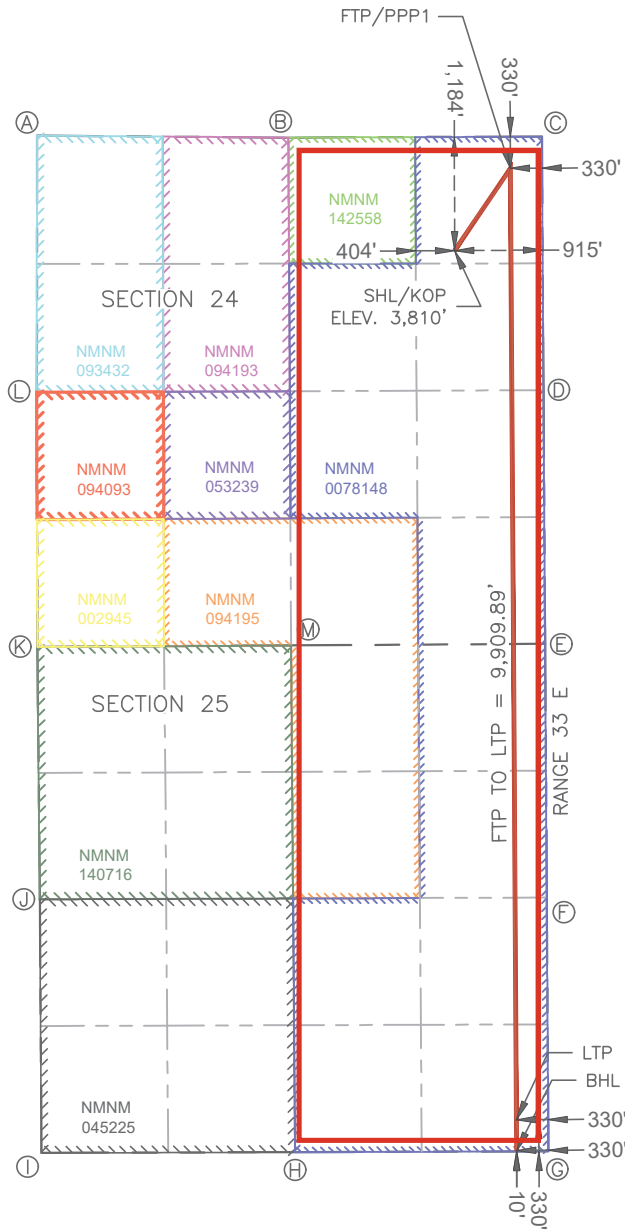
DRAWN	DLE	11AUG20
APPRV		
DRAWING NO.	SDT-2810	



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 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.



**SURFACE HOLE LOCATION & KICK-OFF POINT**  
 1,184' FNL & 915' FEL  
 ELEV. = 3,810'  
 ---  
 NAD 83 X = 731,703.23'  
 NAD 83 Y = 632,384.28'  
 NAD 83 LAT = 32.736934°  
 NAD 83 LONG = -103.714229°  
 NAD 27 X = 690,524.43'  
 NAD 27 Y = 632,320.46'  
 NAD 27 LAT = 32.736813°  
 NAD 27 LONG = -103.713727°

**FIRST TAKE POINT & PENETRATION POINT 1**  
 330' FNL & 330' FEL  
 ---  
 NAD 83 X = 732,282.86'  
 NAD 83 Y = 633,240.12'  
 NAD 83 LAT = 32.739277°  
 NAD 83 LONG = -103.712328°  
 NAD 27 X = 691,104.08'  
 NAD 27 Y = 633,176.27'  
 NAD 27 LAT = 32.739155°  
 NAD 27 LONG = -103.711826°

**LAST TAKE POINT**  
 330' FSL & 330' FEL  
 ---  
 NAD 83 X = 732,347.13'  
 NAD 83 Y = 623,330.44'  
 NAD 83 LAT = 32.712038°  
 NAD 83 LONG = -103.712307°  
 NAD 27 X = 691,168.08'  
 NAD 27 Y = 623,266.85'  
 NAD 27 LAT = 32.711917°  
 NAD 27 LONG = -103.711807°

**BOTTOM HOLE LOCATION**  
 10' FSL & 330' FEL  
 ---  
 NAD 83 X = 732,349.24'  
 NAD 83 Y = 623,010.44'  
 NAD 83 LAT = 32.711159°  
 NAD 83 LONG = -103.712307°  
 NAD 27 X = 691,170.18'  
 NAD 27 Y = 622,946.86'  
 NAD 27 LAT = 32.711038°  
 NAD 27 LONG = -103.711806°

Form 3160-5  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.  
See Attachment

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** – Other instructions on page 2.

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

1. Type of Well

Oil Well     Gas Well     Other

8. Well Name and No.  
See Attachment

2. Name of Operator  
PBEX Operations, LLC

9. API Well No.  
See Attachment

3a. Address  
223 West Wall Street, Suite 900  
Midland, Tx 79701

3b. Phone No. (include area code)  
432-661-7106

10. Field and Pool or Exploratory Area

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

11. Country or Parish, State  
Lea

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

This is notification of Change of Operator for the attached referenced well list.

PBEX Operations, LLC, as new operator, accepts all applicable stipulations and restrictions concerning operations conducted on these leases or portion of leases described.

Bond Coverage: BLM Bond Number: NMB106699657

Change of Operator Effective: 02/01/2026

See Conditions of Approval

Former Operator: EGL Resources, Inc.

Like Approval by NMOCD

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
Mikah Thomas

Title Regulatory/HSE Manager

Signature

Date 02/27/2026

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title Petroleum Engineer

Date 02/27/2026

Conditions of approval, if any, are attached. Approval of this notice 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.

Office RFO

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.

(Instructions on page 2)

### GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

### SPECIFIC INSTRUCTIONS

*Item 4* - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

*Item 13* - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

### NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

**PRINCIPAL PURPOSE:** The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

**ROUTINE USES:** Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

**EFFECT OF NOT PROVIDING THE INFORMATION:** Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

US Well Number	APD Type	APD/NOS ID	Well Name	Well Number	Operator	Lease Number	Status
	APD	10400100279	LTK 24-25 FED COM	801H	EGL RESOURCES INCORPORATED	NMNM142558	AAPD
3002555060	APD	10400100122	LTK 24-25 FED COM	001H	EGL RESOURCES INCORPORATED	NMNM142558	AAPD
	APD	10400100123	LTK 24-25 FED COM	002H	EGL RESOURCES INCORPORATED	NMNM078148	AAPD
	APD	10400100188	LTK 24-25 FED COM	003H	EGL RESOURCES INCORPORATED	NMNM078148	AAPD
3002555061	APD	10400100258	LTK 24-25 FED COM	101H	EGL RESOURCES INCORPORATED	NMNM142558	AAPD
3002555062	APD	10400100261	LTK 24-25 FED COM	102H	EGL RESOURCES INCORPORATED	NMNM078148	AAPD
3002555063	APD	10400100262	LTK 24-25 FED COM	103H	EGL RESOURCES INCORPORATED	NMNM078148	AAPD
3002555064	APD	10400100263	LTK 24-25 FED COM	201H	EGL RESOURCES INCORPORATED	NMNM142558	AAPD
	APD	10400100265	LTK 24-25 FED COM	205H	EGL RESOURCES INCORPORATED	NMNM078148	AAPD
3002555066	APD	10400100267	LTK 24-25 FED COM	301H	EGL RESOURCES INCORPORATED	NMNM078148	AAPD
3002555065	APD	10400100264	LTK 24-25 FED COM	203H	EGL RESOURCES INCORPORATED	NMNM078148	AAPD
3002555067	APD	10400100271	LTK 24-25 FED COM	302H	EGL RESOURCES INCORPORATED	NMNM078148	AAPD
3002555068	APD	10400100273	LTK 24-25 FED COM	303H	EGL RESOURCES INCORPORATED	NMNM142558	AAPD
	APD	10400100287	LTK 24-25 FED COM	802H	EGL RESOURCES INCORPORATED	NMNM078148	AAPD

### **Change of Operator Conditions of Approval**

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank) within 90 days.
2. Submit for approval of water disposal method within 60 days, if changes have been made from previously approved disposal method.
3. Review facility diagram on file, and submit updated facility diagrams, as per Onshore Order #3 within 60 day.
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.
8. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.
9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
10. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.
11. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.

**JAM**

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 558741

**ACKNOWLEDGMENTS**

Operator: PBEX Operations, LLC 223 West Wall Street Midland, TX 79701	OGRID: 332544
	Action Number: 558741
	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.
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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

Action 558741

**CONDITIONS**

Operator: PBEX Operations, LLC 223 West Wall Street Midland, TX 79701	OGRID: 332544
	Action Number: 558741
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

**CONDITIONS**

Created By	Condition	Condition Date
mikahthomas	Cement is required to circulate on both surface and intermediate1 strings of casing.	2/27/2026
matthew.gomez	If cement does not circulate to surface on any string, a Cement Bond Log (CBL) is required for that string of casing. If strata isolation is not achieved, remediation will be required before further operations may commence.	4/3/2026
matthew.gomez	All conducted logs must be submitted to the OCD.	4/3/2026
matthew.gomez	Cement must be in place for at least eight hours AND achieve a minimum compressive strength of 500 PSI before performing any further operations on the well.	4/3/2026
matthew.gomez	Notify the OCD 24 hours prior to casing & cement.	4/3/2026
matthew.gomez	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.	4/3/2026
matthew.gomez	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.	4/3/2026
matthew.gomez	File As Drilled C-102 and a directional Survey with C-104 completion packet.	4/3/2026