

**District I**

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

**District II**

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

**District III**

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

**District IV**

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

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

Form C-101  
August 1, 2011

Permit 341131

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

|                                                                                               |                                              |                               |
|-----------------------------------------------------------------------------------------------|----------------------------------------------|-------------------------------|
| 1. Operator Name and Address<br>MARSHALL & WINSTON INC<br>P.O. Box 50880<br>Midland, TX 79710 |                                              | 2. OGRID Number<br>14187      |
|                                                                                               |                                              | 3. API Number<br>30-025-51633 |
| 4. Property Code<br>39736                                                                     | 5. Property Name<br>LOCO DINERO 36 STATE COM | 6. Well No.<br>032H           |

**7. Surface Location**

|               |               |                 |              |              |                  |               |                   |               |               |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot<br>C | Section<br>36 | Township<br>21S | Range<br>33E | Lot Idn<br>C | Feet From<br>200 | N/S Line<br>N | Feet From<br>2330 | E/W Line<br>W | County<br>Lea |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|

**8. Proposed Bottom Hole Location**

|               |               |                 |              |              |                 |               |                   |               |               |
|---------------|---------------|-----------------|--------------|--------------|-----------------|---------------|-------------------|---------------|---------------|
| UL - Lot<br>N | Section<br>36 | Township<br>21S | Range<br>33E | Lot Idn<br>N | Feet From<br>40 | N/S Line<br>S | Feet From<br>2590 | E/W Line<br>W | County<br>Lea |
|---------------|---------------|-----------------|--------------|--------------|-----------------|---------------|-------------------|---------------|---------------|

**9. Pool Information**

|                                  |       |
|----------------------------------|-------|
| WC-025 G-06 S213326D;BONE SPRING | 97929 |
|----------------------------------|-------|

**Additional Well Information**

|                           |                             |                                        |                         |                                    |
|---------------------------|-----------------------------|----------------------------------------|-------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>OIL        | 13. Cable/Rotary                       | 14. Lease Type<br>State | 15. Ground Level Elevation<br>3661 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>16757 | 18. Formation<br>3rd Bone Spring Sand  | 19. Contractor          | 20. Spud Date<br>7/4/2023          |
| Depth to Ground water     |                             | Distance from nearest fresh water well |                         | Distance to nearest surface water  |

☒ We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5      | 13.375      | 54.5             | 1805          | 1550            | 0             |
| Int1 | 12.25     | 9.625       | 40               | 5305          | 1300            | 0             |
| Prod | 8.75      | 5.5         | 20               | 16757         | 2490            | 0             |

**Casing/Cement Program: Additional Comments**

|  |
|--|
|  |
|--|

**22. Proposed Blowout Prevention Program**

| Type       | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 5000             | 5000          | Cameron      |

|                                                                                                                                                                                                                                                                                                    |                                  |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. | <b>OIL CONSERVATION DIVISION</b> |                                 |
| Signature:                                                                                                                                                                                                                                                                                         |                                  |                                 |
| Printed Name: Electronically filed by Sherry Roberts                                                                                                                                                                                                                                               | Approved By: Paul F Kautz        |                                 |
| Title: Operations Secretary                                                                                                                                                                                                                                                                        | Title: Geologist                 |                                 |
| Email Address: sroberts@mar-win.com                                                                                                                                                                                                                                                                | Approved Date: 6/21/2023         | Expiration Date: 6/21/2025      |
| Date: 5/26/2023                                                                                                                                                                                                                                                                                    | Phone: 432-684-6373              | Conditions of Approval Attached |

Released to Imaging: 6/21/2023 7:50:16 AM

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

Form APD Conditions

Permit 341131

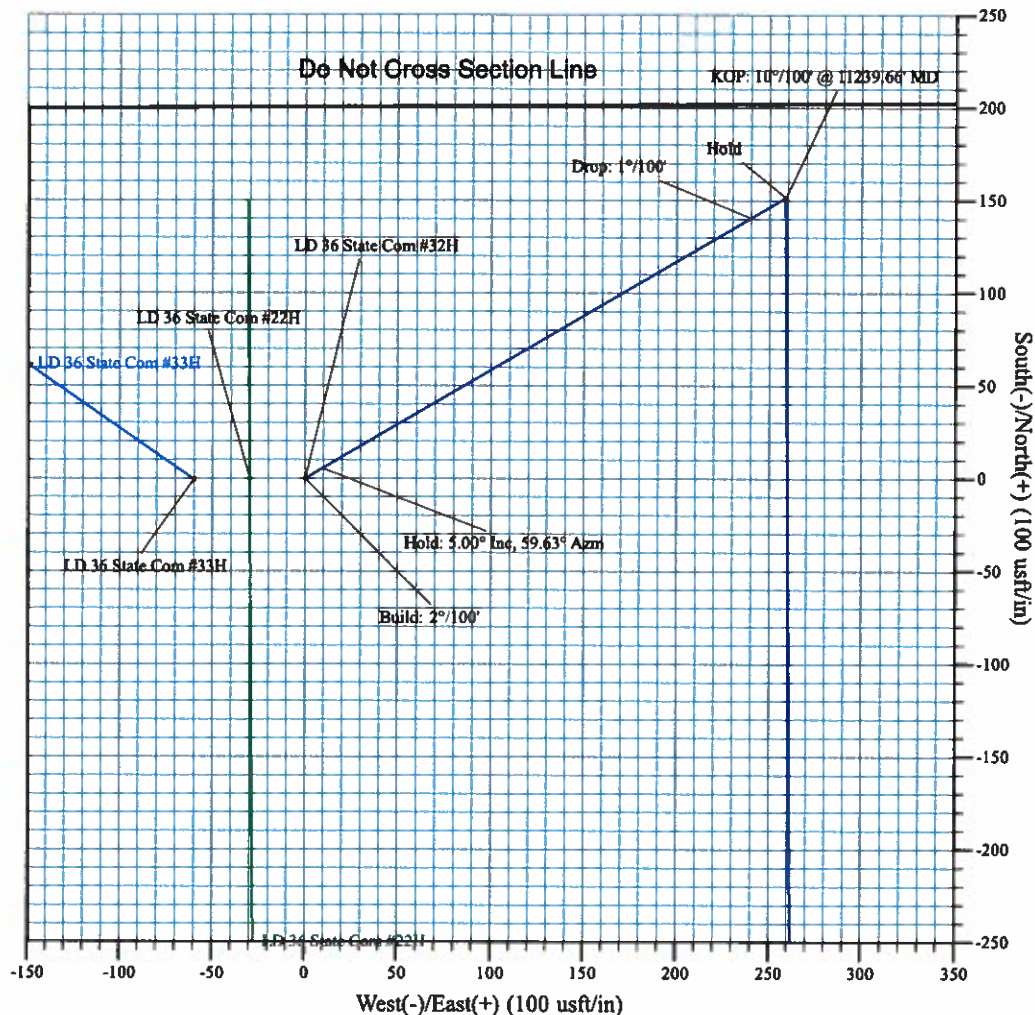
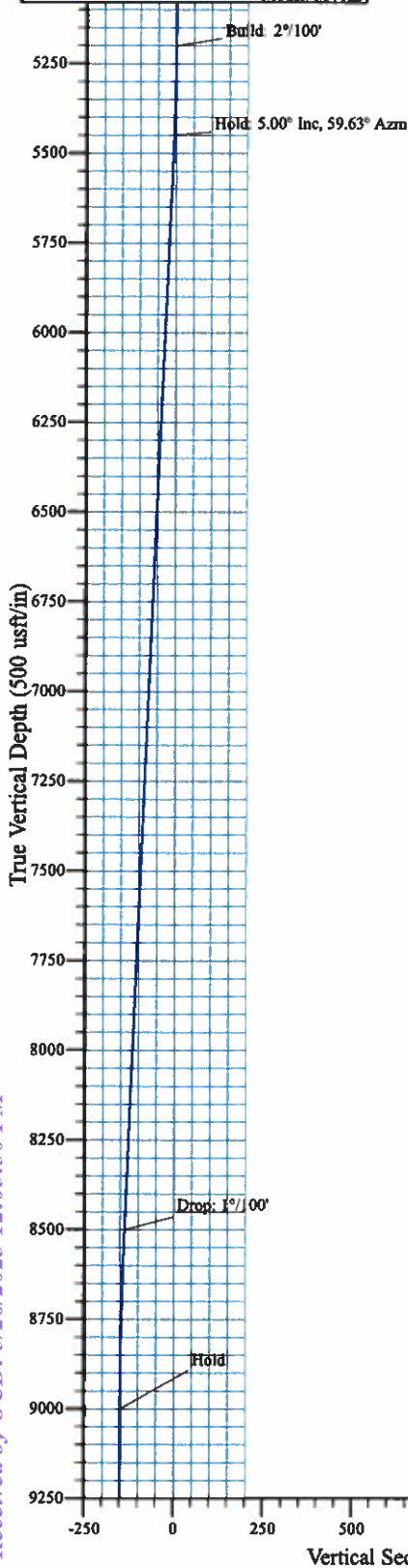
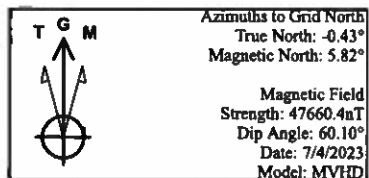
**PERMIT CONDITIONS OF APPROVAL**

|                            |                                                                       |             |                                |
|----------------------------|-----------------------------------------------------------------------|-------------|--------------------------------|
| Operator Name and Address: | MARSHALL & WINSTON INC [14187]<br>P.O. Box 50880<br>Midland, TX 79710 | API Number: | 30-025-51633                   |
|                            |                                                                       | Well:       | LOCO DINERO 36 STATE COM #032H |

| OCD<br>Reviewer | Condition                                                                                                                                                                                                                                                            |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| pkautz          | Notify OCD 24 hours prior to casing & cement                                                                                                                                                                                                                         |
| pkautz          | Will require a File As Drilled C-102 and a Directional Survey with the C-104                                                                                                                                                                                         |
| pkautz          | 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 |
| pkautz          | 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                  |
| pkautz          | CEMENT MUST CIRCULATE ON ALL STRINGS                                                                                                                                                                                                                                 |
| pkautz          | The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud                                                                                                                                                                   |

# Marshall & Winston, Inc.

Loco Dinero 36 State Com #32H  
Lea County, NM (NAD83 NME)  
Job No. WT-23-\*\*\*  
Lateral 1r0



## SECTION DETAILS

| Sec | MD       | Inc   | Azi    | TVD      | +N/-S    | +E/-W  | Dleg   | TFace  | VSect   | Annotation                                     |
|-----|----------|-------|--------|----------|----------|--------|--------|--------|---------|------------------------------------------------|
| 1   | 0.00     | 0.00  | 0.00   | 0.00     | 0.00     | 0.00   | 0.000  | 0.00   | 0.00    |                                                |
| 2   | 5200.00  | 0.00  | 0.00   | 5200.00  | 0.00     | 0.00   | 0.000  | 0.00   | 0.00    | Build: $2^\circ/100'$                          |
| 3   | 5450.18  | 5.00  | 59.63  | 5449.87  | 5.52     | 9.42   | 2.000  | 59.63  | -5.44   | Hold: $5.00^\circ$ Inc, $59.63^\circ$ Azm      |
| 4   | 8512.25  | 5.00  | 59.63  | 8500.27  | 140.55   | 239.84 | 0.000  | 0.00   | -138.62 | Drop: $1^\circ/100'$                           |
| 5   | 9012.62  | 0.00  | 0.00   | 9000.00  | 151.59   | 258.68 | 1.000  | 180.00 | -149.51 | Hold                                           |
| 6   | 11239.66 | 0.00  | 0.00   | 11227.04 | 151.59   | 258.68 | 0.000  | 0.00   | -149.51 | KOP: $10^\circ/100'$ @ 11239.66' MD            |
| 7   | 12139.66 | 90.00 | 179.54 | 11800.00 | -421.35  | 263.30 | 10.000 | 179.54 | 423.45  | LP/Hold: $90.00^\circ$ Inc, $179.54^\circ$ Azm |
| 8   | 16756.67 | 90.00 | 179.54 | 11800.00 | -5038.20 | 300.50 | 0.000  | 0.00   | 5040.45 | PBHL                                           |

## DESIGN TARGET DETAILS

| Name                                | TVD      | +N/-S    | +E/-W  | Northing  | Easting   | Latitude | Longitude  |
|-------------------------------------|----------|----------|--------|-----------|-----------|----------|------------|
| BHL - Loco Dinero 36 State Com #32H | 11800.00 | -5038.20 | 300.50 | 520419.80 | 790356.30 | 32.42811 | -103.52625 |
| FTP - Loco Dinero 36 State Com #32H | 11800.00 | -260.40  | 262.00 | 525197.60 | 790317.80 | 32.44125 | -103.52626 |
| LTP - Loco Dinero 36 State Com #32H | 11800.00 | -4978.20 | 300.00 | 520479.80 | 790355.80 | 32.42828 | -103.52625 |

## PROJECT DETAILS

Lea County, NM (NAD83 NME)

Geodetic System: US State Plane 1983  
Datum: North American Datum 1983  
Ellipsoid: GRS 1980  
Zone: New Mexico Eastern Zone

System Datum: Mean Sea Level

## SITE DETAILS

Loco Dinero 36 State Com #32H

Site Centre Northing: 525458.00  
Easting: 790055.80

Positional Uncertainty: 0.00  
Convergence: 0.43  
Local North: Grid



Loco Dinero 36 State Com #32H  
Lea County, NM (NAD83 NME)  
Job No. WT-23-\*\*\*  
Lateral 1r0

| SECTION DETAILS |          |       |        |          |          |        |        |        |         |
|-----------------|----------|-------|--------|----------|----------|--------|--------|--------|---------|
| Sec             | MD       | Inc   | Azi    | TVD      | +N/-S    | +E/-W  | Dleg   | VSect  | Target  |
| 1               | 0.00     | 0.00  | 0.00   | 0.00     | 0.00     | 0.00   | 0.00   | 0.00   | 0.00    |
| 2               | 5200.00  | 0.00  | 0.00   | 5200.00  | 0.00     | 0.00   | 0.00   | 0.00   | 0.00    |
| 3               | 5450.18  | 5.00  | 59.63  | 5449.87  | 5.52     | 9.42   | 2.000  | 59.63  | -5.44   |
| 4               | 8512.25  | 5.00  | 59.63  | 8500.27  | 140.55   | 239.84 | 0.000  | 0.00   | -138.62 |
| 5               | 9012.62  | 0.00  | 0.00   | 9000.00  | 151.59   | 258.68 | 1.000  | 180.00 | -149.51 |
| 6               | 11239.66 | 0.00  | 0.00   | 11227.04 | 151.59   | 258.68 | 0.000  | 0.00   | -149.51 |
| 7               | 12139.66 | 90.00 | 179.54 | 11800.00 | -421.35  | 263.30 | 10.000 | 179.54 | 423.45  |
| 8               | 16736.67 | 90.00 | 179.54 | 11800.00 | -5038.20 | 300.50 | 0.000  | 0.00   | 5040.45 |

| DESIGN TARGET DETAILS               |          |          |        |                               |
|-------------------------------------|----------|----------|--------|-------------------------------|
| Name                                | TVD      | +N/-S    | +E/-W  | Latitude Longitude            |
| BHL - Loco Dinero 36 State Com #32H | 11800.00 | -5038.20 | 300.50 | 520419.80 32.42811 -103.52625 |
| FTP - Loco Dinero 36 State Com #32H | 11800.00 | -260.40  | 262.00 | 525197.60 32.44125 -103.52626 |
| LTP - Loco Dinero 36 State Com #32H | 11800.00 | -4978.20 | 300.00 | 520479.80 32.42828 -103.52625 |

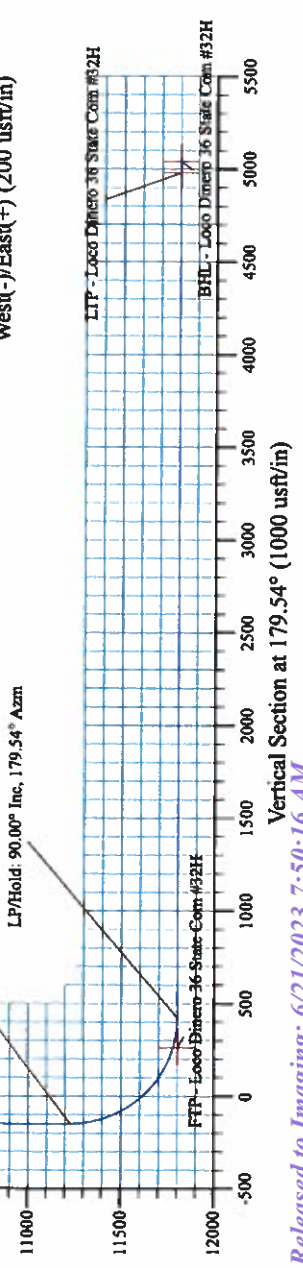
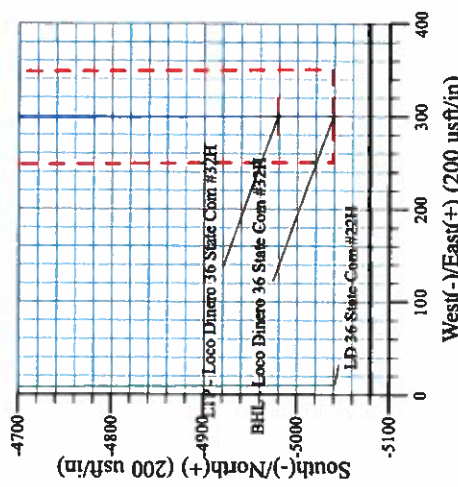
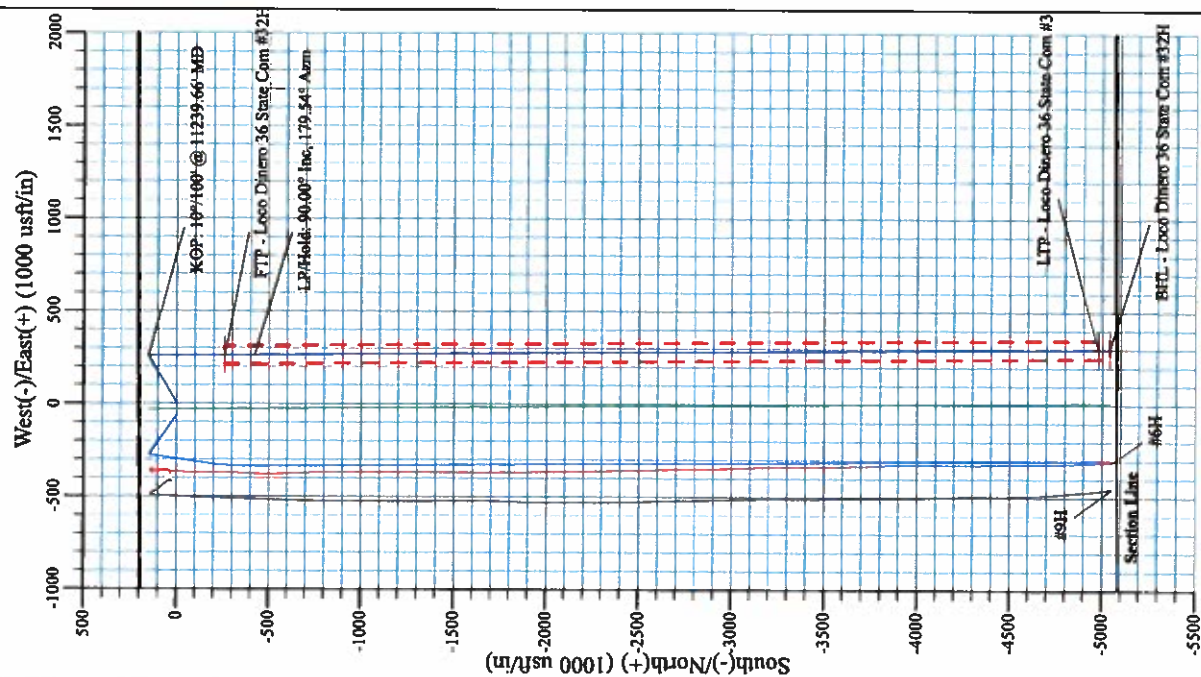
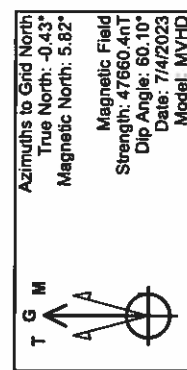
**PROJECT DETAILS:** Lea County, NM (NAD83 NME)

Geodetic System: US State Plane 1983  
Datum: North American Datum 1983  
Ellipsoid: GRS 1980  
Zone: New Mexico Eastern Zone  
System Datum: Mean Sea Level

**SITE DETAILS:** Loco Dinero 36 State Com #32H

Site Centre Northing: 525458.00  
Easting: 790055.80

Positional Uncertainty: 0.00  
Convergence: 0.43  
Local North: Grid



# **Marshall & Winston, Inc.**

**Lea County, NM (NAD83 NME)  
Loco Dinero 36 State Com #32H  
LD 36 State Com #32H**

**OH**

**Plan: Lateral 1r0**

## **Standard Planning Report**

**16 May, 2023**

## Aim Directional Services

### Planning Report

|                  |                               |                                     |                              |
|------------------|-------------------------------|-------------------------------------|------------------------------|
| <b>Database:</b> | EDM 5000.17-Aim-DB            | <b>Local Co-ordinate Reference:</b> | Well LD 36 State Com #32H    |
| <b>Company:</b>  | Marshall & Winston, Inc.      | <b>TVD Reference:</b>               | Well @ 3687.60usft (26.5'KB) |
| <b>Project:</b>  | Lea County, NM (NAD83 NME)    | <b>MD Reference:</b>                | Well @ 3687.60usft (26.5'KB) |
| <b>Site:</b>     | Loco Dinero 36 State Com #32H | <b>North Reference:</b>             | Grid                         |
| <b>Well:</b>     | LD 36 State Com #32H          | <b>Survey Calculation Method:</b>   | Minimum Curvature            |
| <b>Wellbore:</b> | OH                            |                                     |                              |
| <b>Design:</b>   | Lateral 1r0                   |                                     |                              |

|                    |                            |                      |                |
|--------------------|----------------------------|----------------------|----------------|
| <b>Project</b>     | Lea County, NM (NAD83 NME) |                      |                |
| <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>                  | Loco Dinero 36 State Com #32H |                     |                 |                              |
| <b>Site Position:</b>        |                               | <b>Northing:</b>    | 525,458.00 usft | <b>Latitude:</b> 32.44197    |
| <b>From:</b>                 | Map                           | <b>Easting:</b>     | 790,055.80 usft | <b>Longitude:</b> -103.52711 |
| <b>Position Uncertainty:</b> | 0.00 usft                     | <b>Slot Radius:</b> | 13-3/16 "       |                              |

|                             |                      |                            |                  |                                    |
|-----------------------------|----------------------|----------------------------|------------------|------------------------------------|
| <b>Well</b>                 | LD 36 State Com #32H |                            |                  |                                    |
| <b>Well Position</b>        | +N/-S                | 0.00 usft                  | <b>Northing:</b> | 525,458.00 usft                    |
|                             | +E/-W                | 0.00 usft                  | <b>Easting:</b>  | 790,055.80 usft                    |
| <b>Position Uncertainty</b> | 0.00 usft            | <b>Wellhead Elevation:</b> | usft             | <b>Ground Level:</b> 3,661.10 usft |
| <b>Grid Convergence:</b>    | 0.43 °               |                            |                  |                                    |

|                  |                   |                    |                        |                      |                            |
|------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|
| <b>Wellbore</b>  | OH                |                    |                        |                      |                            |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination (°)</b> | <b>Dip Angle (°)</b> | <b>Field Strength (nT)</b> |
|                  | MVHD              | 7/4/2023           | 6.25                   | 60.10                | 47,660.40372015            |

|                          |                                |                     |                      |                      |
|--------------------------|--------------------------------|---------------------|----------------------|----------------------|
| <b>Design</b>            | Lateral 1r0                    |                     |                      |                      |
| <b>Audit Notes:</b>      |                                |                     |                      |                      |
| <b>Version:</b>          | <b>Phase:</b>                  | PROTOTYPE           | <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                 | 179.54               |

|                                 |                        |                            |                  |                |
|---------------------------------|------------------------|----------------------------|------------------|----------------|
| <b>Plan Survey Tool Program</b> | <b>Date</b> 5/16/2023  |                            |                  |                |
| <b>Depth From (usft)</b>        | <b>Depth To (usft)</b> | <b>Survey (Wellbore)</b>   | <b>Tool Name</b> | <b>Remarks</b> |
| 1                               | 0.00                   | 16,756.67 Lateral 1r0 (OH) | MWD+HDGM         |                |
|                                 |                        |                            | OWSG MWD + HDGM  |                |

|                              |                        |                    |                              |                     |                     |                                |                               |                              |                |                     |
|------------------------------|------------------------|--------------------|------------------------------|---------------------|---------------------|--------------------------------|-------------------------------|------------------------------|----------------|---------------------|
| <b>Plan Sections</b>         |                        |                    |                              |                     |                     |                                |                               |                              |                |                     |
| <b>Measured Depth (usft)</b> | <b>Inclination (°)</b> | <b>Azimuth (°)</b> | <b>Vertical Depth (usft)</b> | <b>+N/-S (usft)</b> | <b>+E/-W (usft)</b> | <b>Dogleg Rate (°/100usft)</b> | <b>Build Rate (°/100usft)</b> | <b>Turn Rate (°/100usft)</b> | <b>TFO (°)</b> | <b>Target</b>       |
| 0.00                         | 0.00                   | 0.00               | 0.00                         | 0.00                | 0.00                | 0.000                          | 0.000                         | 0.000                        | 0.00           |                     |
| 5,200.00                     | 0.00                   | 0.00               | 5,200.00                     | 0.00                | 0.00                | 0.000                          | 0.000                         | 0.000                        | 0.00           |                     |
| 5,450.18                     | 5.00                   | 59.63              | 5,449.87                     | 5.52                | 9.42                | 2.000                          | 2.000                         | 0.000                        | 59.63          |                     |
| 8,512.25                     | 5.00                   | 59.63              | 8,500.27                     | 140.55              | 239.84              | 0.000                          | 0.000                         | 0.000                        | 0.00           |                     |
| 9,012.62                     | 0.00                   | 0.00               | 9,000.00                     | 151.59              | 258.68              | 1.000                          | -1.000                        | 0.000                        | 180.00         |                     |
| 11,239.66                    | 0.00                   | 0.00               | 11,227.04                    | 151.59              | 258.68              | 0.000                          | 0.000                         | 0.000                        | 0.00           |                     |
| 12,139.66                    | 90.00                  | 179.54             | 11,800.00                    | -421.35             | 263.30              | 10.000                         | 10.000                        | 19.949                       | 179.54         |                     |
| 16,756.67                    | 90.00                  | 179.54             | 11,800.00                    | -5,038.20           | 300.50              | 0.000                          | 0.000                         | 0.000                        | 0.00           | BHL - Loco Dinero : |

## Aim Directional Services Planning Report

|                  |                               |                                     |                              |
|------------------|-------------------------------|-------------------------------------|------------------------------|
| <b>Database:</b> | EDM 5000.17-Aim-DB            | <b>Local Co-ordinate Reference:</b> | Well LD 36 State Com #32H    |
| <b>Company:</b>  | Marshall & Winston, Inc.      | <b>TVD Reference:</b>               | Well @ 3687.60usft (26.5'KB) |
| <b>Project:</b>  | Lea County, NM (NAD83 NME)    | <b>MD Reference:</b>                | Well @ 3687.60usft (26.5'KB) |
| <b>Site:</b>     | Loco Dinero 36 State Com #32H | <b>North Reference:</b>             | Grid                         |
| <b>Well:</b>     | LD 36 State Com #32H          | <b>Survey Calculation Method:</b>   | Minimum Curvature            |
| <b>Wellbore:</b> | OH                            |                                     |                              |
| <b>Design:</b>   | Lateral 1r0                   |                                     |                              |

| 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                    | 0.000                   | 0.000                  | 0.000                 |
| 100.00                | 0.00            | 0.00        | 100.00                | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 200.00                | 0.00            | 0.00        | 200.00                | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 300.00                | 0.00            | 0.00        | 300.00                | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 400.00                | 0.00            | 0.00        | 400.00                | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 500.00                | 0.00            | 0.00        | 500.00                | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 600.00                | 0.00            | 0.00        | 600.00                | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 700.00                | 0.00            | 0.00        | 700.00                | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 800.00                | 0.00            | 0.00        | 800.00                | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 900.00                | 0.00            | 0.00        | 900.00                | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 1,000.00              | 0.00            | 0.00        | 1,000.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 1,100.00              | 0.00            | 0.00        | 1,100.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 1,200.00              | 0.00            | 0.00        | 1,200.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 1,300.00              | 0.00            | 0.00        | 1,300.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 1,400.00              | 0.00            | 0.00        | 1,400.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 1,500.00              | 0.00            | 0.00        | 1,500.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 1,600.00              | 0.00            | 0.00        | 1,600.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 1,700.00              | 0.00            | 0.00        | 1,700.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 1,800.00              | 0.00            | 0.00        | 1,800.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 1,900.00              | 0.00            | 0.00        | 1,900.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 2,000.00              | 0.00            | 0.00        | 2,000.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 2,100.00              | 0.00            | 0.00        | 2,100.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 2,200.00              | 0.00            | 0.00        | 2,200.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 2,300.00              | 0.00            | 0.00        | 2,300.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 2,400.00              | 0.00            | 0.00        | 2,400.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 2,500.00              | 0.00            | 0.00        | 2,500.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 2,600.00              | 0.00            | 0.00        | 2,600.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 2,700.00              | 0.00            | 0.00        | 2,700.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 2,800.00              | 0.00            | 0.00        | 2,800.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 2,900.00              | 0.00            | 0.00        | 2,900.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 3,000.00              | 0.00            | 0.00        | 3,000.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 3,100.00              | 0.00            | 0.00        | 3,100.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 3,200.00              | 0.00            | 0.00        | 3,200.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 3,300.00              | 0.00            | 0.00        | 3,300.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 3,400.00              | 0.00            | 0.00        | 3,400.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 3,500.00              | 0.00            | 0.00        | 3,500.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 3,600.00              | 0.00            | 0.00        | 3,600.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 3,700.00              | 0.00            | 0.00        | 3,700.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 3,800.00              | 0.00            | 0.00        | 3,800.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 3,900.00              | 0.00            | 0.00        | 3,900.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 4,000.00              | 0.00            | 0.00        | 4,000.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 4,100.00              | 0.00            | 0.00        | 4,100.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 4,200.00              | 0.00            | 0.00        | 4,200.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 4,300.00              | 0.00            | 0.00        | 4,300.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 4,400.00              | 0.00            | 0.00        | 4,400.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 4,500.00              | 0.00            | 0.00        | 4,500.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 4,600.00              | 0.00            | 0.00        | 4,600.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 4,700.00              | 0.00            | 0.00        | 4,700.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 4,800.00              | 0.00            | 0.00        | 4,800.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 4,900.00              | 0.00            | 0.00        | 4,900.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 5,000.00              | 0.00            | 0.00        | 5,000.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 5,100.00              | 0.00            | 0.00        | 5,100.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| 5,200.00              | 0.00            | 0.00        | 5,200.00              | 0.00         | 0.00         | 0.00                    | 0.000                   | 0.000                  | 0.000                 |
| Build: 2°/100'        |                 |             |                       |              |              |                         |                         |                        |                       |

### Aim Directional Services Planning Report

|           |                               |                              |                              |
|-----------|-------------------------------|------------------------------|------------------------------|
| Database: | EDM 5000.17-Aim-DB            | Local Co-ordinate Reference: | Well LD 36 State Com #32H    |
| Company:  | Marshall & Winston, Inc.      | TVD Reference:               | Well @ 3687.60usft (26.5'KB) |
| Project:  | Lea County, NM (NAD83 NME)    | MD Reference:                | Well @ 3687.60usft (26.5'KB) |
| Site:     | Loco Dinero 36 State Com #32H | North Reference:             | Grid                         |
| Well:     | LD 36 State Com #32H          | Survey Calculation Method:   | Minimum Curvature            |
| Wellbore: | OH                            |                              |                              |
| Design:   | Lateral 1r0                   |                              |                              |

| 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) |
| 5,300.00                    | 2.00            | 59.63       | 5,299.98              | 0.88         | 1.51         | -0.87                   | 2.000                   | 2.000                  | 0.000                 |
| 5,400.00                    | 4.00            | 59.63       | 5,399.84              | 3.53         | 6.02         | -3.48                   | 2.000                   | 2.000                  | 0.000                 |
| 5,450.18                    | 5.00            | 59.63       | 5,449.86              | 5.52         | 9.42         | -5.44                   | 2.000                   | 2.000                  | 0.000                 |
| Hold: 5.00° Inc, 59.63° Azm |                 |             |                       |              |              |                         |                         |                        |                       |
| 5,500.00                    | 5.00            | 59.63       | 5,499.49              | 7.72         | 13.17        | -7.61                   | 0.000                   | 0.000                  | 0.000                 |
| 5,600.00                    | 5.00            | 59.63       | 5,599.11              | 12.13        | 20.69        | -11.96                  | 0.000                   | 0.000                  | 0.000                 |
| 5,700.00                    | 5.00            | 59.63       | 5,698.73              | 16.54        | 28.22        | -16.31                  | 0.000                   | 0.000                  | 0.000                 |
| 5,800.00                    | 5.00            | 59.63       | 5,798.35              | 20.95        | 35.74        | -20.66                  | 0.000                   | 0.000                  | 0.000                 |
| 5,900.00                    | 5.00            | 59.63       | 5,897.97              | 25.36        | 43.27        | -25.01                  | 0.000                   | 0.000                  | 0.000                 |
| 6,000.00                    | 5.00            | 59.63       | 5,997.59              | 29.77        | 50.79        | -29.36                  | 0.000                   | 0.000                  | 0.000                 |
| 6,100.00                    | 5.00            | 59.63       | 6,097.21              | 34.18        | 58.32        | -33.71                  | 0.000                   | 0.000                  | 0.000                 |
| 6,200.00                    | 5.00            | 59.63       | 6,196.82              | 38.59        | 65.84        | -38.06                  | 0.000                   | 0.000                  | 0.000                 |
| 6,300.00                    | 5.00            | 59.63       | 6,296.44              | 43.00        | 73.37        | -42.40                  | 0.000                   | 0.000                  | 0.000                 |
| 6,400.00                    | 5.00            | 59.63       | 6,396.06              | 47.41        | 80.89        | -46.75                  | 0.000                   | 0.000                  | 0.000                 |
| 6,500.00                    | 5.00            | 59.63       | 6,495.68              | 51.81        | 88.42        | -51.10                  | 0.000                   | 0.000                  | 0.000                 |
| 6,600.00                    | 5.00            | 59.63       | 6,595.30              | 56.22        | 95.94        | -55.45                  | 0.000                   | 0.000                  | 0.000                 |
| 6,700.00                    | 5.00            | 59.63       | 6,694.92              | 60.63        | 103.47       | -59.80                  | 0.000                   | 0.000                  | 0.000                 |
| 6,800.00                    | 5.00            | 59.63       | 6,794.54              | 65.04        | 110.99       | -64.15                  | 0.000                   | 0.000                  | 0.000                 |
| 6,900.00                    | 5.00            | 59.63       | 6,894.16              | 69.45        | 118.52       | -68.50                  | 0.000                   | 0.000                  | 0.000                 |
| 7,000.00                    | 5.00            | 59.63       | 6,993.78              | 73.86        | 126.04       | -72.85                  | 0.000                   | 0.000                  | 0.000                 |
| 7,100.00                    | 5.00            | 59.63       | 7,093.39              | 78.27        | 133.57       | -77.20                  | 0.000                   | 0.000                  | 0.000                 |
| 7,200.00                    | 5.00            | 59.63       | 7,193.01              | 82.68        | 141.09       | -81.55                  | 0.000                   | 0.000                  | 0.000                 |
| 7,300.00                    | 5.00            | 59.63       | 7,292.63              | 87.09        | 148.62       | -85.90                  | 0.000                   | 0.000                  | 0.000                 |
| 7,400.00                    | 5.00            | 59.63       | 7,392.25              | 91.50        | 156.14       | -90.25                  | 0.000                   | 0.000                  | 0.000                 |
| 7,500.00                    | 5.00            | 59.63       | 7,491.87              | 95.91        | 163.67       | -94.60                  | 0.000                   | 0.000                  | 0.000                 |
| 7,600.00                    | 5.00            | 59.63       | 7,591.49              | 100.32       | 171.19       | -98.95                  | 0.000                   | 0.000                  | 0.000                 |
| 7,700.00                    | 5.00            | 59.63       | 7,691.11              | 104.73       | 178.72       | -103.29                 | 0.000                   | 0.000                  | 0.000                 |
| 7,800.00                    | 5.00            | 59.63       | 7,790.73              | 109.14       | 186.24       | -107.64                 | 0.000                   | 0.000                  | 0.000                 |
| 7,900.00                    | 5.00            | 59.63       | 7,890.35              | 113.55       | 193.77       | -111.99                 | 0.000                   | 0.000                  | 0.000                 |
| 8,000.00                    | 5.00            | 59.63       | 7,989.97              | 117.96       | 201.29       | -116.34                 | 0.000                   | 0.000                  | 0.000                 |
| 8,100.00                    | 5.00            | 59.63       | 8,089.58              | 122.37       | 208.82       | -120.69                 | 0.000                   | 0.000                  | 0.000                 |
| 8,200.00                    | 5.00            | 59.63       | 8,189.20              | 126.78       | 216.34       | -125.04                 | 0.000                   | 0.000                  | 0.000                 |
| 8,300.00                    | 5.00            | 59.63       | 8,288.82              | 131.19       | 223.87       | -129.39                 | 0.000                   | 0.000                  | 0.000                 |
| 8,400.00                    | 5.00            | 59.63       | 8,388.44              | 135.60       | 231.39       | -133.74                 | 0.000                   | 0.000                  | 0.000                 |
| 8,500.00                    | 5.00            | 59.63       | 8,488.06              | 140.01       | 238.92       | -138.09                 | 0.000                   | 0.000                  | 0.000                 |
| 8,512.25                    | 5.00            | 59.63       | 8,500.26              | 140.55       | 239.84       | -138.62                 | 0.000                   | 0.000                  | 0.000                 |
| Drop: 1°/100'               |                 |             |                       |              |              |                         |                         |                        |                       |
| 8,600.00                    | 4.13            | 59.63       | 8,587.73              | 144.08       | 245.87       | -142.10                 | 1.000                   | -1.000                 | 0.000                 |
| 8,700.00                    | 3.13            | 59.63       | 8,687.53              | 147.28       | 251.32       | -145.26                 | 1.000                   | -1.000                 | 0.000                 |
| 8,800.00                    | 2.13            | 59.63       | 8,787.43              | 149.60       | 255.28       | -147.54                 | 1.000                   | -1.000                 | 0.000                 |
| 8,900.00                    | 1.13            | 59.63       | 8,887.38              | 151.03       | 257.73       | -148.96                 | 1.000                   | -1.000                 | 0.000                 |
| 9,000.00                    | 0.13            | 59.63       | 8,987.38              | 151.58       | 258.67       | -149.50                 | 1.000                   | -1.000                 | 0.000                 |
| 9,012.62                    | 0.00            | 0.00        | 9,000.00              | 151.59       | 258.68       | -149.51                 | 1.000                   | -1.000                 | -472.495              |
| Hold                        |                 |             |                       |              |              |                         |                         |                        |                       |
| 9,100.00                    | 0.00            | 0.00        | 9,087.38              | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 9,200.00                    | 0.00            | 0.00        | 9,187.38              | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 9,300.00                    | 0.00            | 0.00        | 9,287.38              | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 9,400.00                    | 0.00            | 0.00        | 9,387.38              | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 9,500.00                    | 0.00            | 0.00        | 9,487.38              | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 9,600.00                    | 0.00            | 0.00        | 9,587.38              | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 9,700.00                    | 0.00            | 0.00        | 9,687.38              | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 9,800.00                    | 0.00            | 0.00        | 9,787.38              | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 9,900.00                    | 0.00            | 0.00        | 9,887.38              | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |

## Aim Directional Services

### Planning Report

|                  |                               |                                     |                              |
|------------------|-------------------------------|-------------------------------------|------------------------------|
| <b>Database:</b> | EDM 5000.17-Aim-DB            | <b>Local Co-ordinate Reference:</b> | Well LD 36 State Com #32H    |
| <b>Company:</b>  | Marshall & Winston, Inc.      | <b>TVD Reference:</b>               | Well @ 3687.60usft (26.5'KB) |
| <b>Project:</b>  | Lea County, NM (NAD83 NME)    | <b>MD Reference:</b>                | Well @ 3687.60usft (26.5'KB) |
| <b>Site:</b>     | Loco Dinero 36 State Com #32H | <b>North Reference:</b>             | Grid                         |
| <b>Well:</b>     | LD 36 State Com #32H          | <b>Survey Calculation Method:</b>   | Minimum Curvature            |
| <b>Wellbore:</b> | OH                            |                                     |                              |
| <b>Design:</b>   | Lateral 1r0                   |                                     |                              |

| Planned Survey                          |                 |             |                       |              |              |                         |                         |                        |                       |
|-----------------------------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft)                   | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 10,000.00                               | 0.00            | 0.00        | 9,987.38              | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 10,100.00                               | 0.00            | 0.00        | 10,087.38             | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 10,200.00                               | 0.00            | 0.00        | 10,187.38             | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 10,300.00                               | 0.00            | 0.00        | 10,287.38             | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 10,400.00                               | 0.00            | 0.00        | 10,387.38             | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 10,500.00                               | 0.00            | 0.00        | 10,487.38             | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 10,600.00                               | 0.00            | 0.00        | 10,587.38             | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 10,700.00                               | 0.00            | 0.00        | 10,687.38             | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 10,800.00                               | 0.00            | 0.00        | 10,787.38             | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 10,900.00                               | 0.00            | 0.00        | 10,887.38             | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 11,000.00                               | 0.00            | 0.00        | 10,987.38             | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 11,100.00                               | 0.00            | 0.00        | 11,087.38             | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 11,200.00                               | 0.00            | 0.00        | 11,187.38             | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| 11,239.66                               | 0.00            | 0.00        | 11,227.04             | 151.59       | 258.68       | -149.51                 | 0.000                   | 0.000                  | 0.000                 |
| <b>KOP: 10°/100' @ 11239.66' MD</b>     |                 |             |                       |              |              |                         |                         |                        |                       |
| 11,250.00                               | 1.03            | 179.54      | 11,237.38             | 151.50       | 258.68       | -149.42                 | 9.997                   | 9.997                  | 0.000                 |
| 11,300.00                               | 6.03            | 179.54      | 11,287.27             | 148.42       | 258.71       | -146.34                 | 10.000                  | 10.000                 | 0.000                 |
| 11,350.00                               | 11.03           | 179.54      | 11,336.70             | 141.00       | 258.77       | -138.92                 | 10.000                  | 10.000                 | 0.000                 |
| 11,400.00                               | 16.03           | 179.54      | 11,385.29             | 129.30       | 258.86       | -127.22                 | 10.000                  | 10.000                 | 0.000                 |
| 11,450.00                               | 21.03           | 179.54      | 11,432.68             | 113.42       | 258.99       | -111.33                 | 10.000                  | 10.000                 | 0.000                 |
| 11,500.00                               | 26.03           | 179.54      | 11,478.51             | 93.46        | 259.15       | -91.38                  | 10.000                  | 10.000                 | 0.000                 |
| 11,550.00                               | 31.03           | 179.54      | 11,522.42             | 69.58        | 259.34       | -67.50                  | 10.000                  | 10.000                 | 0.000                 |
| 11,600.00                               | 36.03           | 179.54      | 11,564.09             | 41.97        | 259.56       | -39.89                  | 10.000                  | 10.000                 | 0.000                 |
| 11,650.00                               | 41.03           | 179.54      | 11,603.19             | 10.83        | 259.81       | -8.75                   | 10.000                  | 10.000                 | 0.000                 |
| 11,700.00                               | 46.03           | 179.54      | 11,639.43             | -23.59       | 260.09       | 25.68                   | 10.000                  | 10.000                 | 0.000                 |
| 11,750.00                               | 51.03           | 179.54      | 11,672.52             | -61.05       | 260.39       | 63.14                   | 10.000                  | 10.000                 | 0.000                 |
| 11,800.00                               | 56.03           | 179.54      | 11,702.23             | -101.24      | 260.72       | 103.33                  | 10.000                  | 10.000                 | 0.000                 |
| 11,850.00                               | 61.03           | 179.54      | 11,728.32             | -143.88      | 261.06       | 145.97                  | 10.000                  | 10.000                 | 0.000                 |
| 11,900.00                               | 66.03           | 179.54      | 11,750.60             | -188.62      | 261.42       | 190.71                  | 10.000                  | 10.000                 | 0.000                 |
| 11,950.00                               | 71.03           | 179.54      | 11,768.89             | -235.14      | 261.80       | 237.23                  | 10.000                  | 10.000                 | 0.000                 |
| 12,000.00                               | 76.03           | 179.54      | 11,783.06             | -283.07      | 262.18       | 285.16                  | 10.000                  | 10.000                 | 0.000                 |
| 12,050.00                               | 81.03           | 179.54      | 11,793.00             | -332.05      | 262.58       | 334.15                  | 10.000                  | 10.000                 | 0.000                 |
| 12,100.00                               | 86.03           | 179.54      | 11,798.63             | -381.72      | 262.98       | 383.82                  | 10.000                  | 10.000                 | 0.000                 |
| 12,139.66                               | 90.00           | 179.54      | 11,800.00             | -421.34      | 263.30       | 423.45                  | 10.000                  | 10.000                 | 0.000                 |
| <b>LP/Hold: 90.00° Inc, 179.54° Azm</b> |                 |             |                       |              |              |                         |                         |                        |                       |
| 12,200.00                               | 90.00           | 179.54      | 11,800.00             | -481.68      | 263.78       | 483.79                  | 0.000                   | 0.000                  | 0.000                 |
| 12,300.00                               | 90.00           | 179.54      | 11,800.00             | -581.68      | 264.59       | 583.79                  | 0.000                   | 0.000                  | 0.000                 |
| 12,400.00                               | 90.00           | 179.54      | 11,800.00             | -681.68      | 265.39       | 683.79                  | 0.000                   | 0.000                  | 0.000                 |
| 12,500.00                               | 90.00           | 179.54      | 11,800.00             | -781.67      | 266.20       | 783.79                  | 0.000                   | 0.000                  | 0.000                 |
| 12,600.00                               | 90.00           | 179.54      | 11,800.00             | -881.67      | 267.01       | 883.79                  | 0.000                   | 0.000                  | 0.000                 |
| 12,700.00                               | 90.00           | 179.54      | 11,800.00             | -981.67      | 267.81       | 983.79                  | 0.000                   | 0.000                  | 0.000                 |
| 12,800.00                               | 90.00           | 179.54      | 11,800.00             | -1,081.66    | 268.62       | 1,083.79                | 0.000                   | 0.000                  | 0.000                 |
| 12,900.00                               | 90.00           | 179.54      | 11,800.00             | -1,181.66    | 269.42       | 1,183.79                | 0.000                   | 0.000                  | 0.000                 |
| 13,000.00                               | 90.00           | 179.54      | 11,800.00             | -1,281.66    | 270.23       | 1,283.79                | 0.000                   | 0.000                  | 0.000                 |
| 13,100.00                               | 90.00           | 179.54      | 11,800.00             | -1,381.65    | 271.04       | 1,383.79                | 0.000                   | 0.000                  | 0.000                 |
| 13,200.00                               | 90.00           | 179.54      | 11,800.00             | -1,481.65    | 271.84       | 1,483.79                | 0.000                   | 0.000                  | 0.000                 |
| 13,300.00                               | 90.00           | 179.54      | 11,800.00             | -1,581.65    | 272.65       | 1,583.79                | 0.000                   | 0.000                  | 0.000                 |
| 13,400.00                               | 90.00           | 179.54      | 11,800.00             | -1,681.64    | 273.45       | 1,683.79                | 0.000                   | 0.000                  | 0.000                 |
| 13,500.00                               | 90.00           | 179.54      | 11,800.00             | -1,781.64    | 274.26       | 1,783.79                | 0.000                   | 0.000                  | 0.000                 |
| 13,600.00                               | 90.00           | 179.54      | 11,800.00             | -1,881.64    | 275.06       | 1,883.79                | 0.000                   | 0.000                  | 0.000                 |
| 13,700.00                               | 90.00           | 179.54      | 11,800.00             | -1,981.63    | 275.87       | 1,983.79                | 0.000                   | 0.000                  | 0.000                 |
| 13,800.00                               | 90.00           | 179.54      | 11,800.00             | -2,081.63    | 276.68       | 2,083.79                | 0.000                   | 0.000                  | 0.000                 |
| 13,900.00                               | 90.00           | 179.54      | 11,800.00             | -2,181.63    | 277.48       | 2,183.79                | 0.000                   | 0.000                  | 0.000                 |
| 14,000.00                               | 90.00           | 179.54      | 11,800.00             | -2,281.62    | 278.29       | 2,283.79                | 0.000                   | 0.000                  | 0.000                 |

## Aim Directional Services

### Planning Report

|                  |                               |                                     |                              |
|------------------|-------------------------------|-------------------------------------|------------------------------|
| <b>Database:</b> | EDM 5000.17-Aim-DB            | <b>Local Co-ordinate Reference:</b> | Well LD 36 State Com #32H    |
| <b>Company:</b>  | Marshall & Winston, Inc.      | <b>TVD Reference:</b>               | Well @ 3687.60usft (26.5'KB) |
| <b>Project:</b>  | Lea County, NM (NAD83 NME)    | <b>MD Reference:</b>                | Well @ 3687.60usft (26.5'KB) |
| <b>Site:</b>     | Loco Dinero 36 State Com #32H | <b>North Reference:</b>             | Grid                         |
| <b>Well:</b>     | LD 36 State Com #32H          | <b>Survey Calculation Method:</b>   | Minimum Curvature            |
| <b>Wellbore:</b> | OH                            |                                     |                              |
| <b>Design:</b>   | Lateral 1r0                   |                                     |                              |

| 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) |
| 14,100.00             | 90.00           | 179.54      | 11,800.00             | -2,381.62    | 279.09       | 2,383.79                | 0.000                   | 0.000                  | 0.000                 |
| 14,200.00             | 90.00           | 179.54      | 11,800.00             | -2,481.62    | 279.90       | 2,483.79                | 0.000                   | 0.000                  | 0.000                 |
| 14,300.00             | 90.00           | 179.54      | 11,800.00             | -2,581.61    | 280.70       | 2,583.79                | 0.000                   | 0.000                  | 0.000                 |
| 14,400.00             | 90.00           | 179.54      | 11,800.00             | -2,681.61    | 281.51       | 2,683.79                | 0.000                   | 0.000                  | 0.000                 |
| 14,500.00             | 90.00           | 179.54      | 11,800.00             | -2,781.61    | 282.32       | 2,783.79                | 0.000                   | 0.000                  | 0.000                 |
| 14,600.00             | 90.00           | 179.54      | 11,800.00             | -2,881.60    | 283.12       | 2,883.79                | 0.000                   | 0.000                  | 0.000                 |
| 14,700.00             | 90.00           | 179.54      | 11,800.00             | -2,981.60    | 283.93       | 2,983.79                | 0.000                   | 0.000                  | 0.000                 |
| 14,800.00             | 90.00           | 179.54      | 11,800.00             | -3,081.60    | 284.73       | 3,083.79                | 0.000                   | 0.000                  | 0.000                 |
| 14,900.00             | 90.00           | 179.54      | 11,800.00             | -3,181.60    | 285.54       | 3,183.79                | 0.000                   | 0.000                  | 0.000                 |
| 15,000.00             | 90.00           | 179.54      | 11,800.00             | -3,281.59    | 286.35       | 3,283.79                | 0.000                   | 0.000                  | 0.000                 |
| 15,100.00             | 90.00           | 179.54      | 11,800.00             | -3,381.59    | 287.15       | 3,383.79                | 0.000                   | 0.000                  | 0.000                 |
| 15,200.00             | 90.00           | 179.54      | 11,800.00             | -3,481.59    | 287.96       | 3,483.79                | 0.000                   | 0.000                  | 0.000                 |
| 15,300.00             | 90.00           | 179.54      | 11,800.00             | -3,581.58    | 288.76       | 3,583.79                | 0.000                   | 0.000                  | 0.000                 |
| 15,400.00             | 90.00           | 179.54      | 11,800.00             | -3,681.58    | 289.57       | 3,683.79                | 0.000                   | 0.000                  | 0.000                 |
| 15,500.00             | 90.00           | 179.54      | 11,800.00             | -3,781.58    | 290.37       | 3,783.79                | 0.000                   | 0.000                  | 0.000                 |
| 15,600.00             | 90.00           | 179.54      | 11,800.00             | -3,881.57    | 291.18       | 3,883.79                | 0.000                   | 0.000                  | 0.000                 |
| 15,700.00             | 90.00           | 179.54      | 11,800.00             | -3,981.57    | 291.99       | 3,983.79                | 0.000                   | 0.000                  | 0.000                 |
| 15,800.00             | 90.00           | 179.54      | 11,800.00             | -4,081.57    | 292.79       | 4,083.79                | 0.000                   | 0.000                  | 0.000                 |
| 15,900.00             | 90.00           | 179.54      | 11,800.00             | -4,181.56    | 293.60       | 4,183.79                | 0.000                   | 0.000                  | 0.000                 |
| 16,000.00             | 90.00           | 179.54      | 11,800.00             | -4,281.56    | 294.40       | 4,283.79                | 0.000                   | 0.000                  | 0.000                 |
| 16,100.00             | 90.00           | 179.54      | 11,800.00             | -4,381.56    | 295.21       | 4,383.79                | 0.000                   | 0.000                  | 0.000                 |
| 16,200.00             | 90.00           | 179.54      | 11,800.00             | -4,481.55    | 296.01       | 4,483.79                | 0.000                   | 0.000                  | 0.000                 |
| 16,300.00             | 90.00           | 179.54      | 11,800.00             | -4,581.55    | 296.82       | 4,583.79                | 0.000                   | 0.000                  | 0.000                 |
| 16,400.00             | 90.00           | 179.54      | 11,800.00             | -4,681.55    | 297.63       | 4,683.79                | 0.000                   | 0.000                  | 0.000                 |
| 16,500.00             | 90.00           | 179.54      | 11,800.00             | -4,781.54    | 298.43       | 4,783.79                | 0.000                   | 0.000                  | 0.000                 |
| 16,600.00             | 90.00           | 179.54      | 11,800.00             | -4,881.54    | 299.24       | 4,883.79                | 0.000                   | 0.000                  | 0.000                 |
| 16,700.00             | 90.00           | 179.54      | 11,800.00             | -4,981.54    | 300.04       | 4,983.79                | 0.000                   | 0.000                  | 0.000                 |
| 16,756.67             | 90.00           | 179.54      | 11,800.00             | -5,038.20    | 300.50       | 5,040.45                | 0.000                   | 0.000                  | 0.000                 |
| PBHL                  |                 |             |                       |              |              |                         |                         |                        |                       |

| Design Targets                                                                                                                     |               |              |            |              |              |                 |                |          |            |
|------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------|------------|--------------|--------------|-----------------|----------------|----------|------------|
| Target Name                                                                                                                        | Dip Angle (°) | Dip Dir. (°) | TVD (usft) | +N/-S (usft) | +E/-W (usft) | Northing (usft) | Easting (usft) | Latitude | Longitude  |
| FTP - Loco Dinero 36<br>- hit/miss target<br>- Shape<br>- Point                                                                    | 0.00          | 0.00         | 11,800.00  | -260.40      | 262.00       | 525,197.60      | 790,317.80     | 32.44125 | -103.52627 |
| - plan misses target center by 22.18usft at 11983.06usft MD (11778.73 TVD, -266.69 N, 262.05 E)                                    |               |              |            |              |              |                 |                |          |            |
| LTP - Loco Dinero 36<br>- plan misses target center by 0.02usft at 16696.66usft MD (11800.00 TVD, -4978.20 N, 300.02 E)<br>- Point | 0.00          | 0.00         | 11,800.00  | -4,978.20    | 300.00       | 520,479.80      | 790,355.80     | 32.42828 | -103.52626 |
| BHL - Loco Dinero 36<br>- plan hits target center<br>- Point                                                                       | 0.00          | 0.00         | 11,800.00  | -5,038.20    | 300.50       | 520,419.80      | 790,356.30     | 32.42812 | -103.52626 |

## Aim Directional Services

### Planning Report

|                  |                               |                                     |                              |
|------------------|-------------------------------|-------------------------------------|------------------------------|
| <b>Database:</b> | EDM 5000.17-Aim-DB            | <b>Local Co-ordinate Reference:</b> | Well LD 36 State Com #32H    |
| <b>Company:</b>  | Marshall & Winston, Inc.      | <b>TVD Reference:</b>               | Well @ 3687.60usft (26.5'KB) |
| <b>Project:</b>  | Lea County, NM (NAD83 NME)    | <b>MD Reference:</b>                | Well @ 3687.60usft (26.5'KB) |
| <b>Site:</b>     | Loco Dinero 36 State Com #32H | <b>North Reference:</b>             | Grid                         |
| <b>Well:</b>     | LD 36 State Com #32H          | <b>Survey Calculation Method:</b>   | Minimum Curvature            |
| <b>Wellbore:</b> | OH                            |                                     |                              |
| <b>Design:</b>   | Lateral 1r0                   |                                     |                              |

| Plan Annotations      |                       |                   |              |                                  |
|-----------------------|-----------------------|-------------------|--------------|----------------------------------|
| Measured Depth (usft) | Vertical Depth (usft) | Local Coordinates |              | Comment                          |
|                       |                       | +N/-S (usft)      | +E/-W (usft) |                                  |
| 5,200.00              | 5,200.00              | 0.00              | 0.00         | Build: 2"/100'                   |
| 5,450.18              | 5,449.86              | 5.52              | 9.42         | Hold: 5.00° Inc, 59.63° Azm      |
| 8,512.25              | 8,500.26              | 140.55            | 239.84       | Drop: 1"/100'                    |
| 9,012.62              | 9,000.00              | 151.59            | 258.68       | Hold                             |
| 11,239.66             | 11,227.04             | 151.59            | 258.68       | KOP: 10"/100' @ 11239.66' MD     |
| 12,139.66             | 11,800.00             | -421.34           | 263.30       | LP/Hold: 90.00° Inc, 179.54° Azm |
| 16,756.67             | 11,800.00             | -5,038.20         | 300.50       | PBHL                             |

**Intent As Drilled**

|                                               |                                            |                    |
|-----------------------------------------------|--------------------------------------------|--------------------|
| API #                                         |                                            |                    |
| Operator Name:<br>MARSHALL &<br>WINSTON, INC. | Property Name:<br>LOCO DINERO 36 STATE COM | Well Number<br>32H |

**Kick Off Point (KOP)**

|                      |               |                  |               |     |                         |                   |                 |                   |               |
|----------------------|---------------|------------------|---------------|-----|-------------------------|-------------------|-----------------|-------------------|---------------|
| UL<br>C              | Section<br>36 | Township<br>21-S | Range<br>33-E | Lot | Feet<br>50              | From N/S<br>NORTH | Feet<br>2589.81 | From E/W<br>WEST  | County<br>LEA |
| Latitude<br>32.44238 |               |                  |               |     | Longitude<br>-103.52627 |                   |                 | NAD<br>NAD 83 NME |               |

**First Take Point (FTP)**

|                      |               |                  |               |     |                             |                   |              |                   |               |
|----------------------|---------------|------------------|---------------|-----|-----------------------------|-------------------|--------------|-------------------|---------------|
| UL<br>C              | Section<br>36 | Township<br>21-S | Range<br>33-E | Lot | Feet<br>462                 | From N/S<br>NORTH | Feet<br>2590 | From E/W<br>WEST  | County<br>LEA |
| Latitude<br>32.44125 |               |                  |               |     | Longitude<br>-<br>103.52627 |                   |              | NAD<br>NAD 83 NME |               |

**Last Take Point (LTP)**

|                      |               |                  |               |     |                         |                   |              |                   |               |
|----------------------|---------------|------------------|---------------|-----|-------------------------|-------------------|--------------|-------------------|---------------|
| UL<br>C              | Section<br>36 | Township<br>21-S | Range<br>33-E | Lot | Feet<br>100             | From N/S<br>SOUTH | Feet<br>2590 | From E/W<br>WEST  | County<br>LEA |
| Latitude<br>32.42828 |               |                  |               |     | Longitude<br>-103.52626 |                   |              | NAD<br>NAD 83 NME |               |

Is this well the defining well for the Horizontal Spacing Unit? NO

Is this well an infill well? NO

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

|                |                |             |
|----------------|----------------|-------------|
| API #          |                |             |
| Operator Name: | Property Name: | Well Number |

KZ 06/29/2018

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:** Marshall & Winston, Inc. **OGRID:** 14187 **Date:** 05 / 26 / 2023

**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 |
|------------------------------|-----|--------------|----------|-----------------------|-----------------------|----------------------------------|
| Loco Dinero 36 State Com 32H |     | UL C, Sec 36 | 200 FNL  | 750                   | 750                   | 1000                             |
|                              |     | T21S, R33E   | 2330 FWL |                       |                       |                                  |

**IV. Central Delivery Point Name:** Loco Dinero CTB [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 |
|-------------------------------------|-----|----------------|-----------------|------------------------------|------------------------|-----------------------|
| <u>Loco Dinero 36 State Com 32H</u> |     | <u>7/04/23</u> | <u>8/11/23</u>  | <u>10/19/23</u>              | <u>10/19/23</u>        | <u>10/19/23</u>       |
|                                     |     |                |                 |                              |                        | <u>Estimated</u>      |

**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: Todd Passmore

Title: Operations Manager

E-mail Address: tpassmore@mar-win.com

Date: 05/26/23

Phone: 432-684-6373

**OIL CONSERVATION DIVISION****(Only applicable when submitted as a standalone form)**

Approved By:

Title:

Approval Date:

Conditions of Approval:

## Marshall &amp; Winston, Inc.

## Natural Gas Management Plan ~ Attachment

- VI. Marshall & Winston, Inc. (M&W) engineering staff will utilize separation equipment based on capacities suggested by the manufacturer in conjunction with anticipated daily production rates. Engineered design of the VRU system along with pipe sizing will be verified by COMM Engineering Services to ensure maximum efficiency for anticipated volumes.
- VII. M&W will take the following actions to comply with the regulations listed in 19.15.28.8:
- A. M&W plans to efficiently recover natural gas by minimizing waste gas as defined in 19.15.2 NMAC. M&W will ensure each new well drilled and completed is connected to a natural gas gathering system before the well is on line. If the natural gas gathering infrastructure is not in place the well will be delayed or shut in until the gathering system is available.
  - B. Drilling operations are equipped with a flare located at least 100 ft from the nearest wellbore. The flare will be used to combust any gas the is circulated to surface during drilling operations. Estimated volumes will be reported appropriately.
  - C. During completion operations and natural gas brought to surface will be flared. Following completion operations all fluids and gases flowed/pumped from the well will be directed to designed separation equipment at the central tank battery. All natural gas will be sent directly to the sales line. If the initial gas production does not meet gathering sales line specifications it will be flared for no more than 60 days. Gas analysis will be running twice a week and once gas meets sales specifications the gas will be sent to the sales line. Flared volumes will be reported accordingly.
  - D. M&W will not flare natural gas unless it follows the provisions and exceptions list in 19.15.27.8. If the gas gathering system is unavailable each well(s) will be shut in the gathering system is back in service. Only during an emergency or malfunction of equipment will gas be flared. Appropriate estimated volumes will be reported.
  - E. M&W will comply with required standards listed in 19.5.27.8 A-F.
  - F. The volume of natural gas that is vented or flared as a result of a malfunction or emergency during operations will be estimated and reported accordingly. The volume of natural gas that is vented, flared or used beneficially during production operations will measured or estimated. M&W will install meters to measure the volume of natural gas flared from the facility. Measuring devices will conform to industry stands as well as NMOCD regulations.
- VIII. During maintenance operations that involve separation equipment venting will controlled by shutting in well(s). During VRU maintenance operations natural gas will be diverted to the flare to avoid venting the natural gas.



May 26, 2023

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Intrepid Potash  
P. O. Box 101  
Carlsbad, NM 88220  
Attn: Jason Jones

RE: Notification to Potash Lessees  
Loco Dinero 36 State Com #22H, #32H and #33H  
Section 36, T21S, R33E  
Lea County, New Mexico

Mr. Jones,

Pursuant to the Oil Conservation's Division Order No. R-111-P, this letter and the attached map is to notify you that Marshall & Winston, Inc., is filing 3 applications for permits to drill (APD's), within the potash area, with the New Mexico Oil Conservation Division (NMOCD) for the above captioned wells.

A copy of our APD's submitted to the NMOCD are attached for your information.

Intrepid is the only effected party and if you have any objections to these APD's, you must submit your protest to the NMOCD – Hobb's office within 20 days of your receipt of a copy of this notice.

Please contact the undersigned at 432-684-6373 should you have any questions or need anything further.

Sincerely,

A handwritten signature in blue ink, appearing to read "TP", followed by a long horizontal line.

Todd Passmore  
Operations Manager

TP/sr

Enclosures

