| Ceined by OCP: 5/25/2023 11:15:15 AM Office | State of New Mex | | Form <i>Page 1 of 2</i> |
|--|-----------------------------|---|---|
| <u>District I</u> – (575) 393-6161 E1 1625 N. French Dr., Hobbs, NM 88240 | nergy, Minerals and Natura | l Resources WELL API | |
| <u>District II</u> – (575) 748-1283 811 S. First St., Artesia, NM 88210 | OIL CONSERVATION I | DIVISION 5 Indicate | 30-015-50528 Type of Lease |
| <u>District III</u> – (505) 334-6178 1000 Rio Brazos Rd., Aztec, NM 87410 | 1220 South St. Franc | 1S Dr. STA | |
| District IV – (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM 87505 | Santa Fe, NM 875 | | & Gas Lease No. |
| SUNDRY NOTICES AN | ND REPORTS ON WELLS | | ame or Unit Agreement Name |
| (DO NOT USE THIS FORM FOR PROPOSALS TO DIFFERENT RESERVOIR. USE "APPLICATION I PROPOSALS.) | | SUCH Perla V | erde 31 State Com |
| 1. Type of Well: Oil Well 🔼 Gas We | ll Other | 8. Well Nu | |
| 2. Name of Operator XTO PERMIAN OPERA | TING LLC. | 9. OGRID | Number 0 5830 |
| 3. Address of Operator | IDI AND TV 70707 | | me or Wildcat G-07 S223021G; Bone Spring |
| 6401 HOLIDAY HILL ROAD BUILDING 5, M 4. Well Location | IDLAND, 1X /9/0/ | Wildcar | 3-07 3223021G, Bolic Spring |
| Unit Letter M : 241 | feet from the South | line and 1109 fe | et from the West line |
| Section 31 | Township 19S Rang | | County Lea |
| | evation (Show whether DR, F | <u> </u> | J |
| | | | |
| TEMPORARILY ABANDON 🔲 CHAN | AND ABANDON | For Multiple Completions: At to the original APD: | ALTERING CASING P AND A nt dates, including estimated date tach wellbore diagram of |
| pud Date: hereby certify that the information above is | Rig Release Date | | |
| IGNATURE Casoi Evans | TITLE Lead Reg | ulatory Analyst | DATE 5/3/23 |
| Type or print name Cassie Evans | F_mail address: | cassie.evans@exxonmobil.com | |
| For State Use Only | L-man address. | | _ I HONE. |
| APPROVED BY: | TITLE | | DATE |
| Conditions of Approval (if any): | | | |

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Unit\Wells\-03 401H\DWG\C-102.dwg

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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Santa Fe, NM 87505

| ¹ API Number | r | ² Pool Code | | |
|----------------------------|-------|------------------------|------------------|--------------------------|
| 30-025- | 50528 | 37570 | Lea; Bone Spring | |
| ⁴ Property Code | | ⁵ I | Property Name | ⁶ Well Number |
| 313270 | | PERLA VE | RDE 31 STATE COM | 401H |
| ⁷ OGRID No. | | 8(| Operator Name | ⁹ Elevation |
| 005380 | | ХТО | ENERGY, INC. | 3,702' |

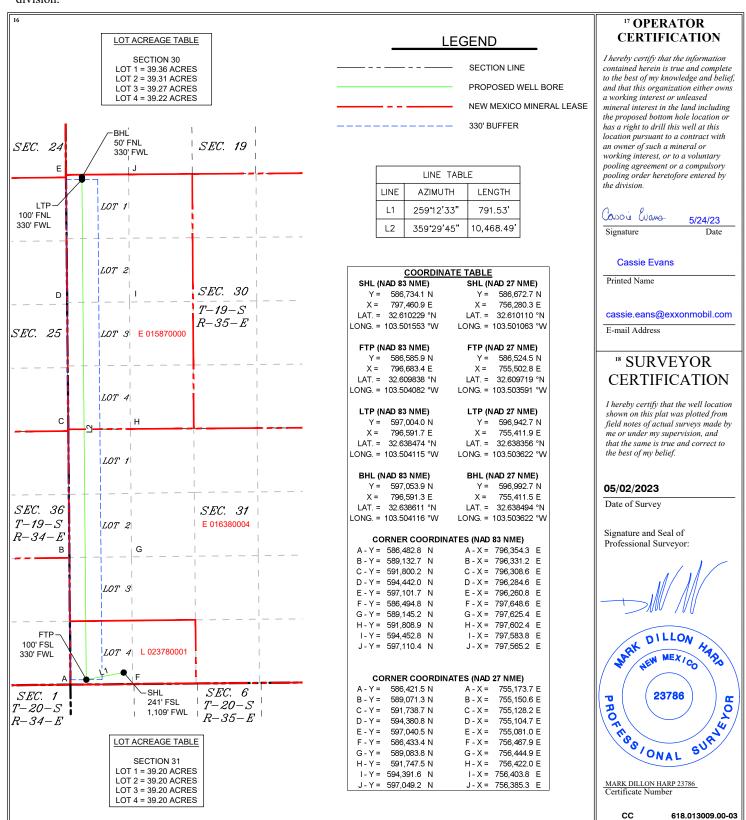
¹⁰ Surface Location

| | | | 11 Dotte | m Holo | Location If | Different From | Curfoco | | | |
|---------------|---------|----------|----------|---------|---------------|------------------|---------------|-----------------|--------|--|
| 4 | 31 | 19 S | 35 E | | 241 | SOUTH | 1,109 | WEST | LEA | |
| OL or lot no. | Section | rownship | Kange | Lot lan | reet from the | North/South line | reet from the | East/ west line | County | |

"Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|--------------------|-------------|-----------|-----------------|-------------|---------------|------------------|---------------|----------------|--------|
| 1 | 30 | 19 S | 35 E | | 50 | NORTH | 330 | WEST | LEA |
| 12 Dedicated Acres | 13 Joint or | Infill 14 | Consolidation (| Code 15 Ore | der No. | | - | - | |
| 320 | | | | | | | | | |

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



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Section Township

<u>District I</u>
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
<u>District II</u>
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

III. or lot no

Unit\Wells\-03 401H\DWG\C-102.dwg

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

Fast/West line

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ¹ API Number | r | ² Pool Code | | | | | | |
|----------------------------|-------|------------------------|-----------------------------------|--------------------------|--|--|--|--|
| 30-025- | 50528 | 97983 | WC-025 G-08 S203506D; Bone Spring | | | | | |
| ⁴ Property Code | | ⁵ P | roperty Name | ⁶ Well Number | | | | |
| 313270 | | PERLA VEF | RDE 31 STATE COM | 401H | | | | |
| ⁷ OGRID No. | | 8O | perator Name | ⁹ Elevation | | | | |
| 005380 | | XTO I | ENERGY, INC. | 3,702' | | | | |

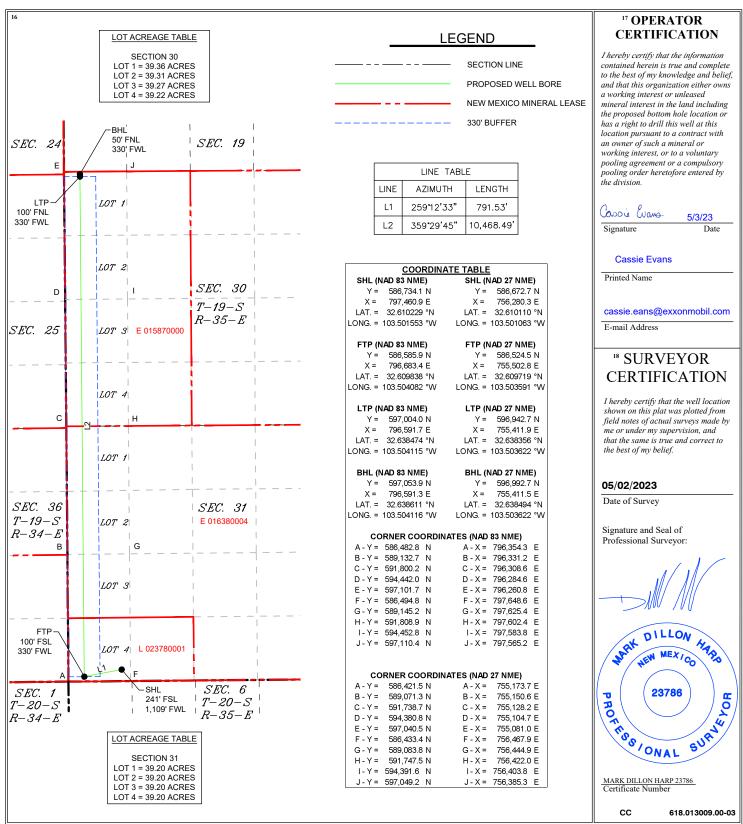
¹⁰ Surface Location

Feet from the

| CE of lot no. | Section | Township | Kange | Lot Iun | rect from the | 1401 th/ South line | rect if oill the | East/West line | County | | |
|--|---------|----------|-------|---------|---------------|---------------------|------------------|----------------|--------|--|--|
| 4 | 31 | 19 S | 35 E | | 241 | SOUTH | 1,109 | WEST | LEA | | |
| " Bottom Hole Location If Different From Surface | | | | | | | | | | | |

Feet from the East/West line North/South line UL or lot no. Section Township Range Lot Idn Feet from the County 35 E **NORTH** 330 **WEST** LEA 12 Dedicated Acres Joint or Infill Consolidation Code ⁵Order No.

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



Long Lead_Well Planning

Perla Verde
Perla Verde
PERLA VERDE 31 STATE COM 401H

401H

Plan: Plan 1

Standard Planning Report

26 April, 2023

Planning Report

Database: LMRKPROD3

Company: Long Lead_Well Planning

Project: Perla Verde
Site: Perla Verde

Well: PERLA VERDE 31 STATE COM 401H

Wellbore: 401H Design: Plan 1 Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well PERLA VERDE 31 STATE COM 401H

RKB(3702+30)' @ 3732.0usft RKB(3702+30)' @ 3732.0usft

Grid

Minimum Curvature

Project Perla Verde

Map System:US State Plane 1927 (Exact solution)Geo Datum:NAD 1927 (NADCON CONUS)

Map Zone: New Mexico East 3001

System Datum: Mean Sea Level

Site Perla Verde

 Site Position:
 Northing:
 586,673.20 usft
 Latitude:
 32° 36' 36.399 N

 From:
 Map
 Easting:
 756,310.50 usft
 Longitude:
 103° 30' 3.473 W

Position Uncertainty: 3.0 usft Slot Radius: 13-3/16 "

Well PERLA VERDE 31 STATE COM 401H

Well Position +N/-S 0.0 usft Northing: 586,672.70 usft Latitude: 32° 36' 36.396 N +E/-W 0.0 usft Easting: 756,280.30 usft Longitude: 103° 30' 3.826 W **Position Uncertainty** 0.0 usft Wellhead Elevation: usft **Ground Level:** 3,702.0 usft

Grid Convergence: 0.45 $^{\circ}$

Plan 1

Wellbore 401H

Magnetics Model Name Sample Date Declination Dip Angle Field Strength

 Magnetics
 Model Name
 Sample Date
 Declination (°)
 Dip Angle (nT)
 Field Strength (nT)

 IGRF2020
 4/14/2023
 6.33
 60.20
 47,536.15658613

Audit Notes:

Audit Notes:

Design

Version:Phase:PLANTie On Depth:0.0

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

 0.0
 0.0
 0.0
 359.50

Plan Survey Tool Program Date 4/26/2023

Depth From Depth To

(usft) (usft) Survey (Wellbore) Tool Name Remarks

0.0 21,578.1 Plan 1 (401H) XOM_R2OWSG MWD+IFR1+
OWSG MWD + IFR1 + Multi-St

Planning Report

Database: LMRKPROD3

Company: Long Lead_Well Planning

Project: Perla Verde
Site: Perla Verde

Well: PERLA VERDE 31 STATE COM 401H

Wellbore: 401H Design: Plan 1 Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well PERLA VERDE 31 STATE COM 401H

RKB(3702+30)' @ 3732.0usft RKB(3702+30)' @ 3732.0usft

Grid

| Plan Sections | | | | | | | | | | |
|-----------------------------|--------------------|----------------|-----------------------------|-----------------|-----------------|-------------------------------|------------------------------|-----------------------------|------------|---------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | TFO (°) | Target |
| 0.0 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,000.0 | 0.00 | 0.00 | 2,000.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2,820.4 | 16.41 | 221.74 | 2,809.2 | -87.1 | -77.7 | 2.00 | 2.00 | 0.00 | 221.74 | |
| 6,095.3 | 16.41 | 221.74 | 5,950.8 | -777.3 | -693.6 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 6,915.7 | 0.00 | 0.00 | 6,760.0 | -864.4 | -771.3 | 2.00 | -2.00 | 0.00 | 180.00 | |
| 9,984.5 | 0.00 | 0.00 | 9,828.8 | -864.4 | -771.3 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 11,109.5 | 90.00 | 359.50 | 10,545.0 | -148.2 | -777.5 | 8.00 | 0.00 | 0.00 | 359.50 4 | 01H_FTP |
| 21,528.1 | 90.00 | 359.50 | 10,545.0 | 10,270.0 | -868.4 | 0.00 | 0.00 | 0.00 | 0.00 4 | 01H_LTP |
| 21,578.1 | 90.00 | 359.50 | 10,545.0 | 10,320.0 | -868.8 | 0.00 | 0.00 | 0.00 | 0.00 4 | 01H_BHL |

Planning Report

Database: LMRKPROD3

Company: Long Lead_Well Planning

Project: Perla Verde
Site: Perla Verde

Well: PERLA VERDE 31 STATE COM 401H

Wellbore: 401H Design: Plan 1 Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well PERLA VERDE 31 STATE COM 401H

RKB(3702+30)' @ 3732.0usft RKB(3702+30)' @ 3732.0usft

Grid

| sign: | | Plan 1 | | | | | | | | |
|---------|-----------------------|--------------------|------------------|-----------------------------|------------------|------------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| anned S | Survey | | | | | | | | | |
| | Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| | 0.0 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| | 401H_SHL | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| | 2,000.0 | 0.00 | 0.00 | 2,000.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| | Start Build 2 | | 0.00 | 2,000.0 | 0.0 | 0.0 | 0.0 | 0.00 | 0.00 | 0.00 |
| | 2,100.0 | 2.00 | 221.74 | 2,100.0 | -1.3 | -1.2 | -1.3 | 2.00 | 2.00 | 0.00 |
| | 2,200.0 | 4.00 | 221.74 | 2,199.8 | -5.2 | -4.6 | -5.2 | 2.00 | 2.00 | 0.00 |
| | 2,300.0 | 6.00 | 221.74 | 2,299.5 | -11.7 | -10.4 | -11.6 | 2.00 | 2.00 | 0.00 |
| | | | | | | | | | | |
| | 2,400.0 | 8.00 | 221.74 | 2,398.7 | -20.8 | -18.6 | -20.6 | 2.00 | 2.00 | 0.00 |
| | 2,500.0 | 10.00 | 221.74 | 2,497.5 | -32.5 | -29.0 | -32.2 | 2.00 | 2.00 | 0.00 |
| | 2,600.0 2,700.0 | 12.00 14.00 | 221.74 221.74 | 2,595.6 2,693.1 | -46.7 -63.5 | -41.7 -56.7 | -46.3 -63.0 | 2.00 | 2.00 2.00 | 0.00 |
| | 2,700.0 | 16.00 | 221.74 | 2,789.6 | -03.5 -82.8 | -56.7 -73.9 | -63.0 -82.2 | 2.00 2.00 | 2.00 | 0.00 0.00 |
| | 2,600.0 | | | | | | | | | |
| | 2,820.4 | 16.41 | 221.74 | 2,809.2 | -87.1 | -77.7 | -86.4 | 2.00 | 2.00 | 0.00 |
| | | hold at 2820.4 M | | | | | | | | |
| | 2,900.0 | 16.41 | 221.74 | 2,885.6 | -103.8 | -92.6 | -103.0 | 0.00 | 0.00 | 0.00 |
| | 3,000.0 | 16.41 | 221.74 | 2,981.5 | -124.9 | -111.5 | -123.9 | 0.00 | 0.00 | 0.00 |
| | 3,100.0 | 16.41 | 221.74 | 3,077.4 | -146.0 | -130.3 | -144.8 | 0.00 | 0.00 | 0.00 |
| | 3,200.0 | 16.41 | 221.74 | 3,173.4 | -167.1 | -149.1 | -165.8 | 0.00 | 0.00 | 0.00 |
| | 3,300.0 | 16.41 | 221.74 | 3,269.3 | -188.1 | -167.9 | -186.7 | 0.00 | 0.00 | 0.00 |
| | 3,400.0 | 16.41 | 221.74 | 3,365.2 | -209.2 | -186.7 | -207.6 | 0.00 | 0.00 | 0.00 |
| | 3,500.0 | 16.41 | 221.74 | 3,461.2 | -230.3 | -205.5 | -228.5 | 0.00 | 0.00 | 0.00 |
| | 3,600.0 | 16.41 | 221.74 | 3,557.1 | -251.4 | -224.3 | -249.4 | 0.00 | 0.00 | 0.00 |
| | 3,700.0 | 16.41 | 221.74 | 3,653.0 | -272.4 | -243.1 | -270.3 | 0.00 | 0.00 | 0.00 |
| | 3,800.0 | 16.41 | 221.74 | 3,748.9 | -293.5 | -261.9 | -291.2 | 0.00 | 0.00 | 0.00 |
| | 3,900.0 | 16.41 | 221.74 | 3,844.9 | -314.6 | -280.7 | -312.1 | 0.00 | 0.00 | 0.00 |
| | 4,000.0 | 16.41 | 221.74 | 3,940.8 | -335.7 | -299.5 | -333.1 | 0.00 | 0.00 | 0.00 |
| | 4,100.0 | 16.41 | 221.74 | 4,036.7 | -356.8 | -318.3 | -354.0 | 0.00 | 0.00 | 0.00 |
| | 4,200.0 | 16.41 | 221.74 | 4,132.6 | -377.8 | -337.1 | -374.9 | 0.00 | 0.00 | 0.00 |
| | 4,300.0 | 16.41 | 221.74 | 4,228.6 | -398.9 | -355.9 | -395.8 | 0.00 | 0.00 | 0.00 |
| | 4,300.0 | 16.41 | 221.74 | 4,226.6 | -396.9 -420.0 | -355.9 -374.7 | -395.6 -416.7 | 0.00 | 0.00 | 0.00 |
| | 4,500.0 | 16.41 | 221.74 | 4,420.4 | -420.0 -441.1 | -393.6 | -410.7 -437.6 | 0.00 | 0.00 | 0.00 |
| | 4,600.0 | 16.41 | 221.74 | 4,516.4 | -462.1 | -412.4 | -458.5 | 0.00 | 0.00 | 0.00 |
| | 4,700.0 | 16.41 | 221.74 | 4,612.3 | -483.2 | -431.2 | -479.4 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | | |
| | 4,800.0 | 16.41 | 221.74 | 4,708.2 | -504.3 | -450.0 | -500.4 | 0.00 | 0.00 | 0.00 |
| | 4,900.0 | 16.41 | 221.74 | 4,804.1 | -525.4 | -468.8 | -521.3 | 0.00 | 0.00 | 0.00 |
| | 5,000.0 | 16.41 | 221.74 | 4,900.1 | -546.5 | -487.6 | -542.2 | 0.00 | 0.00 | 0.00 |
| | 5,100.0 5,200.0 | 16.41 16.41 | 221.74 221.74 | 4,996.0 5,091.9 | -567.5 -588.6 | -506.4 -525.2 | -563.1 -584.0 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 |
| | | | | | | | | | | |
| | 5,300.0 | 16.41 | 221.74 | 5,187.8 | -609.7 | -544.0 | -604.9 | 0.00 | 0.00 | 0.00 |
| | 5,400.0 | 16.41 | 221.74 | 5,283.8 | -630.8 | -562.8 | -625.8 | 0.00 | 0.00 | 0.00 |
| | 5,500.0 | 16.41 | 221.74 | 5,379.7 | -651.8 | -581.6 | -646.7 | 0.00 | 0.00 | 0.00 |
| | 5,600.0 | 16.41 | 221.74 | 5,475.6 | -672.9 | -600.4 | -667.7 | 0.00 | 0.00 | 0.00 |
| | 5,700.0 | 16.41 | 221.74 | 5,571.6 | -694.0 | -619.2 | -688.6 | 0.00 | 0.00 | 0.00 |
| | 5,800.0 | 16.41 | 221.74 | 5,667.5 | -715.1 | -638.0 | -709.5 | 0.00 | 0.00 | 0.00 |
| | 5,900.0 | 16.41 | 221.74 | 5,763.4 | -736.1 | -656.8 | -730.4 | 0.00 | 0.00 | 0.00 |
| | 6,000.0 | 16.41 | 221.74 | 5,859.3 | -757.2 | -675.7 | -751.3 | 0.00 | 0.00 | 0.00 |
| | 6,095.3 | 16.41 | 221.74 | 5,950.8 | -777.3 | -693.6 | -771.2 | 0.00 | 0.00 | 0.00 |
| | Start Drop -2 | | | | | | | | | |
| | 6,100.0 | 16.31 | 221.74 | 5,955.3 | -778.3 | -694.5 | -772.2 | 2.00 | -2.00 | 0.00 |
| | 6,200.0 | 14.31 | 221.74 | 6,051.7 | -798.0 | -712.0 | -791.8 | 2.00 | -2.00 | 0.00 |
| | 6,300.0 | 12.31 | 221.74 | 6,149.0 | -815.2 | -727.4 | -808.8 | 2.00 | -2.00 | 0.00 |
| | 6,400.0 | 10.31 | 221.74 | 6,247.1 | -829.8 | -740.4 | -823.3 | 2.00 | -2.00 | 0.00 |
| | 6,500.0 | 8.31 | 221.74 | 6,345.7 | -841.9 | -751.2 | -835.3 | 2.00 | -2.00 | 0.00 |
| | 6,600.0 | 6.31 | 221.74 | 6,444.9 | -851.4 | -759.7 | -844.7 | 2.00 | -2.00 | 0.00 |

Planning Report

Database: LMRKPROD3

Company: Long Lead_Well Planning
Project: Perla Verde
Site: Perla Verde

Well: PERLA VERDE 31 STATE COM 401H

Wellbore: 401H Design: Plan 1 Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well PERLA VERDE 31 STATE COM 401H

RKB(3702+30)' @ 3732.0usft RKB(3702+30)' @ 3732.0usft

Grid

| ign: | Plan 1 | | | | | | | | |
|-----------------------|----------------------|------------------|-----------------------------|-----------------|------------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|
| nned 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) |
| , , | () | () | , , | (30.1) | (3.0.1) | , , | , | , | , |
| 6,700.0 | | 221.74 | 6,544.5 | -858.3 | -765.8 | -851.6 | 2.00 | -2.00 | 0.00 |
| 6,800.0 | 2.31 | 221.74 | 6,644.3 | -862.6 | -769.7 | -855.9 | 2.00 | -2.00 | 0.00 |
| 6,900.0 | 0.31 | 221.74 | 6,744.3 | -864.3 | -771.2 | -857.6 | 2.00 | -2.00 | 0.00 |
| 6,915.7 | 7 0.00 | 0.00 | 6,760.0 | -864.4 | -771.3 | -857.6 | 2.00 | -2.00 | 0.00 |
| Start 3068 | 3.8 hold at 6915.7 N | /ID | | | | | | | |
| 9.984.5 | | 0.00 | 9,828.8 | -864.4 | -771.3 | -857.6 | 0.00 | 0.00 | 0.00 |
| Start Turn | 0.00 | | , | | | | | | |
| 10,000.0 | 0 1.24 | 359.50 | 9,844.3 | -864.2 | -771.3 | -857.4 | 8.00 | 8.00 | 0.00 |
| 10,100.0 | | 359.50 | 9,943.8 | -855.1 | -771.3 | -848.3 | 8.00 | 8.00 | 0.00 |
| | | | , | | | | | | |
| 10,200.0 | | 359.50 | 10,041.1 | -832.2 | -771.5 | -825.4 | 8.00 | 8.00 | 0.00 |
| 10,300.0 | | 359.50 | 10,134.2 | -796.0 | -771.8 | -789.2 | 8.00 | 8.00 | 0.00 |
| 10,400.0 | 33.24 | 359.50 | 10,221.4 | -747.2 | -772.3 | -740.4 | 8.00 | 8.00 | 0.00 |
| 10,500.0 | 0 41.24 | 359.50 | 10,300.9 | -686.7 | -772.8 | -680.0 | 8.00 | 8.00 | 0.00 |
| 10,600.0 | 9.24 | 359.50 | 10,371.3 | -615.8 | -773.4 | -609.0 | 8.00 | 8.00 | 0.00 |
| 10,700.0 | | 359.50 | 10,431.1 | -535.7 | -774.1 | -529.0 | 8.00 | 8.00 | 0.00 |
| 10,800.0 | | 359.50 | 10,479.2 | -448.2 | -774.9 | -441.4 | 8.00 | 8.00 | 0.00 |
| 10,900.0 | | 359.50 | 10,514.6 | -354.7 | -775.7 | -347.9 | 8.00 | 8.00 | 0.00 |
| | | 359.50 | 10,536.6 | -257.3 | -776.5 | -250.5 | 8.00 | 8.00 | 0.00 |
| 11,000.0 | | | , | | | | | | |
| 11,100.0 | | 359.50 | 10,544.9 | -157.7 | -777.4 | -150.9 | 8.00 | 8.00 | 0.00 |
| 11,109. | | 359.50 | 10,545.0 | -148.2 | -777.5 | -141.4 | 8.00 | 8.00 | 0.00 |
| | 8.6 hold at 11109.5 | _ | | | | | | | |
| 11,200.0 | | 359.50 | 10,545.0 | -57.7 | -778.3 | -50.9 | 0.00 | 0.00 | 0.00 |
| 11,300.0 | 90.00 | 359.50 | 10,545.0 | 42.3 | -779.2 | 49.1 | 0.00 | 0.00 | 0.00 |
| 11,400.0 | 90.00 | 359.50 | 10,545.0 | 142.3 | -780.0 | 149.1 | 0.00 | 0.00 | 0.00 |
| 11,500.0 | 90.00 | 359.50 | 10,545.0 | 242.3 | -780.9 | 249.1 | 0.00 | 0.00 | 0.00 |
| 11,600.0 | 90.00 | 359.50 | 10,545.0 | 342.3 | -781.8 | 349.1 | 0.00 | 0.00 | 0.00 |
| 11,700.0 | 90.00 | 359.50 | 10,545.0 | 442.3 | -782.7 | 449.1 | 0.00 | 0.00 | 0.00 |
| 11,800.0 | | 359.50 | 10,545.0 | 542.3 | -783.5 | 549.1 | 0.00 | 0.00 | 0.00 |
| 11 000 (| 90.00 | 359.50 | 10 545 0 | 642.3 | -784.4 | 649.1 | 0.00 | 0.00 | 0.00 |
| 11,900.0 | | | 10,545.0 | | | | | | |
| 12,000.0 | | 359.50 | 10,545.0 | 742.3 | -785.3 | 749.1 | 0.00 | 0.00 | 0.00 |
| 12,100.0 | | 359.50 | 10,545.0 | 842.2 | -786.1 | 849.1 | 0.00 | 0.00 | 0.00 |
| 12,200.0 | | 359.50 | 10,545.0 | 942.2 | -787.0 | 949.1 | 0.00 | 0.00 | 0.00 |
| 12,300.0 | 90.00 | 359.50 | 10,545.0 | 1,042.2 | -787.9 | 1,049.1 | 0.00 | 0.00 | 0.00 |
| 12,400.0 | | 359.50 | 10,545.0 | 1,142.2 | -788.8 | 1,149.1 | 0.00 | 0.00 | 0.00 |
| 12,500.0 | 90.00 | 359.50 | 10,545.0 | 1,242.2 | -789.6 | 1,249.1 | 0.00 | 0.00 | 0.00 |
| 12,600.0 | 90.00 | 359.50 | 10,545.0 | 1,342.2 | -790.5 | 1,349.1 | 0.00 | 0.00 | 0.00 |
| 12,700.0 | | 359.50 | 10,545.0 | 1,442.2 | -791.4 | 1,449.1 | 0.00 | 0.00 | 0.00 |
| 12,800.0 | 90.00 | 359.50 | 10,545.0 | 1,542.2 | -792.2 | 1,549.1 | 0.00 | 0.00 | 0.00 |
| 12,900.0 | 90.00 | 359.50 | 10,545.0 | 1,642.2 | -793.1 | 1,649.1 | 0.00 | 0.00 | 0.00 |
| 13,000.0 | | 359.50 | 10,545.0 | 1,742.2 | -794.0 | 1,749.1 | 0.00 | 0.00 | 0.00 |
| 13,100.0 | | 359.50 | 10,545.0 | 1,842.2 | -794.9 | 1,849.1 | 0.00 | 0.00 | 0.00 |
| 13,200.0 | | 359.50 | 10,545.0 | 1,942.2 | -794.9 -795.7 | 1,949.1 | 0.00 | 0.00 | 0.00 |
| 13,300.0 | | 359.50 | 10,545.0 | 2,042.2 | -795.7 -796.6 | 2,049.1 | 0.00 | 0.00 | 0.00 |
| | | | | | | | | | |
| 13,400.0 | | 359.50 | 10,545.0 | 2,142.2 | -797.5 | 2,149.1 | 0.00 | 0.00 | 0.00 |
| 13,500.0 | | 359.50 | 10,545.0 | 2,242.2 | -798.4 | 2,249.1 | 0.00 | 0.00 | 0.00 |
| 13,600.0 | | 359.50 | 10,545.0 | 2,342.2 | -799.2 | 2,349.1 | 0.00 | 0.00 | 0.00 |
| 13,700.0 | | 359.50 | 10,545.0 | 2,442.2 | -800.1 | 2,449.1 | 0.00 | 0.00 | 0.00 |
| 13,800.0 | 90.00 | 359.50 | 10,545.0 | 2,542.2 | -801.0 | 2,549.1 | 0.00 | 0.00 | 0.00 |
| 13,900.0 | 90.00 | 359.50 | 10,545.0 | 2,642.2 | -801.8 | 2,649.1 | 0.00 | 0.00 | 0.00 |
| 14,000.0 | | 359.50 | 10,545.0 | 2,742.2 | -802.7 | 2,749.1 | 0.00 | 0.00 | 0.00 |
| 14,100.0 | | 359.50 | 10,545.0 | 2,842.2 | -803.6 | 2,849.1 | 0.00 | 0.00 | 0.00 |
| 14,100.0 | | 359.50 | 10,545.0 | 2,942.2 | -804.5 | 2,949.1 | 0.00 | 0.00 | 0.00 |
| 14,200.0 | | 359.50 359.50 | 10,545.0 | 3,042.2 | -805.3 | 3,049.1 | 0.00 | 0.00 | 0.00 |
| 14,300.0 | 5 90.00 | 339.30 | 10,545.0 | 3,042.2 | -005.3 | 3,049.1 | 0.00 | 0.00 | 0.00 |

Planning Report

Database: LMRKPROD3

Company: Long Lead_Well Planning

Project: Perla Verde
Site: Perla Verde

Well: PERLA VERDE 31 STATE COM 401H

Wellbore: 401H Design: Plan 1 Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

Survey Calculation Method:

Well PERLA VERDE 31 STATE COM 401H

RKB(3702+30)' @ 3732.0usft RKB(3702+30)' @ 3732.0usft

Grid

| esign: | Plan 1 | FIGUL 1 | | | | | | | | | | | |
|-----------------------------|--------------------|------------------|-----------------------------|--------------------|------------------|-------------------------------|-------------------------------|------------------------------|-----------------------------|--|--|--|--|
| Planned Survey | | | | | | | | | | | | | |
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) | | | | |
| 14,400.0 | 90.00 | 359.50 | 10,545.0 | 3,142.2 | -806.2 | 3,149.1 | 0.00 | 0.00 | 0.00 | | | | |
| 14,500.0 | 90.00 | 359.50 | 10,545.0 | 3,242.2 | -807.1 | 3,249.1 | 0.00 | 0.00 | 0.00 | | | | |
| 14,600.0 | 90.00 | 359.50 | 10,545.0 | 3,342.2 | -808.0 | 3,349.1 | 0.00 | 0.00 | 0.00 | | | | |
| 14,700.0 | 90.00 | 359.50 | 10,545.0 | 3,442.2 | -808.8 | 3,449.1 | 0.00 | 0.00 | 0.00 | | | | |
| 14,800.0 | 90.00 | 359.50 | 10,545.0 | 3,542.1 | -809.7 | 3,549.1 | 0.00 | 0.00 | 0.00 | | | | |
| 14.900.0 | 90.00 | 359.50 | 10,545.0 | 3,642.1 | -810.6 | 3,649.1 | 0.00 | 0.00 | 0.00 | | | | |
| , | | | | | | | | | | | | | |
| 15,000.0 | 90.00 | 359.50 | 10,545.0 | 3,742.1 | -811.4 | 3,749.1 | 0.00 | 0.00 | 0.00 | | | | |
| 15,100.0 | 90.00 | 359.50 | 10,545.0 | 3,842.1 | -812.3 | 3,849.1 | 0.00 | 0.00 | 0.00 | | | | |
| 15,200.0 | 90.00 | 359.50 | 10,545.0 | 3,942.1 | -813.2 | 3,949.1 | 0.00 | 0.00 | 0.00 | | | | |
| 15,300.0 | 90.00 | 359.50 | 10,545.0 | 4,042.1 | -814.1 | 4,049.1 | 0.00 | 0.00 | 0.00 | | | | |
| 15,400.0 | 90.00 | 359.50 | 10,545.0 | 4,142.1 | -814.9 | 4,149.1 | 0.00 | 0.00 | 0.00 | | | | |
| 15,500.0 | 90.00 | 359.50 | 10,545.0 | 4,242.1 | -815.8 | 4,249.1 | 0.00 | 0.00 | 0.00 | | | | |
| 15,600.0 | 90.00 | 359.50 | 10,545.0 | 4,342.1 | -816.7 | 4,349.1 | 0.00 | 0.00 | 0.00 | | | | |
| 15,700.0 | 90.00 | 359.50 | 10,545.0 | 4,442.1 | -817.6 | 4,449.1 | 0.00 | 0.00 | 0.00 | | | | |
| 15,800.0 | 90.00 | 359.50 | 10,545.0 | 4,542.1 | -818.4 | 4,549.1 | 0.00 | 0.00 | 0.00 | | | | |
| 15,900.0 | 90.00 | 359.50 | 10,545.0 | 4,642.1 | -819.3 | 4,649.1 | 0.00 | 0.00 | 0.00 | | | | |
| 16,000.0 | 90.00 | 359.50 | 10,545.0 | 4,742.1 | -820.2 | 4,749.1 | 0.00 | 0.00 | 0.00 | | | | |
| 16,100.0 | 90.00 | 359.50 | 10,545.0 | 4,842.1 | -821.0 | 4,849.1 | 0.00 | 0.00 | 0.00 | | | | |
| 16,200.0 | 90.00 | 359.50 | 10,545.0 | 4,942.1 | -821.9 | 4,949.1 | 0.00 | 0.00 | 0.00 | | | | |
| 16,300.0 | 90.00 | 359.50 | 10,545.0 | 5,042.1 | -822.8 | 5,049.1 | 0.00 | 0.00 | 0.00 | | | | |
| | | | | | | | | | | | | | |
| 16,400.0 | 90.00 | 359.50 | 10,545.0 | 5,142.1 | -823.7 | 5,149.1 | 0.00 | 0.00 | 0.00 | | | | |
| 16,500.0 | 90.00 | 359.50 | 10,545.0 | 5,242.1 | -824.5 | 5,249.1 | 0.00 | 0.00 | 0.00 | | | | |
| 16,600.0 | 90.00 | 359.50 | 10,545.0 | 5,342.1 | -825.4 | 5,349.1 | 0.00 | 0.00 | 0.00 | | | | |
| 16,700.0 | 90.00 | 359.50 | 10,545.0 | 5,442.1 | -826.3 | 5,449.1 | 0.00 | 0.00 | 0.00 | | | | |
| 16,800.0 | 90.00 | 359.50 | 10,545.0 | 5,542.1 | -827.1 | 5,549.1 | 0.00 | 0.00 | 0.00 | | | | |
| 16,900.0 | 90.00 | 359.50 | 10,545.0 | 5,642.1 | -828.0 | 5,649.1 | 0.00 | 0.00 | 0.00 | | | | |
| 17,000.0 | 90.00 | 359.50 | 10,545.0 | 5,742.1 | -828.9 | 5,749.1 | 0.00 | 0.00 | 0.00 | | | | |
| 17,100.0 | 90.00 | 359.50 | 10,545.0 | 5,842.1 | -829.8 | 5,849.1 | 0.00 | 0.00 | 0.00 | | | | |
| 17,200.0 | 90.00 | 359.50 | 10,545.0 | 5,942.1 | -830.6 | 5,949.1 | 0.00 | 0.00 | 0.00 | | | | |
| 17,300.0 | 90.00 | 359.50 | 10,545.0 | 6,042.1 | -831.5 | 6,049.1 | 0.00 | 0.00 | 0.00 | | | | |
| 17,400.0 | 90.00 | 359.50 | 10,545.0 | 6,142.0 | -832.4 | 6,149.1 | 0.00 | 0.00 | 0.00 | | | | |
| 17,500.0 | 90.00 | 359.50 | 10,545.0 | 6,242.0 | -833.3 | 6,249.1 | 0.00 | 0.00 | 0.00 | | | | |
| 17,600.0 | 90.00 | 359.50 | 10,545.0 | 6,342.0 | -834.1 | 6,349.1 | 0.00 | 0.00 | 0.00 | | | | |
| | | | | | | | | | | | | | |
| 17,700.0 17,800.0 | 90.00 90.00 | 359.50 359.50 | 10,545.0 10,545.0 | 6,442.0 6,542.0 | -835.0 -835.9 | 6,449.1 6,549.1 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 | | | | |
| | | | | | | | | | | | | | |
| 17,900.0 | 90.00 | 359.50 | 10,545.0 | 6,642.0 | -836.7 | 6,649.1 | 0.00 | 0.00 | 0.00 | | | | |
| 18,000.0 | 90.00 | 359.50 | 10,545.0 | 6,742.0 | -837.6 | 6,749.1 | 0.00 | 0.00 | 0.00 | | | | |
| 18,100.0 | 90.00 | 359.50 | 10,545.0 | 6,842.0 | -838.5 | 6,849.1 | 0.00 | 0.00 | 0.00 | | | | |
| 18,200.0 | 90.00 | 359.50 | 10,545.0 | 6,942.0 | -839.4 | 6,949.1 | 0.00 | 0.00 | 0.00 | | | | |
| 18,300.0 | 90.00 | 359.50 | 10,545.0 | 7,042.0 | -840.2 | 7,049.1 | 0.00 | 0.00 | 0.00 | | | | |
| 18,400.0 | 90.00 | 359.50 | 10,545.0 | 7,142.0 | -841.1 | 7,149.1 | 0.00 | 0.00 | 0.00 | | | | |
| 18,500.0 | 90.00 | 359.50 | 10,545.0 | 7,242.0 | -842.0 | 7,249.1 | 0.00 | 0.00 | 0.00 | | | | |
| 18,600.0 | 90.00 | 359.50 | 10,545.0 | 7,342.0 | -842.9 | 7,349.1 | 0.00 | 0.00 | 0.00 | | | | |
| 18,700.0 | 90.00 | 359.50 | 10,545.0 | 7,442.0 | -843.7 | 7,449.1 | 0.00 | 0.00 | 0.00 | | | | |
| 18,800.0 | 90.00 | 359.50 | 10,545.0 | 7,542.0 | -844.6 | 7,549.1 | 0.00 | 0.00 | 0.00 | | | | |
| 18,900.0 | 90.00 | 359.50 | 10,545.0 | 7,642.0 | -845.5 | 7,649.1 | 0.00 | 0.00 | 0.00 | | | | |
| 19,000.0 | 90.00 | 359.50 | 10,545.0 | 7,742.0 | -846.3 | 7,749.1 | 0.00 | 0.00 | 0.00 | | | | |
| 19,100.0 | 90.00 | 359.50 | 10,545.0 | 7,842.0 | -847.2 | 7,849.1 | 0.00 | 0.00 | 0.00 | | | | |
| 19,200.0 | 90.00 | 359.50 | 10,545.0 | 7,942.0 | -848.1 | 7,049.1 | 0.00 | 0.00 | 0.00 | | | | |
| 19,300.0 | 90.00 | 359.50 | 10,545.0 | 8,042.0 | -849.0 | 8,049.1 | 0.00 | 0.00 | 0.00 | | | | |
| | | | | | | | | | | | | | |
| 19,400.0 19,500.0 | 90.00 90.00 | 359.50 359.50 | 10,545.0 10,545.0 | 8,142.0 8,242.0 | -849.8 -850.7 | 8,149.1 8,249.1 | 0.00 0.00 | 0.00 0.00 | 0.00 0.00 | | | | |
| | | | | | | | | | | | | | |
| 19,600.0 | 90.00 | 359.50 | 10,545.0 | 8,342.0 | -851.6 | 8,349.1 | 0.00 | 0.00 | 0.00 | | | | |
| 19,700.0 | 90.00 | 359.50 | 10,545.0 | 8,442.0 | -852.5 | 8,449.1 | 0.00 | 0.00 | 0.00 | | | | |

Planning Report

LMRKPROD3 Database:

Company: Long Lead_Well Planning Project: Perla Verde

Perla Verde Well: PERLA VERDE 31 STATE COM 401H

Wellbore: 401H Design: Plan 1

Site:

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well PERLA VERDE 31 STATE COM 401H

RKB(3702+30)' @ 3732.0usft RKB(3702+30)' @ 3732.0usft

Grid

| Measured | | | Vertical | | | Vertical | Dogleg | Build | Turn |
|-----------------|--------------------|----------------|-----------------|-----------------|-----------------|-------------------|---------------------|---------------------|---------------------|
| Depth (usft) | Inclination (°) | Azimuth (°) | Depth (usft) | +N/-S (usft) | +E/-W (usft) | Section (usft) | Rate (°/100usft) | Rate (°/100usft) | Rate (°/100usft) |
| 19,800.0 | 90.00 | 359.50 | 10,545.0 | 8,542.0 | -853.3 | 8,549.1 | 0.00 | 0.00 | 0.00 |
| 19,900.0 | 90.00 | 359.50 | 10,545.0 | 8,642.0 | -854.2 | 8,649.1 | 0.00 | 0.00 | 0.00 |
| 20,000.0 | 90.00 | 359.50 | 10,545.0 | 8,741.9 | -855.1 | 8,749.1 | 0.00 | 0.00 | 0.00 |
| 20,100.0 | 90.00 | 359.50 | 10,545.0 | 8,841.9 | -855.9 | 8,849.1 | 0.00 | 0.00 | 0.00 |
| 20,200.0 | 90.00 | 359.50 | 10,545.0 | 8,941.9 | -856.8 | 8,949.1 | 0.00 | 0.00 | 0.00 |
| 20,300.0 | 90.00 | 359.50 | 10,545.0 | 9,041.9 | -857.7 | 9,049.1 | 0.00 | 0.00 | 0.00 |
| 20,400.0 | 90.00 | 359.50 | 10,545.0 | 9,141.9 | -858.6 | 9,149.1 | 0.00 | 0.00 | 0.00 |
| 20,500.0 | 90.00 | 359.50 | 10,545.0 | 9,241.9 | -859.4 | 9,249.1 | 0.00 | 0.00 | 0.00 |
| 20,600.0 | 90.00 | 359.50 | 10,545.0 | 9,341.9 | -860.3 | 9,349.1 | 0.00 | 0.00 | 0.00 |
| 20,700.0 | 90.00 | 359.50 | 10,545.0 | 9,441.9 | -861.2 | 9,449.1 | 0.00 | 0.00 | 0.00 |
| 20,800.0 | 90.00 | 359.50 | 10,545.0 | 9,541.9 | -862.0 | 9,549.1 | 0.00 | 0.00 | 0.00 |
| 20,900.0 | 90.00 | 359.50 | 10,545.0 | 9,641.9 | -862.9 | 9,649.1 | 0.00 | 0.00 | 0.00 |
| 21,000.0 | 90.00 | 359.50 | 10,545.0 | 9,741.9 | -863.8 | 9,749.1 | 0.00 | 0.00 | 0.00 |
| 21,100.0 | 90.00 | 359.50 | 10,545.0 | 9,841.9 | -864.7 | 9,849.1 | 0.00 | 0.00 | 0.00 |
| 21,200.0 | 90.00 | 359.50 | 10,545.0 | 9,941.9 | -865.5 | 9,949.1 | 0.00 | 0.00 | 0.00 |
| 21,300.0 | 90.00 | 359.50 | 10,545.0 | 10,041.9 | -866.4 | 10,049.1 | 0.00 | 0.00 | 0.00 |
| 21,400.0 | 90.00 | 359.50 | 10,545.0 | 10,141.9 | -867.3 | 10,149.1 | 0.00 | 0.00 | 0.00 |
| 21,500.0 | 90.00 | 359.50 | 10,545.0 | 10,241.9 | -868.2 | 10,249.1 | 0.00 | 0.00 | 0.00 |
| 21,528.1 | 90.00 | 359.50 | 10,545.0 | 10,270.0 | -868.4 | 10,277.2 | 0.00 | 0.00 | 0.00 |
| Start 50.0 ho | old at 21528.1 MI | O - 401H_LTP | | | | | | | |
| 21,578.1 | 90.00 | 359.50 | 10,545.0 | 10,320.0 | -868.8 | 10,327.2 | 0.00 | 0.00 | 0.00 |

| Design Targets | | | | | | | | | |
|--|-----------------------|----------------------|-------------------------|--------------------------|---------------------------|-------------------------|-------------------|------------------|-------------------|
| Target Name - hit/miss target - Shape | Dip Angle (°) | Dip Dir. (°) | TVD (usft) | +N/-S (usft) | +E/-W (usft) | Northing (usft) | Easting (usft) | Latitude | Longitude |
| 401H_SHL - plan hits target cer - Rectangle (sides V | | 0.00 | 0.0 | 0.0 | 0.0 | 586,672.70 | 756,280.30 | 32° 36' 36.396 N | 103° 30' 3.826 W |
| 401H_BHL - plan misses target - Point | 0.00 center by 180 | 0.00 3usft at 215 | 10,364.7 78.1usft MD | 10,320.0 (10545.0 TVD | -868.8), 10320.0 N, - | 596,992.70 -868.8 E) | 755,411.50 | 32° 38' 18.577 N | 103° 30' 13.041 W |
| 401H_LTP - plan hits target cer - Point | 0.00 iter | 0.00 | 10,545.0 | 10,270.0 | -868.4 | 596,942.70 | 755,411.90 | 32° 38' 18.082 N | 103° 30' 13.040 W |
| 401H_FTP - plan hits target cer - Point | 0.00 iter | 0.00 | 10,545.0 | -148.2 | -777.5 | 586,524.50 | 755,502.80 | 32° 36' 34.990 N | 103° 30' 12.929 W |

Planning Report

Database: LMRKPROD3

Company: Long Lead_Well Planning

Project: Perla Verde
Site: Perla Verde

Well: PERLA VERDE 31 STATE COM 401H

Wellbore: 401H Design: Plan 1 Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well PERLA VERDE 31 STATE COM 401H

RKB(3702+30)' @ 3732.0usft RKB(3702+30)' @ 3732.0usft

Grid

| Annotations | | | | |
|-----------------|-----------------|-----------------|-----------------|----------------------------------|
| Measured | Vertical | Local Coor | dinates | |
| Depth (usft) | Depth (usft) | +N/-S (usft) | +E/-W (usft) | Comment |
| 2.000.0 | 2,000.0 | 0.0 | 0.0 | Start Build 2.00 |
| 2,820.4 | 2,809.2 | -87.1 | -77.7 | Start 3274.9 hold at 2820.4 MD |
| 6,095.3 | 5,950.8 | -777.3 | -693.6 | Start Drop -2.00 |
| 6,915.7 | 6,760.0 | -864.4 | -771.3 | Start 3068.8 hold at 6915.7 MD |
| 9,984.5 | 9,828.8 | -864.4 | -771.3 | Start Turn 0.00 |
| 11,109.5 | 10,545.0 | -148.2 | -777.5 | Start 10418.6 hold at 11109.5 MD |
| 21,528.1 | 10,545.0 | 10,270.0 | -868.4 | Start 50.0 hold at 21528.1 MD |
| 21,578.1 | 10,545.0 | 10,320.0 | -868.8 | TD at 21578.1 |

DRILLING PLAN: BLM COMPLIANCE (Supplement to BLM 3160-3)

XTO Energy Inc.
Perla Verde 401H
Projected TD: 21578.1' MD / 10545' TVD
SHL: 241' FSL & 1109' FWL , Section 31, T19S, R35E
BHL: 50' FNL & 330' FWL , Section 30, T19S, R35E
Lea County, NM

1. Geologic Name of Surface Formation

A. Quaternary

2. Estimated Tops of Geological Markers & Depths of Anticipated Fresh Water, Oil or Gas

| Formation | Well Depth (TVD) | Water/Oil/Gas |
|--------------------|------------------|---------------|
| Rustler | 1850' | Water |
| Top of Salt | 2145' | Water |
| Base of Salt | 3404' | Water |
| Delaware | 5828' | Water |
| Brushy Canyon | 6960' | Water/Oil/Gas |
| Bone Spring | 8130' | Water |
| 1st Bone Spring Ss | 9557' | Water/Oil/Gas |
| 2nd Bone Spring Ss | 10139' | Water/Oil/Gas |
| Target/Land Curve | 10545' | Water/Oil/Gas |
| | _ | |

^{***} Hydrocarbons @ Brushy Canyon

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 9.625 inch casing @ 2095' (50' above the salt) and circulating cement back to surface. The intermediate will isolate from the top of salt down to the next casing seat by setting 7.625 inch casing at 9784.5' and cemented to surface. A 6.75 inch curve and 6.75 inch lateral hole will be drilled to 21578.1 MD/TD and 5.5 inch production casing will be set at TD and cemented back up in the intermediate shoe (estimated TOC 9484.5 feet).

3. Casing Design

| Hole Size | Depth | OD Csg | Weight | Grade | Collar | New/Used | SF Burst | SF Collapse | SF Tension |
|-----------|-----------------------|--------|--------|----------|--------------|----------|-------------|----------------|---------------|
| 12.25 | 0' – 2095' | 9.625 | 40 | J-55 | BTC | New | 1.35 | 2.78 | 7.52 |
| 8.75 | 0' - 4000' | 7.625 | 29.7 | RY P-110 | Flush Joint | New | 3.78 | 2.57 | 1.92 |
| 8.75 | 4000' – 9784.5' | 7.625 | 29.7 | HC L-80 | Flush Joint | New | 2.75 | 1.94 | 2.36 |
| 6.75 | 0' - 9684.5' | 5.5 | 23 | RY P-110 | Semi-Premium | New | 1.21 | 3.28 | 1.98 |
| 6.75 | 9684.5' - 21578.1' | 5.5 | 23 | RY P-110 | Semi-Flush | New | 1.21 | 3.01 | 2.15 |

[·] XTO requests the option to utilize a spudder rig (Atlas Copco RD20 or Equivalent) to set and cement surface casing per this Sundry

- · XTO requests to not utilize centralizers in the curve and lateral
- · 7.625 Collapse analyzed using 50% evacuation based on regional experience.
- 5.5 Tension calculated using vertical hanging weight plus the lateral weight multiplied by a friction factor of 0.35
- Test on Casing will be limited to 70% burst of the casing or 1500 psi, whichever is less
- \cdot XTO requests the option to use 5" BTC Float equipment for the the production casing

^{***} Groundwater depth 40' (per NM State Engineers Office).

Wellhead:

- Permanent Wellhead Multibowl System

 A. Starting Head: 11" 10M top flange x 9-5/8" bottom

 B. Tubing Head: 11" 10M bottom flange x 7-1/16" 15M top flange

 · Wellhead will be installed by manufacturer's representatives.

 - · Manufacturer will monitor welding process to ensure appropriate temperature of seal.
 - · Operator will test the 7-5/8" casing per BLM Onshore Order 2
 - $\cdot \ \text{Wellhead Manufacturer representative will not be present for BOP test plug installation}$

4. Cement Program

Surface Casing: 9.625, 40 New BTC, J-55 casing to be set at +/- 2095'

Lead: 600 sxs EconoCem-HLTRRC (mixed at 10.5 ppg, 1.87 ft3/sx, 10.13 gal/sx water) Tail: 130 sxs Class C + 2% CaCl (mixed at 14.8 ppg, 1.35 ft3/sx, 6.39 gal/sx water)

Top of Cement: Surface

Compressives: 12-hr = 900 psi 24 hr = 1500 psi

2nd Intermediate Casing: 7.625, 29.7 New casing to be set at +/- 9784.5'

st Stage

Optional Lead: 370 sxs Class C (mixed at 10.5 ppg, 2.77 ft3/sx, 15.59 gal/sx water)

TOC: Surface

Tail: 260 sxs Class C (mixed at 14.8 ppg, 1.35 ft3/sx, 6.39 gal/sx water)

TOC: Brushy Canyon @ 6960

Compressives: 12-hr = 900 psi 24 hr = 1150 psi

2nd Stage

Lead: 0 sxs Class C (mixed at 12.9 ppg, 2.16 ft3/sx, 9.61 gal/sx water) Tail: 780 sxs Class C (mixed at 14.8 ppg, 1.33 ft3/sx, 6.39 gal/sx water)

Top of Cement: 0

Compressives: 12-hr = 900 psi 24 hr = 1150 psi

XTO requests to pump a two stage cement job on the 7-5/8" intermediate casing string with the first stage being pumped conventionally with the calculated top of cement at the Brush Canyon (6960') and the second stage performed as a bradenhead squeeze with planned cement from the Brushy Canyon to surface. If cement is not visually confirmed to circulate to surface, the final cement top after the second stage job will be verified by Echo-meter. If necessary, a top out consisting of 1,500 sack of Class C cement + 3% Salt + 1% PreMag-M + 6% Bentonite Gel (2.30 yld, 12.91 ppg) will be executed as a contingency. If cement is still unable to circulate to surface, another Echo-meter run will be performed for cement top verification.

XTO will include the volume of displacement fluid above the cement slurry in the annulus in all post-drill sundries on wells utilizing this cement program.

XTO will report to the BLM the volume of fluid (limited to 5 bbls) used to flush intermediate casing valves following backside cementing procedures.

XTO requests to pump an Optional Lead if well conditions dictate in an attempt to bring cement inside the first intermediate casing. If cement reaches the desired height, the BLM will be notified and the second stage bradenhead squeeze and subsequent TOC verification will be negated.

XTO requests the option to conduct the bradenhead squeeze and TOC verification offline as per standard approval from BLM when unplanned remediation is needed and batch drilling is approved. In the event the bradenhead is conducted, we will ensure the first stage cement job is cemented properly and the well is static with floats holding and no pressure on the csg annulus as with all other casing strings where batch drilling operations occur before moving off the rig. The TA cap will also be installed per Cactus procedure and pressure inside the casing will be monitored via the valve on the TA cap as per standard batch drilling ops.

Production Casing: 5.5, 23 New Semi-Flush, RY P-110 casing to be set at +/- 21578.1'

Lead: 20 sxs NeoCem (mixed at 11.5 ppg, 2.69 ft3/sx, 15.00 gal/sx water) Top of Cement: 9484.5 feet
Tail: 830 sxs VersaCem (mixed at 13.2 ppg, 1.51 ft3/sx, 8.38 gal/sx water) Top of Cement: 9984.5 feet
Compressives: 12-hr = 800 psi 24 hr = 1500 psi

XTO requests the option to offline cement and remediate (if needed) surface and intermediate casing strings where batch drilling is approved and if unplanned remediation is needed. XTO will ensure well is static with no pressure on the csg annulus, as with all other casing strings where batch drilling operations occur before moving off the rig. The TA cap will also be installed when applicable per Cactus procedure and pressure inside the casing will be monitored via the valve on the TA cap as per standard batch drilling ops. Offline cement operations will then be conducted after the rig is moved off the current well to the next well in the batch sequence.

5. Pressure Control Equipment

Once the permanent WH is installed on the 9.625 casing, the blow out preventer equipment (BOP) will consist of a 13-5/8" minimum 3M Hydril and a 13-5/8" minimum 3M Double Ram BOP. MASP should not exceed 2505 psi. In any instance where 10M BOP is required by BLM, XTO requests a variance to utilize 5M annular with 10M ram preventers (a common BOP configuration, which allows use of 10M rams in unlikely event that pressures exceed 5M).

All BOP testing will be done by an independent service company. Annular pressure tests will be limited to 50% of the working pressure. When nippling up on the 9.625, 3M bradenhead and flange, the BOP test will be limited to 3000 psi. When nippling up on the 7.625, the BOP will be tested to a minimum of 3000 psi. All BOP tests will include a low pressure test as per BLM regulations. The 3M BOP diagrams are attached. Blind rams will be functioned tested each trip, pipe rams will be functioned tested each day.

A variance is requested to allow use of a flex hose as the choke line from the BOP to the Choke Manifold. If this hose is used, a copy of the manufacturer's certification and pressure test chart will be kept on the rig. Attached is an example of a certification and pressure test chart. The manufacturer does not require anchors.

XTO requests a variance to be able to batch drill this well if necessary. In doing so, XTO will set casing and ensure that the well is cemented properly (unless approval is given for offline cementing) and the well is static. With floats holding, no pressure on the csg annulus, and the installation of a 10K TA cap as per Cactus recommendations, XTO will contact the BLM to skid the rig to drill the remaining wells on the pad. Once surface and both intermediate strings are all completed, XTO will begin drilling the production

hole on each of the wells.

A variance is requested to ONLY test broken pressure seals on the BOP equipment when moving from wellhead to wellhead which is in compliance with API Standard 53. API standard 53 states, that for pad drilling operation, moving from one wellhead to another within 21 days, pressure testing is required for pressure-containing and pressure-controlling connections when the integrity of a pressure seal is broken. Based on discussions with the BLM on February 27th 2020, we will request permission to ONLY retest broken pressure seals if the following conditions are met: 1. After a full BOP test is conducted on the first well on the pad 2. When skidding to drill an intermediate section that has a hole interval deeper than the first.

6. Proposed Mud Circulation System

| INTERVAL | Hole Size | Mud Type | MW | Viscosity | Fluid Loss |
|-----------------------|------------|---|---------|-----------|------------|
| INTERVAL | Fiole Size | Mud Type | (ppg) | (sec/qt) | (cc) |
| 0' - 2095' | 12.25 | FW/Native | 8.5-9 | 35-40 | NC |
| 2095' - 9784.5' | 8.75 | FW / Cut Brine / Direct Emulsion | 10-10.5 | 30-32 | NC |
| 9784.5' - 21578.1' | 6.75 | ОВМ | 8.8-9.3 | 50-60 | NC - 20 |

The necessary mud products for weight addition and fluid loss control will be on location at all times.

Spud with fresh water/native mud. Drill out from under 9-5/8" surface casing with brine solution. A 9.7 ppg -10.2 ppg cut brine mud will be used while drilling through the salt formation. Use fibrous materials as needed to control seepage and lost circulation. Pump viscous sweeps as needed for hole cleaning. Pump speed will be recorded on a daily drilling report after mudding up. A Pason or Totco will be used to detect changes in loss or gain of mud volume. A mud test will be performed every 24 hours to determine: density, viscosity, strength, filtration and pH as necessary. Use available solids controls equipment to help keep mud weight down after mud up. Rig up solids control equipment to operate as a closed loop system.

7. Auxiliary Well Control and Monitoring Equipment

- A. A Kelly cock will be in the drill string at all times.
- B. A full opening drill pipe stabbing valve having appropriate connections will be on the rig floor at all times.
- C. H2S monitors will be on location when drilling below the 9.625 casing.

8. Logging, Coring and Testing Program

Mud Logger: Mud Logging Unit (2 man) below intermediate casing.

Open hole logging will not be done on this well.

9. Abnormal Pressures and Temperatures / Potential Hazards

None Anticipated. BHT of 170 to 190 F is anticipated. No H2S is expected but monitors will be in place to detect any H2S occurrences. Should these circumstances be encountered the operator and drilling contractor are prepared to take all necessary steps to ensure safety of all personnel and environment. Lost circulation could occur but is not expected to be a serious problem in this area and hole seepage will be compensated for by additions of small amounts of LCM in the drilling fluid. The maximum anticipated bottom hole pressure for this well is 4825 psi.

10. Anticipated Starting Date and Duration of Operations

Anticipated spud date will be after BLM approval. Move in operations and drilling is expected to take 40 days.

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: | KTO Energy Ir | nc | OGRID:0 | 5380 | Date: | _05_/_28_/_2023_ |
|--|---------------|-------------------------|----------------------|-----------------------|--------------------------|----------------------------------|
| II. Type: □ Origina | l ⊠ Amendm | ent due to \Box 19.15 | 5.27.9.D(6)(a) NMAC | □ 19.15.27.9.D | (6)(b) NMAC □ | l Other. |
| If Other, please describe: | | | | | | _ |
| III. Well(s): Provide to be recompleted from a | _ | | • | | ells proposed to | be drilled or proposed |
| Well Name | API | ULSTR | Footages | Anticipated Oil BBL/D | Anticipated Gas MCF/D | Anticipated Produced Water BBL/D |
| Perla Verde 31 State Com 2011 | I | 4-31-19S-35E | 241'FSL & 1139'FWL | 500 | 650 | 350 |
| Perla Verde 31 State Com 2031 | H | 4-31-19S-35E | 242'FSL & 1199'FWL | 500 | 650 | 350 |
| Perla Verde 31 State Com 403F | H | 4-31-19S-35E | 241'FSL & 1169'FWL | 500 | 650 | 350 |
| Perla Verde 31 State Com 402F | Н | 4-31-19S-35E | 242'FSL & 1229'FWL | 500 | 650 | 350 |
| Perla Verde 31 State Com 401H | H | 4-31-19S-35E | 241' FSL & 1109' FWL | 500 | 650 | 350 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| IV. Central Deliver | y Point Nam | e: Perla Ver | de CTB | | | [See 19.15.27.9(D)(1) |

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 | Initial Flow | First Production |
|-------------------------------|-----|--------------|----------------------|--------------|--------------|------------------|
| | | | | Commencement | Back Date | Date |
| | | | | Date | | |
| Perla Verde 31 State Com 201H | | 4-31-19S-35E | 241'FSL & 1139'FWL | 500 | 650 | 350 |
| Perla Verde 31 State Com 203H | | 4-31-19S-35E | 242'FSL & 1199'FWL | 500 | 650 | 350 |
| Perla Verde 31 State Com 403H | | 4-31-19S-35E | 241'FSL & 1169'FWL | 500 | 650 | 350 |
| Perla Verde 31 State Com 402H | | 4-31-19S-35E | 242'FSL & 1229'FWL | 500 | 650 | 350 |
| Perla Verde 31 State Com 401H | | 4-31-19S-35E | 241' FSL & 1109' FWL | 500 | 650 | 350 |

NMAC]

| Subsection A th | - | | | | | ,. |
|---|---|--|---|--|--|-----------------------|
| | d planned maintena | nnce. | lescription of Operator's best | manageme | nt practices to minimize ver | iting |
| | | · · · · · · · · · · · · · · · · · · · | Enhanced Plan E APRIL 1, 2022 | | | |
| | | | e with its statewide natural g | gas capture | requirement for the applica | ble |
| reporting area must | • | | | | | |
| ☐ Operator certifie capture requirement | - | - | ction because Operator is in | compliance | e with its statewide natural g | gas |
| IX. Anticipated Na | tural Gas Produc | tion: | | | | |
| We | ell | API | Anticipated Average Natural Gas Rate MCF/D | | Anticipated Volume of Natura Gas for the First Year MCF | |
| | | | | | | |
| | | | | | | 4 |
| | | | | 1 | | _ |
| X. Natural Gas Ga Operator | thering System (N | ULSTR of Tie-in | Anticipated Gathering Start Date | | e Maximum Daily Capacity ystem Segment Tie-in | - - - - - |
| | | | ~ | | • • • | |
| XI. Map. □ At the production oper capacity of the segm XII. Line Capa | System tach an accurate anations to the existing the portion of the city. The natural ga | d legible map depicting on planned interconne natural gas gathering | start Date the location of the well(s), the nect of the natural gas gathe system(s) to which the well(will X will not have capacity | of S e anticipated ring system s) will be co | d pipeline route(s) connecting (s), and the maximum daily connected. | у |
| Operator XI. Map. □ At the production oper capacity of the segman XII. Line Capa gas production volu XIII. Line Press | System tach an accurate and ations to the existing the natural game from the well pure. Operator d | d legible map depicting and or planned intercont are natural gas gathering as gathering as gathering to the date of first plane. | start Date the location of the well(s), the nect of the natural gas gathe system(s) to which the well(will X will not have capacity | of S e anticipated ring system s) will be co | d pipeline route(s) connecting (s), and the maximum daily connected. 0% of the anticipated natura | y nl n, |
| Operator XI. Map. □ At the production oper capacity of the segman XII. Line Capa gas production volum XIII. Line Press of the natural gas gas well(s). | System tach an accurate and ations to the existing to portion of the city. The natural game from the well pure. Operator determing system(s) determined the city of the city. | d legible map depicting and or planned interconne natural gas gathering as gathering as gathering system where the date of first plants are to the date of first plants as constanticipates. | start Date the location of the well(s), the nect of the natural gas gathe system(s) to which the well(will X will not have capacity roduction. | of S e anticipated ring system s) will be co | d pipeline route(s) connecting (s), and the maximum daily connected. 0% of the anticipated natura | y al |

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.

| eived by OCD: 5/25/2023 11:15:1 | '5 AM | Page 20 c |
|---------------------------------------|---|-----------|
| Printed Name: Cassie Evans | | |
| Title: Regulatory Analyst | | |
| E-mail Address: cassie.evans@exxonmob | il.com | |
| Date: 05/09/23 | | |
| Phone: 432.218.3671 | | |
| Approved By: | OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form) | |
| Title: | | |
| Approval Date: | | |
| Conditions of Approval: | | |
| | | |
| | | |
| | | |
| | | |

VI. Separation Equipment:

XTO Permian Operating, LLC. production tank batteries include separation equipment designed to efficiently separate gas from liquid phases to optimize gas capture based on projected and estimated volumes from the targeted pool in conjunction with the total number of wells planned to or existing within the facility. Separation equipment is upgraded prior to well being drilled or completed, if determined to be undersized or needed. The separation equipment is designed and built according to the relevant industry specifications (API Specification 12J and ASME Sec VIII Div I). Other recognized industry publications such as the Gas Processors Suppliers Association (GPSA) are referenced when designing separation equipment to optimize gas capture.

VII. Operational Practices:

- 1. Subsection B. During drilling, flare stacks will be located a minimum of 150 feet from the nearest surface hole location. All gas is captured or combusted. If an emergency or malfunction occurs, gas will be flared or vented for public health, safety and the environment and be properly reported to the NMOCD pursuant to 19.15.27.8.G.
 - Measure or estimate the volume of natural gas that is vented, flared or beneficially used during drilling, completion and production operations, regardless of the reason or authorization for such venting or flaring.
 - At any point in the well life (drilling, completion, production, inactive) an audio, visual and olfactory (AVO) inspection will be performed weekly (at minimum) 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.
- **2.** Subsection C. O During completion operations, operator does not produce oil or gas but maintains adequate well control through completion operations.

For emergencies, equipment malfunction, or if the operator decides to produce oil and gas during well completion:

- Flowlines will be routed for flowback fluids into a completion or storage tank and, if feasible under well conditions, flare rather than vent and commence operation of a separator as soon as it is technically feasible for a separator to function.
- Measure or estimate the volume of natural gas that is vented, flared or beneficially used during drilling, completion and production operations, regardless of the reason or authorization for such venting or flaring.
- At any point in the well life (drilling, completion, production, inactive) an audio, visual and olfactory (AVO) inspection will be performed weekly (at minimum) 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.
- **3.** Subsection D. O At any point in the well life (drilling, completion, production, inactive) an audio, visual and olfactory (AVO) inspection will be performed weekly (at minimum) 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.
 - Monitor manual liquid unloading for wells on-site or in close proximity (<30 minutes' drive time), take reasonable actions to achieve a stabilized rate and pressure at the earliest practical time, and take reasonable actions to minimize venting to the maximum extent practicable.

 Measure or estimate the volume of natural gas that is vented, flared or beneficially used during drilling, completion and production operations, regardless of the reason or authorization for such venting or flaring.

4. Subsection E.

- All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.
- Flare stack was installed prior to May 25, 2021 but has been designed for proper size and combustion efficiency. Flare currently has a continuous pilot and is located more than 100 feet from any known well and storage tanks.
- At any point in the well life (drilling, completion, production, inactive) an audio, visual and olfactory (AVO) inspection will be performed weekly (at minimum) 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.

5. Subsection F.

- Measurement equipment is installed to measure the volume of natural gas flared from process piping or a flowline piped from the equipment associated with a well and facility associated with the approved application for permit to drill that has an average daily production greater than 60 mcf of natural gas.
- Measurement equipment installed is not designed or equipped with a manifold to allow diversion of natural gas around the metering equipment, except for the sole purpose of inspecting and servicing the measurement equipment, as noted in NMAC 19.15.27.8 Subsection G.

VIII. Best Management Practices:

- 1. During completion operations, operator does not produce oil or gas but maintains adequate well control through completion operations.
- 2. Operator does not flow well (well shut in) during initial production until all flowlines, tank batteries, and oil/gas takeaway are installed, tested, and determined operational.
- 3. Operator equips storage tanks with an automatic gauging system to reduce venting of natural gas.
- **4.** Operator reduces the number of blowdowns by looking for opportunities to coordinate repair and maintenance activities.
- 5. Operator combusts natural gas that would otherwise be vented or flared, when feasible.
- 6. Operator has a flare stack designed in accordance with need and to handle sufficient volume to ensure proper combustion efficiency. Flare stacks are equipped with continuous pilots and securely anchored at least 100 feet (at minimum) from storage tanks and wells.
- **7.** Operator minimizes venting (when feasible) through pump downs of vessels and reducing time required to purge equipment before returning equipment to service.
- **8.** Operator will shut in wells (when feasible) in the event of a takeaway disruption, emergency situation, or other operations where venting or flaring may occur due to equipment failures.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 220656

CONDITIONS

| Operator: | OGRID: |
|------------------------|--------------------------------------|
| XTO ENERGY, INC | 5380 |
| 6401 Holiday Hill Road | Action Number: |
| Midland, TX 79707 | 220656 |
| | Action Type: |
| | [C-103] NOI Change of Plans (C-103A) |

CONDITIONS

| Created By | | Condition Date |
|---------------|------|-------------------|
| pkautz | None | 6/12/2023 |