AFMSS

U.S. Department of the Interior
Bureau of Land Management

Application for Permit to Drill

APD Package Report

Date Printed:

APD ID:	Well Status:
APD Received Date:	Well Name:
Operator:	Well Number:

APD Package Report Contents

- Form 3160-3

- Operator Certification Report

- Application Report
- Application Attachments
  -- Well Plat: 1 file(s)

- Drilling Plan Report
- Drilling Plan Attachments
  -- Blowout Prevention Choke Diagram Attachment: 1 file(s)
  -- Blowout Prevention BOP Diagram Attachment: 1 file(s)
  -- Casing Spec Documents: 2 file(s)
  -- Casing Design Assumptions and Worksheet(s): 7 file(s)
  -- Hydrogen sulfide drilling operations plan: 1 file(s)
  -- Proposed horizontal/directional/multi-lateral plan submission: 1 file(s)
  -- Other Facets: 1 file(s)
  -- Other Variances: 2 file(s)

- SUPO Report
- SUPO Attachments
  -- Existing Road Map: 1 file(s)
  -- New Road Map: 1 file(s)
  -- Attach Well map: 1 file(s)
  -- Production Facilities map: 1 file(s)
  -- Water source and transportation map: 1 file(s)
  -- Construction Materials source location attachment: 1 file(s)
  -- Well Site Layout Diagram: 1 file(s)
  -- Recontouring attachment: 1 file(s)
  -- Other SUPO Attachment: 2 file(s)

- PWD Report
- PWD Attachments

-- None

- Bond Report
- Bond Attachments
  -- None

Form 3160-3
(June 2015)

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☐ DRILL ☐ REENTER

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

1c. Type of Completion: ☐ Hydraulic Fracturing ☐ Single Zone ☐ Multiple Zone

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

8. Lease Name and Well No.

2. Name of Operator

9. API Well No. 30-015-54144

3a. Address	3b. Phone No. *(include area code)*	10. Field and Pool, or Exploratory

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

At surface

At proposed prod. zone

11. Sec., T. R. M. or Blk. and Survey or Area

14. Distance in miles and direction from nearest town or post office*	12. County or Parish	13. State

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration

24. Attachments

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

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be requested by the BLM.

25. Signature	Name *(Printed/Typed)*	Date

Title

Approved by *(Signature)*	Name *(Printed/Typed)*	Date

Title	Office

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

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

APPROVED WITH CONDITIONS

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 08/25/2023

INSTRUCTIONS

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

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

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

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

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

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

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

NOTICES

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

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

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

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

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

The Paperwork Reduction Act of 1995 requires us to inform you that:
The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

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

Approval Date: 08/25/2023

Additional Operator Remarks

Location of Well

0. SHL: SESE / 1144 FSL / 315 FEL / TWSP: 20S / RANGE: 28E / SECTION: 8 / LAT: 32.583967 / LONG: -104.192214 (TVD: 0 feet, MD: 0 feet)

PPP: SWSW / 990 FSL / 100 FWL / TWSP: 20S / RANGE: 28E / SECTION: 9 / LAT: 32.5835477 / LONG: -104.1908755 (TVD: 8853 feet, MD: 9181 feet)

PPP: SWSW / 990 FSL / 0 FEL / TWSP: 20S / RANGE: 28E / SECTION: 9 / LAT: 32.5836165 / LONG: -104.1738819 (TVD: 8853 feet, MD: 18733 feet)

PPP: SESW / 990 FSL / 2666 FWL / TWSP: 20S / RANGE: 28E / SECTION: 9 / LAT: 32.5835817 / LONG: -104.1825424 (TVD: 8853 feet, MD: 13614 feet)

PPP: SWSE / 990 FSL / 1334 FEL / TWSP: 20S / RANGE: 28E / SECTION: 9 / LAT: 32.5835992 / LONG: -104.1782118 (TVD: 8853 feet, MD: 13614 feet)

BHL: SESE / 990 FSL / 10 FEL / TWSP: 20S / RANGE: 28E / SECTION: 10 / LAT: 32.5836954 / LONG: -104.156652 (TVD: 8853 feet, MD: 19582 feet)

BLM Point of Contact

Name: GAVIN MICKWEE
Title: Land Law Examiner
Phone: (575) 234-5972
Email: gmickwee@blm.gov

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**Colgate**
LEASE NO.:	**NMNM137444**
LOCATION:	Section 8, T.20 S, R.28 E., NMPM
COUNTY:	Eddy County, New Mexico
WELL NAME & NO.:	Koala 9 Fed Com 204H
SURFACE HOLE FOOTAGE:	1144'/S & 315'/E
BOTTOM HOLE FOOTAGE:	990'/S & 10'/E

COA

H_2S	◉ Yes	○ No		
Potash / WIPP	◉ None	○ Secretary	○ R-111-P	☐ WIPP
Cave / Karst	○ Low	○ Medium	◉ High	○ Critical
Wellhead	○ Conventional	◉ Multibowl	○ Both	○ Diverter
Cementing	☐ Primary Squeeze	☐ Cont. Squeeze	☐ EchoMeter	☐ DV Tool
Special Req	☐ Break Testing	☐ Water Disposal	☑ COM	☐ Unit
Variance	☑ Flex Hose	☐ Casing Clearance	☐ Pilot Hole	☑ Capitan Reef
Variance	☐ Four-String	☑ Offline Cementing	☐ Fluid-Filled	☐ Open Annulus
☐ **Batch APD / Sundry**				

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H2S) Drilling Plan shall be activated 500 feet prior to drilling into the **Delaware Group** formation. As a result, the Hydrogen Sulfide area must meet all requirements from **43 CFR 3176**, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **340** feet (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface. **Excess calculates to 19%. Additional cement maybe required.**

   a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
   b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8**

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hours or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)

c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:
   - Cement to surface. If cement does not circulate see B.1.a, c-d above.

Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst, Capitan Reef.

❖ In High Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

❖ In Capitan Reef Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

❖ **Special Capitan Reef requirements.** If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following:
(Use this for 3 string wells in the Capitan Reef, if 4 string well ensure FW based mud used across the capitan interval)

- Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.

- Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports. The daily drilling report should show mud volume per shift/tour. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:
   - Cement should tie-back at least **200 feet** into the previous casing, whichever is greater. **Excess calculates to 8%. Additional cement maybe required.**

Approval Date: 08/25/2023

C. PRESSURE CONTROL

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

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

    a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
    b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
    c. Manufacturer representative shall install the test plug for the initial BOP test.
    d. If the cement does not circulate and one-inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
    e. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172 must be followed.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

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

Offline Cementing
Contact the BLM prior to the commencement of any offline cementing procedure. Offline Cementing will be conducted on the surface and intermediate casings.

GENERAL REQUIREMENTS

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

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

☒ Eddy County
Email **or** call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, **BLM_NM_CFO_DrillingNotifications@BLM.GOV**
(575) 361-2822

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

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

   a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
   b. When the operator proposes to set surface casing with Spudder Rig
      - Notify the BLM when moving in and removing the Spudder Rig.
      - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
      - BOP/BOPE test to be conducted per **43 CFR part 3170 Subpart 3172** as soon as 2nd Rig is rigged up on well.

2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as

well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.

4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in **43 CFR part 3170 Subpart 3172** and **API STD 53 Sec. 5.3**.

2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.

4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:

    a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
    b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
    c. Manufacturer representative shall install the test plug for the initial BOP test.
    d. Whenever any seal subject to test pressure is broken, all the tests in **43 CFR part 3170 Subpart 3172** must be followed.
    e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

    a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been

done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead cement), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)

c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to **43 CFR part 3170 Subpart 3172** with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.

e. The results of the test shall be reported to the appropriate BLM office.

f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test

does not exclude the test prior to drilling out the casing shoe as per **43 CFR part 3170 Subpart 3172**.

C. DRILLING MUD

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

D. WASTE MATERIAL AND FLUIDS

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

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

ZS 8/22/2023

Approval Date: 08/25/2023

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

Operator Certification Data Report

08/29/2023

Operator

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

NAME: MIKAH THOMAS **Signed on:** 06/28/2023

Title: Regulatory Manager

Street Address: 1400 WOODLOCH FOREST DR SUITE 300

City: THE WOODLANDS **State:** TX **Zip:** 77380

Phone: (432)661-7106

Email address: MTHOMAS@EARTHSTONEENERGY.COM

Field

Representative Name:

Street Address:

City: **State:** **Zip:**

Phone:

Email address:

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

Application Data
08/29/2023

APD ID: 10400085832
Submission Date: 06/03/2022
Operator Name: COLGATE OPERATING LLC
Well Name: KOALA 9 FED COM
Well Number: 204H
Well Type: OIL WELL
Well Work Type: Drill

Highlighted data reflects the most recent changes
Show Final Text

Section 1 - General

APD ID: 10400085832
Tie to previous NOS? N
Submission Date: 06/03/2022
BLM Office: Carlsbad
User: MIKAH THOMAS
Title: Regulatory Manager
Federal/Indian APD: FED
Is the first lease penetrated for production Federal or Indian? FED
Lease number: NMNM15003
Lease Acres:
Surface access agreement in place?
Allotted?
Reservation:
Agreement in place? NO
Federal or Indian agreement:
Agreement number:
Agreement name:
Keep application confidential? Y
Permitting Agent? NO
APD Operator: COLGATE OPERATING LLC
Operator letter of

Operator Info

Operator Organization Name: COLGATE OPERATING LLC
Operator Address: 300 N MARIENFELD STREET SUITE 1000
Zip: 79701
Operator PO Box:
Operator City: MIDLAND
State: TX
Operator Phone: (432)695-4272
Operator Internet Address: MTHOMAS@COLGATEENERGY.COM

Section 2 - Well Information

Well in Master Development Plan? NO
Master Development Plan name:
Well in Master SUPO? NO
Master SUPO name:
Well in Master Drilling Plan? NO
Master Drilling Plan name:
Well Name: KOALA 9 FED COM
Well Number: 204H
Well API Number:
Field/Pool or Exploratory? Field and Pool
Field Name: WOLFCAMP XY
Pool Name: BURTON FLAT, WOLFCAMP, NORTH (GAS)

Operator Name: COLGATE OPERATING LLC

Well Name: KOALA 9 FED COM **Well Number:** 204H

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

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

Type of Well Pad: MULTIPLE WELL **Multiple Well Pad Name:** KOALA 9 FED COM SOUTH **Number:** 1

Well Class: HORIZONTAL **Number of Legs:** 1

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: INFILL

Describe sub-type:

Distance to town: 11 Miles **Distance to nearest well:** 30 FT **Distance to lease line:** 315 FT

Reservoir well spacing assigned acres Measurement: 320 Acres

Well plat: KOALA_9_FED_COM_203H_C102_REV_2_SIGNED_20230627163958.pdf

Well work start Date: 09/09/2023 **Duration:** 18 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83 **Vertical Datum:** NAVD88

Survey number: 25490 **Reference Datum:** GROUND LEVEL

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this
SHL Leg #1	1144	FSL	315	FEL	20S	28E	8	Aliquot SESE	32.583967	-104.192214	EDDY	NEW MEXICO	NEW MEXICO	F	FEE	3274	0	0	N
KOP Leg #1	1144	FSL	315	FEL	20S	28E	8	Aliquot SESE	32.583967	-104.192214	EDDY	NEW MEXICO	NEW MEXICO	F	FEE	-5006	8281	8280	N
PPP Leg #1-1	990	FSL	100	FWL	20S	28E	9	Aliquot SWSW	32.583547	-104.1908755	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 15003	-5579	9181	8853	Y

Operator Name: COLGATE OPERATING LLC

Well Name: KOALA 9 FED COM **Well Number:** 204H

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this
PPP Leg #1-2	990	FSL	2666	FWL	20S	28E	9	Aliquot SESW	32.5835817	-104.1825424	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 13232	-5579	13614	8853	Y
PPP Leg #1-3	990	FSL	1334	FEL	20S	28E	9	Aliquot SWSE	32.5835992	-104.1782118	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 16101	-5579	13614	8853	Y
PPP Leg #1-4	990	FSL	0	FEL	20S	28E	9	Aliquot SWSW	32.5836165	-104.1738819	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 15003	-5579	18733	8853	Y
EXIT Leg #1	990	FSL	100	FEL	20S	28E	10	Aliquot SESE	32.5836942	-104.1569442	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 15003	-5579	19582	8853	Y
BHL Leg #1	990	FSL	10	FEL	20S	28E	10	Aliquot SESE	32.5836954	-104.156652	EDDY	NEW MEXICO	NEW MEXICO	F	NMNM 15003	-5579	19582	8853	N

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-015-54144	73280	BURTON FLAT, MORROW (PRO GAS)

4 Property Code	5 Property Name	6 Well Number
334680	KOALA 9 FED COM	203H

7 OGRID No.	8 Operator Name	9 Elevation
371449	COLGATE OPERATING, LLC	3274.36'

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	20-S	28-E		1144'	SOUTH	285'	EAST	EDDY

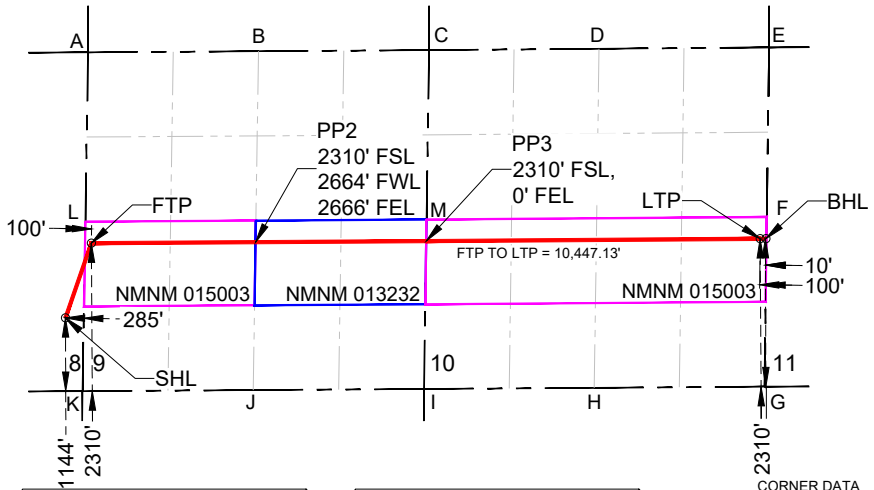
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	10	20-S	28-E		2310'	SOUTH	10'	EAST	EDDY

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320			

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

[16]



SURFACE HOLE LOCATION (SHL)
NEW MEXICO EAST - NAD 83
X=584833.29 LAT.= 32.58396727° N
Y=576206.86 LONG.= 104.19211663° W
NEW MEXICO EAST - NAD 27
X=543653.10 LAT.= 32.58385003° N
Y=576145.46 LONG.= 104.19160916° W
1144' FSL, 285' FEL - SECTION 8

FIRST TAKE POINT (FTP)
NEW MEXICO EAST - NAD 83
X=585237.78 LAT.= 32.58717642° N
Y=577374.90 LONG.= 104.19079831° W
NEW MEXICO EAST - NAD 27
X=544057.60 LAT.= 32.58705920° N
Y=577313.47 LONG.= 104.19029080° W
2310' FSL, 100' FWL - SECTION 9

LAST TAKE POINT (LTP)
NEW MEXICO EAST - NAD 83
X=595684.67 LAT.= 32.58732289° N
Y=577443.85 LONG.= 104.15687918° W
NEW MEXICO EAST - NAD 27
X=554504.47 LAT.= 32.58720530° N
Y=577382.33 LONG.= 104.15637254° W
2310' FSL, 100' FEL - SECTION 10

BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST - NAD 83
X=595774.69 LAT.= 32.58732387° N
Y=577444.36 LONG.= 104.15658691° W
NEW MEXICO EAST - NAD 27
X=554594.48 LAT.= 32.58720628° N
Y=577382.84 LONG.= 104.15608029° W
2310' FSL, 10' FEL - SECTION 10

PENETRATION POINT 2 (PP2)
NEW MEXICO EAST - NAD 83
X=587802.89 LAT.= 32.58721048° N
Y=577390.83 LONG.= 104.18246988° W
NEW MEXICO EAST - NAD 27
X=546622.71 LAT.= 32.58709317° N
Y=577329.37 LONG.= 104.18196259° W
2310' FSL, 2664' FWL - SECTION 9

PENETRATION POINT 3 (PP3)
NEW MEXICO EAST - NAD 83
X=590469.00 LAT.= 32.58724529° N
Y=577407.38 LONG.= 104.17381352° W
NEW MEXICO EAST - NAD 27
X=549288.81 LAT.= 32.58712788° N
Y=577345.91 LONG.= 104.17330645° W
2310' FSL, 0' FEL - SECTION 9

CORNER DATA
NEW MEXICO EAST - NAD 83
A - FOUND IRON PIPE W/BRASS CAP N:580356.62' E:585185.65'
B - FOUND 1" IRON PIPE N:580373.68' E:587849.16'
C - FOUND 1" IRON PIPE N:580391.30' E:590513.47'
D - FOUND 1" IRON PIPE N:580412.62' E:593168.80'
E - FOUND 1" IRON PIPE N:580433.88' E:595824.69'
F - FOUND IRON PIPE W/ BRASS CAP N:577783.78' E:595789.28'
G - FOUND IRON PIPE W/ BRASS CAP N:575134.28' E:595753.43'
H - FOUND IRON PIPE W/ BRASS CAP N:575115.45' E:593094.38'
I - FOUND 2" IRON PIPE N:575097.10' E:590435.59'
J - FOUND 1 1/4" IRON PIPE N:575080.69' E:587767.05'
K - FOUND IRON PIPE W/BRASS CAP N:575063.99' E:585099.23'
L - FOUND IRON PIPE W/ BRASS CAP N:577711.68' E:585143.38'
M - FOUND 1" IRON PIPE N:577744.14' E:590473.87'

17 OPERATOR CERTIFICATION

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

Ashley Brown 06/27/23
Signature Date

Ashley Brown
Printed Name

ashley.brown@permianres.com
E-mail Address

[18] SURVEYOR CERTIFICATION

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

Date of Survey

Signature and Seal of Professional Surveyor: 05/10/2023

CHARLES L. JURICA
NEW MEXICO
25490
PROFESSIONAL SURVEYOR

Certificate Number

AFMSS

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

Drilling Plan Data Report

08/29/2023

APD ID: 10400085832 **Submission Date:** 06/03/2022

Operator Name: COLGATE OPERATING LLC

Well Name: KOALA 9 FED COM **Well Number:** 204H

Well Type: OIL WELL **Well Work Type:** Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical	Measured Depth	Lithologies	Mineral Resources	Producing Formatio
12017574	RUSTLER	3274	227	227	ANHYDRITE, LIMESTONE, SALT	NONE	N
12017575	TOP SALT	2906	368	368	ANHYDRITE, SALT	NONE	N
12017576	TANSILL	2570	704	704	ANHYDRITE, DOLOMITE	NONE	N
12017580	YATES	2495	779	779	DOLOMITE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
12017577	SEVEN RIVERS	2120	1154	1154	ANHYDRITE, DOLOMITE, SANDSTONE, SHALE	NONE	N
12017579	QUEEN	1450	1824	1824	ANHYDRITE, DOLOMITE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
12017581	GRAYBURG	1220	2054	2054	ANHYDRITE, DOLOMITE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
12017583	SAN ANDRES	870	2404	2404	ANHYDRITE, DOLOMITE	NATURAL GAS, OIL	N
12017584	DELAWARE SAND	295	2979	2979	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
12017585	BONE SPRING	-1380	4654	4655	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
12017587	BONE SPRING 1ST	-2830	6104	6105	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
12017591	BONE SPRING 2ND	-3880	7154	7156	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
12017592	BONE SPRING 3RD	-5030	8304	8306	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	N
12017593	WOLFCAMP	-5430	8704	8759	LIMESTONE, SANDSTONE, SHALE	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Operator Name: COLGATE OPERATING LLC

Well Name: KOALA 9 FED COM **Well Number:** 204H

Pressure Rating (PSI): 5M **Rating Depth:** 8953

Equipment: BOPE with working pressure ratings in excess of anticipated maximum surface pressure will be utilized for well control from drill out of surface casing to TMD. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested. All BOPE connections shall be flanged, welded or clamped. All choke lines shall be straight unless targeted with running tees or tee blocks are used, and choke lines shall be anchored to prevent whip and reduce vibrations. All valves in the choke line & the choke manifold shall be full opening as to not cause restrictions and to allow for straight fluid paths to minimize potential erosion. All gauges utilized in the well control system shall be of a type designed for drilling fluid service. A top drive inside BOP valve will be utilized at all times. Subs equipped with full opening valves sized to fit the drill pipe and collars will be available on the rig floor in the open position. The key to operate said valve equipped subs will be on the rig floor at all times. The accumulator system will have sufficient capacity to open the HCR and close all three sets of rams plus the annular preventer while retaining at least 300 psi above precharge on the closing manifold (accumulator system shall be capable of doing so without using the closing unit pumps). The fluid reservoir capacity will be double the usable fluid volume of the accumulator system capacity, and the fluid level will be maintained at the manufacturer's recommended level. Prior to connecting the closing unit to the BOP stack, an accumulator precharge pressure test shall be performed to ensure the precharge pressure is within 100 psi of the desired precharge pressure (only nitrogen gas will be used to precharge). Two independent power sources will be made available at all times to power the closing unit pumps so that the pumps can automatically start when the closing valve manifold pressure has decreased to the preset level. Closing unit pumps will be sized to allow opening of HCR and closing of annular preventer on 5" drill pipe achieving at least 200 psi above precharge pressure with the accumulator system isolated from service in less than two minutes. A valve shall be installed in the closing line as close to the annular preventer as possible to act as a locking device; the valve shall be maintained in the open position and shall be closed only when the power source for the accumulator system is inoperative. Remote controls capable of opening and closing all preventers & the HCR shall be readily accessible to the driller; master controls with the same capability will be operable at the accumulator. The wellhead will be a multibowl speed head allowing for hangoff of intermediate casing & isolation of the 133/8 x 95/8 annulus without breaking the connection between the BOP & wellhead to install an additional casing head. A wear bushing will be installed & inspected frequently to guard against internal wear to wellhead. VBRs (variablebore rams) will be run in upper rambody of BOP stack to provide redundancy to annular preventer while RIH w/ production casing;

Requesting Variance? YES

Variance request: Flex hose and offline cement variances, see attachments in section 8.

Testing Procedure: The BOP test shall be performed before drilling out of the surface casing shoe and will occur at a minimum: a. when initially installed b. whenever any seal subject to test pressure is broken c. following related repairs d. at 30 day intervals e. checked daily as to mechanical operating conditions. The ram type preventer(s) will be tested using a test plug to 250 psi (low) and 5,000 psi (high) (casinghead WP) with a test plug upon its installation onto the 13 surface casing. If a test plug is not used, the ram type preventer(s) shall be tested to 70% of the minimum internal yield pressure of the casing. The annular type preventer(s) shall be tested to 3500 psi. Pressure will be maintained for at least 10 minutes or until provisions of the test are met, whichever is longer. A Sundry Notice (Form 3160 5), along with a copy of the BOP test report, shall be submitted to the local BLM office within 5 working days following the test. If the bleed line is connected into the buffer tank (header), all BOP equipment including the buffer tank and associated valves will be rated at the required BOP pressure. The BLM office will be provided with a minimum of four (4) hours notice of BOP testing to allow witnessing. The BOP Configuration, choke manifold layout, and accumulator system, will be in compliance with Onshore Order 2 for a 5,000-psi system. A remote accumulator and a multi-bowl system will be used, please see attachment in section 8 for multi-bowl procedure. Pressures, capacities, and specific placement and use of the manual and/or hydraulic controls, accumulator controls, bleed lines, etc., will be identified at the time of the BLM 'witnessed BOP test. Any remote controls will be capable of both opening and closing all preventers and shall be readily accessible.

Choke Diagram Attachment:

Choke_Diagram_Attachment_20230628071815.pdf

BOP Diagram Attachment:

BOP_Diagram_Attachment_20230628071818.pdf

Operator Name: COLGATE OPERATING LLC

Well Name: KOALA 9 FED COM **Well Number:** 204H

Choke_Diagram_Attachment_20230628071815.pdf

BOP_Diagram_Attachment_20230628071818.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	252	0	252	3274	3022	252	J-55	54.5	BUTT	9.08	4.3	DRY	7.99	DRY	7.5
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	2929	0	2929	3274	345	2929	J-55	36	BUTT	2.58	1.56	DRY	3.11	DRY	2.75
3	PRODUCTION	8.75	5.5	NEW	NON API	N	0	9181	0	8853	3274	-5579	9181	P-110	17	OTHER - GEOCONN	1.62	1.7	DRY	2.18	DRY	2.18
4	PRODUCTION	7.875	5.5	NEW	NON API	N	9181	19582	8853	8853	-5579	-5579	10401	P-110	17	OTHER - GEOCONN	1.62	1.7	DRY	2.18	DRY	2.18

Casing Attachments

Casing ID: 1 **String** SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing_Assumptions_Worksheet_20230628071915.pdf

Operator Name: COLGATE OPERATING LLC

Well Name: KOALA 9 FED COM **Well Number:** 204H

Casing Attachments

Casing ID: 2 **String** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing_Assumptions_Worksheet_20230628071952.pdf

Casing ID: 3 **String** PRODUCTION

Inspection Document:

Spec Document:

Connection_Data_Sheet___GeoConn_SC___P_110RY_20230628072045.pdf

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing_Assumptions_Worksheet_20230628072103.pdf

Casing ID: 4 **String** PRODUCTION

Inspection Document:

Spec Document:

Connection_Data_Sheet___GeoConn_SC___P_110RY_20230628072141.pdf

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing_Assumptions_Worksheet_20230628072159.pdf

Section 4 - Cement

Operator Name: COLGATE OPERATING LLC

Well Name: KOALA 9 FED COM **Well Number:** 204H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	0	0	0	0	0		0	0
SURFACE	Tail		0	252	210	1.34	14.8	270	50	Class C	Accelerator
INTERMEDIATE	Lead		0	2340	520	2.08	12.7	1080	50	Class C	Salt, Extender & LCM Additives
INTERMEDIATE	Tail		2340	2929	210	1.34	14.8	280	50	Class C	Accelerator
PRODUCTION	Lead		2429	8281	850	2.41	11.5	2030	40	Class H	POZ, Extender, Fluid Loss, Dispersant, Retarder
PRODUCTION	Tail		8281	19582	1470	1.73	12.5	2540	25	Class H	POZ, Extender, Fluid Loss, Dispersant, Retarder
PRODUCTION	Lead		2429	8281	850	2.41	11.5	2030	40	Class H	POZ, Extender, Fluid Loss, Dispersant, Retarder
PRODUCTION	Tail		8281	19582	1470	1.73	12.5	2540	25	Class H	POZ, Extender, Fluid Loss, Dispersant, Retarder

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Sufficient quantities of mud materials will be on the well site at all times for the purpose of assuring well control and maintaining wellbore integrity. Surface interval will employ fresh water mud. The intermediate hole will utilize a saturated brine fluid to inhibit salt washout. The production hole will employ brine based and oil base fluid to inhibit formation reactivity and of the appropriate density to maintain well control.

Describe the mud monitoring system utilized: Centrifuge separation system. Open tank monitoring with EDR will be used for drilling fluids and return volumes. Open tank monitoring will be used for cement and cuttings return volumes. Mud properties will be monitored at least every 24 hours using industry accepted mud check practices.

Circulating Medium Table

Operator Name: COLGATE OPERATING LLC

Well Name: KOALA 9 FED COM **Well Number:** 204H

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	252	WATER-BASED MUD	8.6	9.5							
252	2929	SALT SATURATED	10	10							
2929	9181	OTHER : Brine	9	10							
9181	19582	OIL-BASED MUD	9	10							

Section 6 - Test, Logging, Coring

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

Will utilize MWD/LWD (Gamma Ray logging) from intermediate hole to TD of the well.

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

GAMMA RAY LOG,DIRECTIONAL SURVEY,

Coring operation description for the well:

N/A

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 4610 **Anticipated Surface Pressure:** 2662

Anticipated Bottom Hole Temperature(F): 145

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

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations

Colgate_H2S_Contingency_Plan_20220602142028.pdf

Operator Name: COLGATE OPERATING LLC

Well Name: KOALA 9 FED COM **Well Number:** 204H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

_B02__Koala_9_Fed_Com_204H_APD_Revv00_20220603080944.pdf

Other proposed operations facets description:

Please see attached Drilling plan including multi-bowl diagram and procedure, proposed WBD, and casing connection data sheet. We also plan to batch drill this well along with offline cementing, see details under variance request below. Permian Resources Operating, LLC requests to use a flex hose on H&P choke manifold for this well. The Flex Hose specifications are attached below.

Other proposed operations facets attachment:

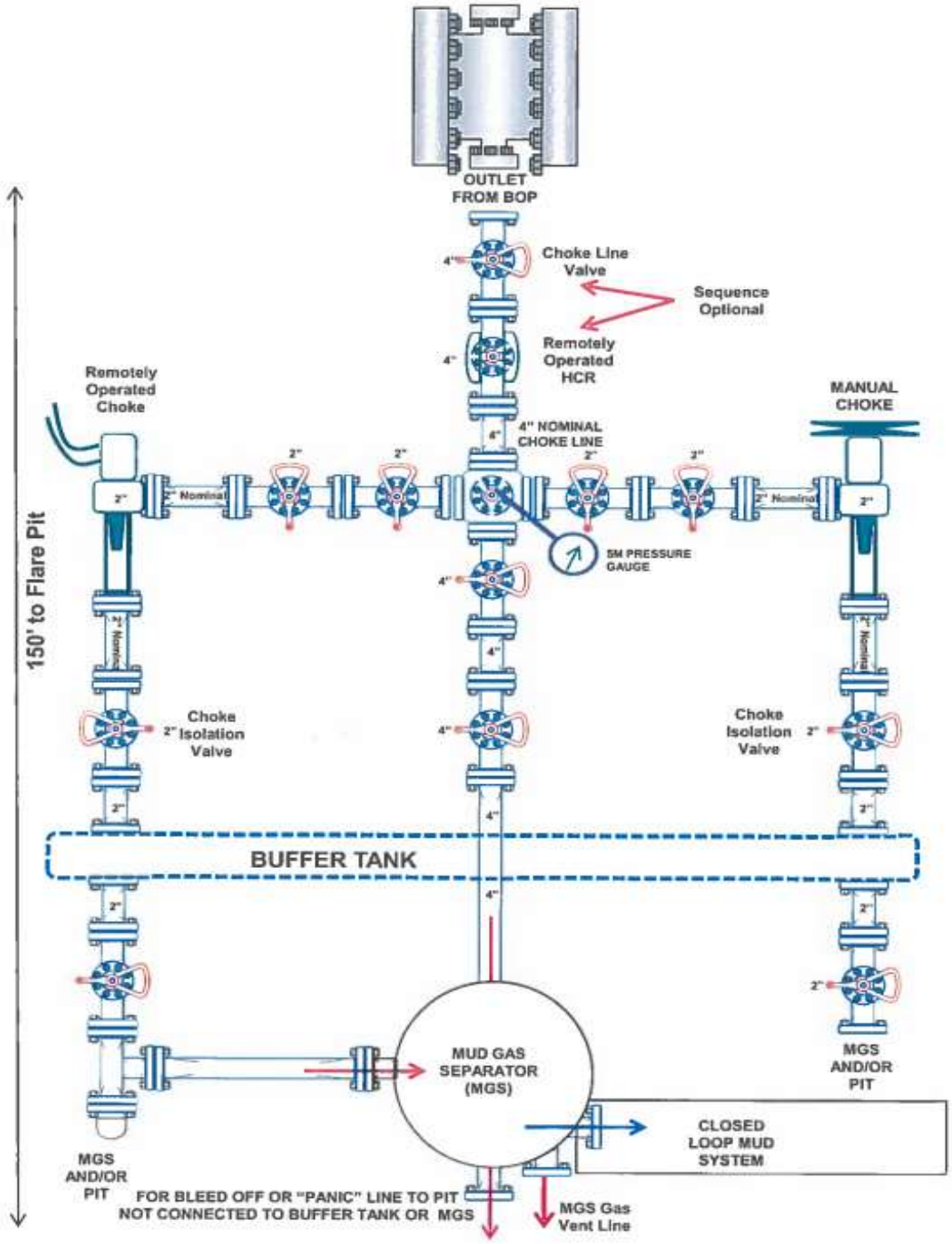
Koala_9_Fed_Com_204H_drilling_packet_20230628074535.pdf

Other Variance attachment:

Flex_Hose_Specs_20230628074540.pdf

Multi_Well_Pad_Batch_Drilling___Off_Line_Cement_Procedure_20230628074544.pdf

5M Choke Manifold Equipment (WITH MGS + CLOSED LOOP)



Continental
ContiTech

CONTITECH RUBBER Industrial Kft.	No:QC-DB- 210/ 2014
	Page: 9 / 113

QUALITY CONTROL INSPECTION AND TEST CERTIFICATE				CERT. N°:	504	
PURCHASER:	ContiTech Oil & Marine Corp.			P.O. N°:	4500409659	
CONTITECH RUBBER order N°:	538236	HOSE TYPE:	3" ID	Choke and Kill Hose		
HOSE SERIAL N°:	67255	NOMINAL / ACTUAL LENGTH:		10,67 m / 10,77 m		
W.P. 68,9 MPa	10000 psi	T.P. 103,4 MPa	15000 psi	Duration:	60	min.

Pressure test with water at ambient tempecature

See attachment. (1 page)

↑ 10 mm = 10 Min.
→ 10 mm = 20 MPa

COUPLINGS Type	Serial N°		Quality	Heat N°
3" coupling with	9251	9254	AISI 4130	A0579N
4 1/16" 10K API b.w. Flange end			AISI 4130	035608

Not Designed For Well Testing **API Spec 16 C**

Temperature rate:"B"

All metal parts are flawless

WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER INSPECTED AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.

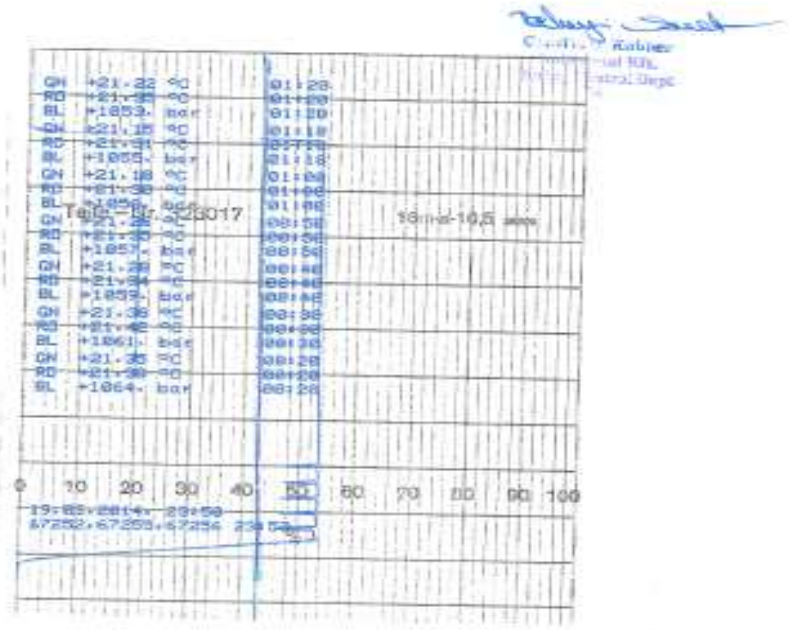
STATEMENT OF CONFORMITY: We hereby certify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were fabricated inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements.

COUNTRY OF ORIGIN HUNGARY/EU

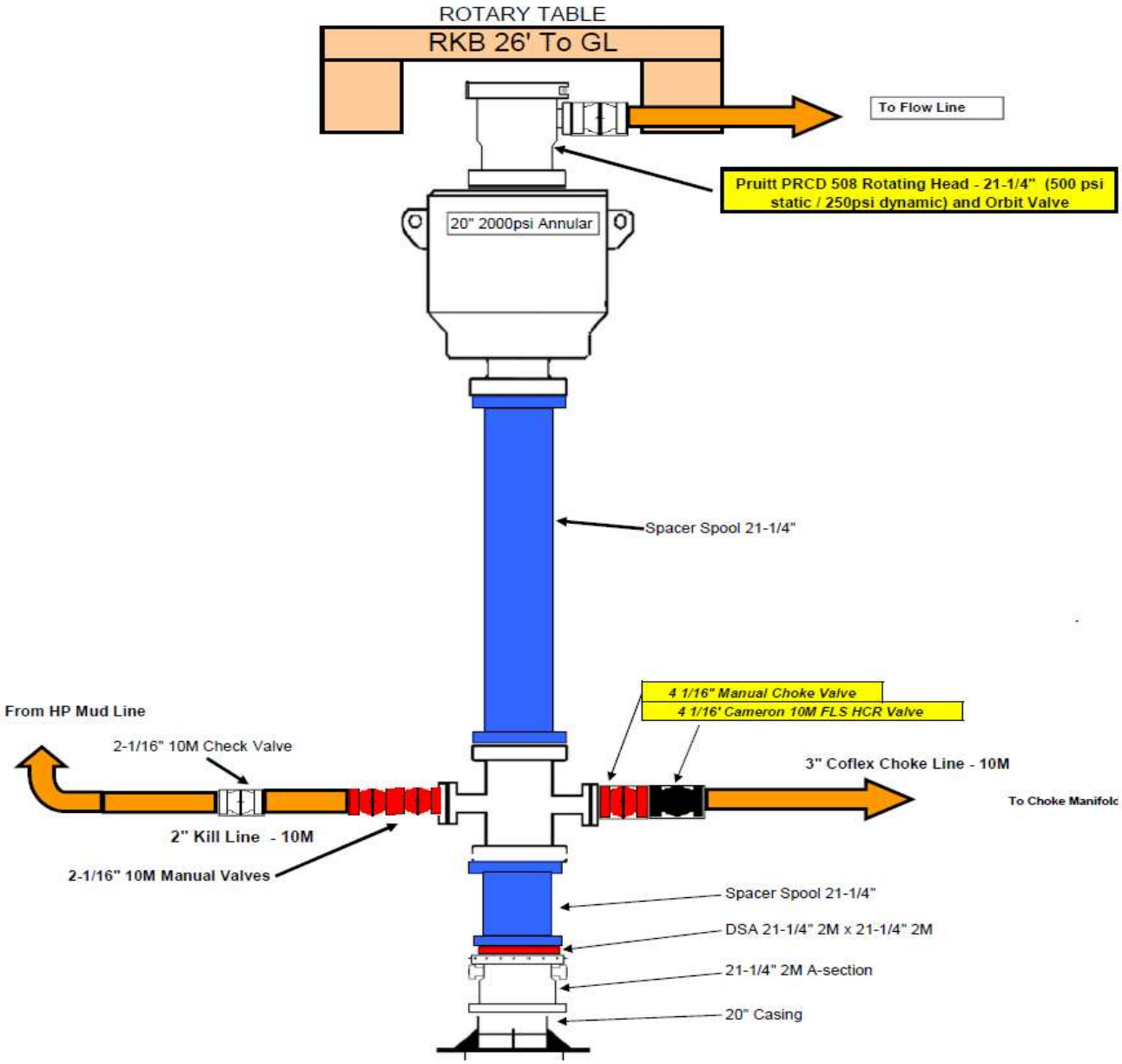
Date:	Inspector	Quality Control
20. March 2014.		

ATTACHMENT OF QUALITY CONTROL INSPECTION AND TEST CERTIFICATE No: 501, 504, 505

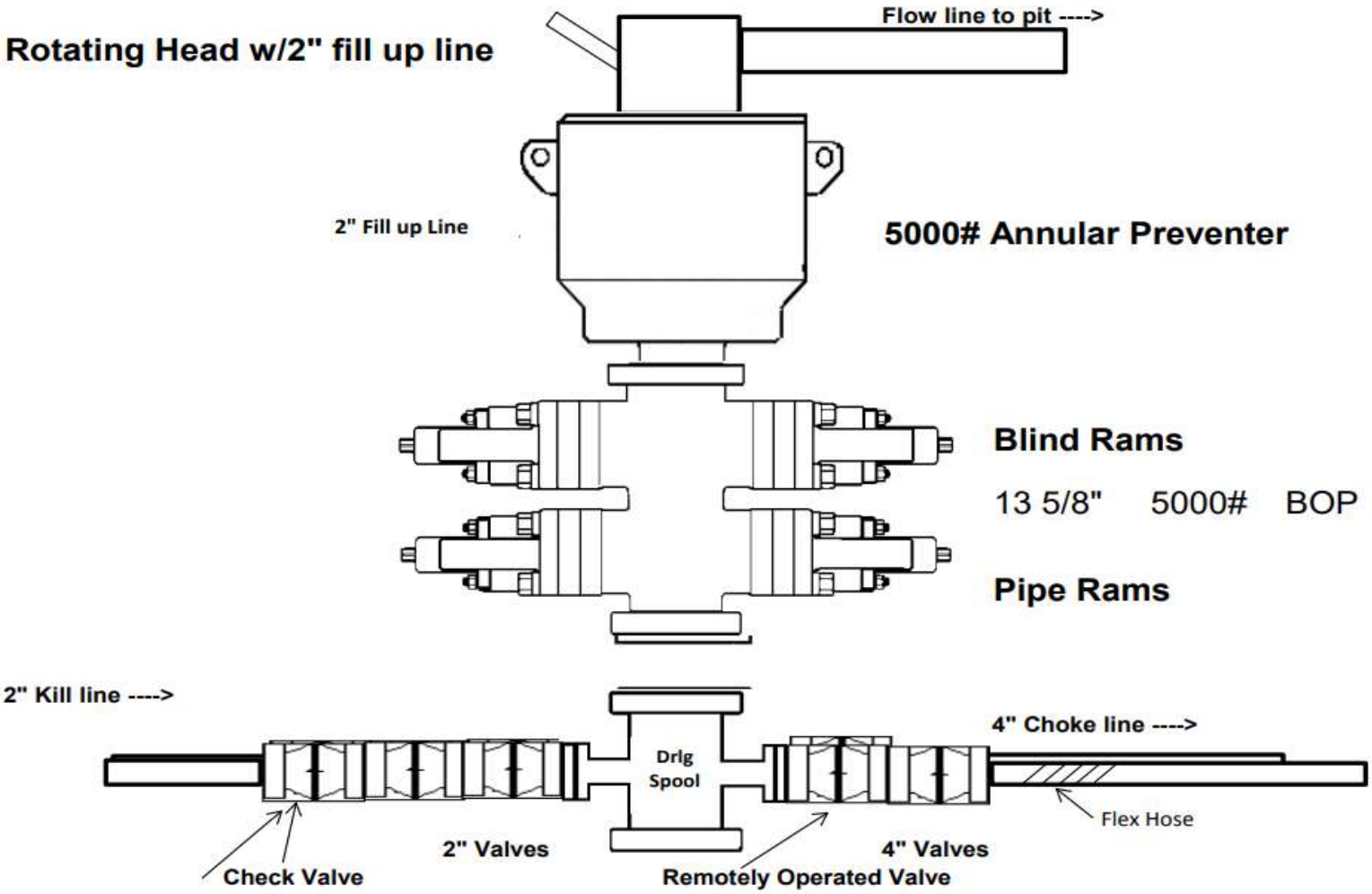
Page: 1 / 1



2M BOP


ROTARY TABLE
RKB 26' To GL
To Flow Line
Pruitt PRCD 508 Rotating Head - 21-1/4" (500 psi static / 250psi dynamic) and Orbit Valve
20" 2000psi Annular
Spacer Spool 21-1/4"
4 1/16" Manual Choke Valve
4 1/16' Cameron 10M FLS HCR Valve
From HP Mud Line
2-1/16" 10M Check Valve
3" Coflex Choke Line - 10M
To Choke Manifolc
2" Kill Line - 10M
2-1/16" 10M Manual Valves
Spacer Spool 21-1/4"
DSA 21-1/4" 2M x 21-1/4" 2M
21-1/4" 2M A-section
20" Casing

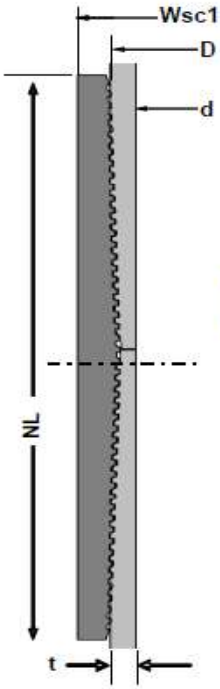
5,000 psi BOP Schematic



Metal One Corp.	GEOCONN-SC Pipe: SeAH P110RY 95%PBW (SMYS110ksi) *1 Coupling: P110RY (SMYS110ksi) Connection Data Sheet	Page	MAI GC 5.5 17 SeAH P110RY 95%RBW+SC-Cplg6.050 P110RY
Metal One		Date	3-Feb-21
		Rev.	0

Geometry

GEOCONN-SC



Pipe Body

	Imperial		S.I.	
Grade *1	P110RY	-	P110RY	-
SMYS	110	ksi	110	ksi
Pipe OD (D)	5.500	in	139.70	mm
Weight	17.00	lb/ft	25.33	kg/m
Wall Thickness (t)	0.304	in	7.72	mm
Pipe ID (d)	4.892	in	124.26	mm
Drift Dia.	4.767	in	121.08	mm

Connection

Coupling SMYS	110	ksi	110	ksi
SC-Coupling OD (Wsc1)	6.050	in	153.67	mm
Coupling Length (NL)	8.350	in	212.09	mm
Make up Loss	4.125	in	104.78	mm
Pipe Critical Area	4.96	in^2	3,202	mm^2
Box Critical Area	6.10	in^2	3,937	mm^2
Thread Taper	1 / 16 (3/4" per ft)			
Number of Threads	5 TPI			

Performance

Performance Properties for Pipe Body

	Imperial		S.I.	
S.M.Y.S. *1	546	kips	2,428	kN
M.I.Y.P. *1	11,550	psi	79.66	MPa
Collapse Strength *1	7,480	psi	51.59	MPa

Note S.M.Y.S.= Specified Minimum YIELD Strength of Pipe body
M.I.Y.P. = Minimum Internal Yield Pressure of Pipe body

*1: SeAH P110RY 95%RBW: SMYS110ksi, MIYP11,550psi

Performance Properties for Connection

Min. Connection Joint Strength	100% of S.M.Y.S.
Min. Compression Yield	100% of S.M.Y.S.
Internal Pressure	100% of M.I.Y.P.
External Pressure	100% of Collapse Strength
Max. DLS (deg. /100ft)	>90

Recommended Torque

Min.	10,800	ft-lb	14,600	N-m
Opti.	12,000	ft-lb	16,200	N-m
Max.	13,200	ft-lb	17,800	N-m
Operational Max.	15,600	ft-lb	21,100	N-m

Note : Operational Max. torque can be applied for high torque application

Metal One Corp.	GEOCONN-SC Pipe: SeAH P110RY 95%PBW (SMYS110ksi) *1 Coupling: P110RY (SMYS110ksi) Connection Data Sheet	Page	MAI GC 5.5 17 SeAH P110RY 95%RBW+SC-Cplg6.050 P110RY
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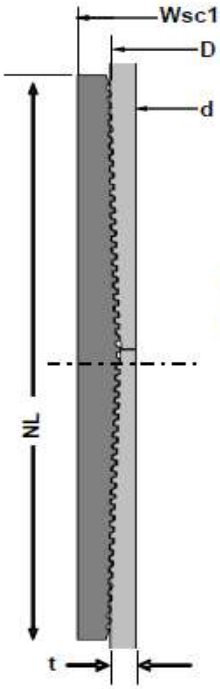
GEOCONN-SC



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Permian Resources Casing Design Criteria

A sundry will be requested if any lesser grade or different size casing is substituted. All casing will be centralized as specified in On Shore Order II. Casing will be tested as specified in On Shore Order II.

Casing Design Assumptions:

Surface

1) Burst Design Loads
   a) Displacement to Gas
      (1) Internal: Assumes a full column of gas in the casing with a gas gradient of 0.7 psi/ft in the absence of better information. It is limited to the controlling pressure based on the maximum expected pore pressure within the next drilling interval.
      (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
   b) Casing Pressure Test
      (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
      (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
2) Collapse Loads
   a) Cementing
      (1) Internal: Displacement fluid density.
      (2) External: Mud weight from TOC to surface and cement slurry weight from TOC to shoe.
   b) Lost Returns with Mud Drop
      (1) Internal: Lost circulation at the TD of the next hole section and the fluid level falls to a depth where the hydrostatic pressure of the mud column equals pore pressure at the depth of the lost circulation zone.
      (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
3) Tension Loads
   a) Overpull Force
      1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
   b) Green Cement Casing Test
      1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

Intermediate I

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<u>Intermediate or Intermediate II</u>

1) Burst Design Loads
   a) Gas Kick Profile
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1) Burst Design Loads
   a) Injection Down Casing
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   c) Casing Pressure Test (Production)
      (1) Internal: The design pressure test should be the greater of the planned test pressure prior to simulation down the casing, the regulatory test pressure, and the expected gas lift system pressure. The design test fluid should be the fluid associated with the pressure test having the greatest pressure.
      (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
   d) Tubing Leak
      (1) Internal: SITP plus a packer fluid gradient to the top of packer.
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   a) Cementing
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Colgate's Minimum Design Criteria

Burst, collapse and tension SF are calculated using Landmark's StressCheck (casing design) software. A sundry will be requested if any lesser grade or different size casing is substituted.

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U. S. Steel Tubular Products

3/5/2020 8:48:46 PM

5.500" 17.00lbs/ft (0.304" Wall) P110 HP USS-CDC HTQ®

MECHANICAL PROPERTIES	Pipe	USS-CDC HTQ®	
Minimum Yield Strength	125,000	--	psi
Maximum Yield Strength	140,000	--	psi
Minimum Tensile Strength	130,000	--	psi
DIMENSIONS	**Pipe**	**USS-CDC HTQ®**	
Outside Diameter	5.500	6.300	in.
Wall Thickness	0.304	--	in.
Inside Diameter	4.892	4.892	in.
Standard Drift	4.767	4.767	in.
Alternate Drift	--	--	in.
Coupling Length	--	9.250	in.
Nominal Linear Weight, T&C	17.00	--	lbs/ft
Plain End Weight	16.89	--	lbs/ft
SECTION AREA	**Pipe**	**USS-CDC HTQ®**	
Critical Area	4.962	4.962	sq. in.
Joint Efficiency	--	97.1	%
PERFORMANCE	**Pipe**	**USS-CDC HTQ®**	
Minimum Collapse Pressure	9,440	9,440	psi
External Pressure Leak Resistance	--	7,550	psi
Minimum Internal Yield Pressure	12,090	12,090	psi
Minimum Pipe Body Yield Strength	620,000	--	lbs
Joint Strength	--	602,000	lbs
Compression Rating	--	361,000	lbs
Reference Length	--	23,608	ft
Maximum Uniaxial Bend Rating	--	60.7	deg/100 ft
MAKE-UP DATA	**Pipe**	**USS-CDC HTQ®**	
Make-Up Loss	--	4.63	in.
Minimum Make-Up Torque	--	11,000	ft-lbs
Maximum Make-Up Torque	--	15,500	ft-lbs
Connection Yield Torque	--	19,200	ft-lbs

1. Other than proprietary collapse and connection values, performance properties have been calculated using standard equations defined by API 5C3 and do not incorporate any additional design or safety factors. Calculations assume nominal pipe OD, nominal wall thickness and Specified Minimum Yield Strength (SMYS).
2. Uniaxial bending rating shown is structural only, and equal to compression efficiency.
3. Torques have been calculated assuming a thread compound friction factor of 1.0 and are recommended only. Field make-up torques may require adjustment based on actual field conditions (e.g. make-up speed, temperature, thread compound, etc.).
4. Reference length is calculated by joint strength divided by nominal threaded and coupled weight with 1.5 safety factor.
5. Connection external pressure leak resistance has been verified to 80% API pipe body collapse pressure following the guidelines of API 5C5 Cal II.

U. S. Steel Tubular Products
460 Wildwood Forest Drive, Suite 300S
Spring, Texas 77380

1-877-893-9461
connections@uss.com
www.usstubular.com

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WELL SUMMARY

	String	OD/Weight/Grade	Connection	MD Interval (usft)	Drift Dia. (")	Minimum Safety Factor (Abs)			
						Burst	Collapse	Axial	Triaxial
1	Conductor Casing	20", 94.000 ppf, H-40	N/A	25-140	18.936	12.04	7.26	44.02	13.69
2									
3	Surface Casing	13 3/8", 54.500 ppf, J-55	BTC, J-55	25-320	12.459	1.79	4.91	7.19	1.96
4									
5									
6	Intermediate Casing	9 5/8", 36.000 ppf, J-55	BTC, J-55	25-2900	8.765	1.24	3.13	2.91	1.41
7									
8									
9									
10	Production Casing	5 1/2", 17.000 ppf, HP P-110	CDC HTQ	25-19582	4.767	1.31	2.05	2.31	1.39
11									
12									

Permian Resources Casing Design Criteria

A sundry will be requested if any lesser grade or different size casing is substituted. All casing will be centralized as specified in On Shore Order II. Casing will be tested as specified in On Shore Order II.

Casing Design Assumptions:

Surface

1) Burst Design Loads
   a) Displacement to Gas
      (1) Internal: Assumes a full column of gas in the casing with a gas gradient of 0.7 psi/ft in the absence of better information. It is limited to the controlling pressure based on the maximum expected pore pressure within the next drilling interval.
      (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
   b) Casing Pressure Test
      (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
      (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
2) Collapse Loads
   a) Cementing
      (1) Internal: Displacement fluid density.
      (2) External: Mud weight from TOC to surface and cement slurry weight from TOC to shoe.
   b) Lost Returns with Mud Drop
      (1) Internal: Lost circulation at the TD of the next hole section and the fluid level falls to a depth where the hydrostatic pressure of the mud column equals pore pressure at the depth of the lost circulation zone.
      (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
3) Tension Loads
   a) Overpull Force
      1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
   b) Green Cement Casing Test
      1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

Intermediate I

1) Burst Design Loads
   a) Displacement to Gas
      (1) Internal: Assumes a full column of gas in the casing with a gas gradient of 0.7 psi/ft in the absence of better information. It is limited to the controlling pressure based on the maximum expected pore pressure within the next drilling interval.
      (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
   b) Casing Pressure Test
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(2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.

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      (1) Internal: Displacement fluid density.
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   b) Green Cement Casing Test
      1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

<u>Intermediate or Intermediate II</u>

1) Burst Design Loads
   a) Gas Kick Profile
      (1) Internal: Load profile based on influx encountered in lateral portion of wellbore with a maximum influx volume of 150 bbl and a kick intensity of 1.5 ppg using maximum anticipated MW of 9.9 ppg.
      (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
   b) Casing Pressure Test
      (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
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      1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

Production

1) Burst Design Loads
   a) Injection Down Casing
      (1) Internal: Surface pressure plus injection fluid gradient.
      (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
   b) Casing Pressure Test (Drilling)
      (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
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      (1) Internal: The design pressure test should be the greater of the planned test pressure prior to simulation down the casing, the regulatory test pressure, and the expected gas lift system pressure. The design test fluid should be the fluid associated with the pressure test having the greatest pressure.
      (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
   d) Tubing Leak
      (1) Internal: SITP plus a packer fluid gradient to the top of packer.
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      (1) Internal: Full void pipe.
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H_2S Contingency Plan

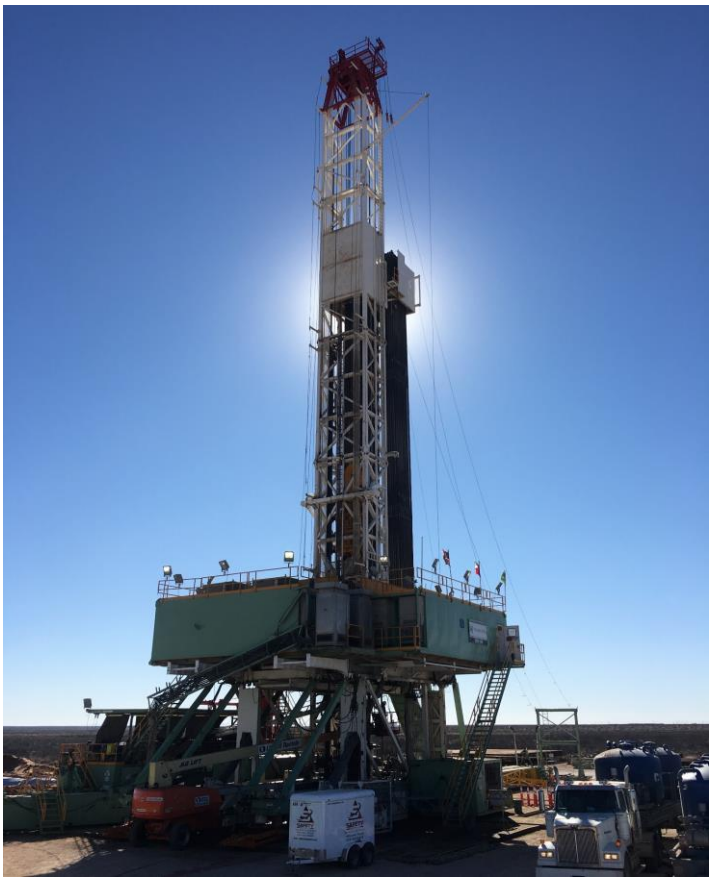


Table of Contents

I. EMERGENCY ASSISTANCE TELEPHONE LIST

PUBLIC SAFETY	**911 or**
Sheriff's Department:	
Eddy County Sherriff's Office	(575) 887-7551
Fire Department:	
Carlsbad Fire Department	(575) 885-3125
Artesia Fire Department	(575) 746-5051
Ambulance:	
Elite Medical Transport (Carlsbad)	(915) 542-1144
Trans Aero MedEvac (Artesia)	(970) 657-7449
Hospitals:	
Carlsbad Medical Center	(575) 887-4100
Artesia General Hospital	(575) 748-3333
New Mexico Dept. of Transportation:	
Highway & Transportation Department	(505) 795- 1401
New Mexico Railroad Commission:	
Main Line	(505) 476-3441
OSHA 24 Hr. Reporting	(800) 321-6742
(8 hrs. after death or 24 hrs. after in-patient, amputation, loss of an eye)	

Office Contacts	911 or
Colgate Energy LLC.	**(432) 695-4222**
Vice President of Operations:	
Casey McCain	(432) 664-6140
Drilling Engineering Supervisor	
Rafael Madrid	(432) 556-6387
Drilling Engineering Technical Adviser	
Steven Segrest	(405) 550-0277
Operations Superintendent	
Rick Lawson	(432) 530- 3188
Drilling Superintendent	
Daniel Cameron	(405) 933-0435
Onsite Supervision (H&P 481 Rig Managers)	
Juan Gutierrez	(970)394-4768
Jonathan Jackson	(970)394-4768
Onsite Supervision (H&P 481 Company Men)	
Pierre Dupuis	(432)438-0114
Eric Rutherford	(432)438-0114
Rolando Torres	(432)438-0114
Trevor Hein	(432)438-0114

Emergency Accommodations	
Safety Solutions Office	(432) 563-0400
Safety Solutions Dispatch	(432) 556-2002
Craig Strasner	(432) 894-0341 (Cell)

II. H_2S CONTINGENCY PLAN SECTION

Scope:

This contingency plan provides an organized plan of action for alerting and protecting the public within an area of exposure prior to an intentional release or following the accidental release of a potentially hazardous volume of hydrogen sulfide. The plan establishes guidelines for all personnel whose work activity may involve exposure to Hydrogen Sulfide Gas (H_2S).

Objective:

Prevent any and all accidents and prevent the uncontrolled release of H_2S into the atmosphere.
Provide proper evacuation procedures to cope with emergencies.
Provide immediate and adequate medical attention should an injury occur.

Purpose, Distribution and Updating of Contingency Plan:

The Purpose of this contingency plan is to protect the general public from the harmful effects of H_2S accidentally escaping from the subject producing well. This plan is designed to accomplish its purpose by assuring the preparedness necessary to:

1. Minimize the possibility of releasing H_2S into the atmosphere during related operations.
2. Provide for the logical, efficient, and safe emergency actions required to protect the general public in the event of an accidental release of a potentially hazardous quantity of H_2S.

Supplemental information is included with this plan and is intended as reference material for anyone needing a more detailed understanding of the many factors pertinent to H_2S drilling operations safety. The release of a potentially hazardous quantity of H_2S is highly unlikely. If such a release should occur however, obviously the exact time, rate, duration, and other pertinent facts will be known in advance thus, this contingency plan must necessarily be somewhat general. The plan does review in detail, as is reasonably possible, the type of accidental release that could possibly endanger the general public, the probable extent of such danger, and the emergency actions generally appropriate. In the event of such an accidental release, the specific actions to be taken will have to be determined at the time of release by the responsible personnel at the drilling location. Complete familiarity with this plan will help such personnel make the proper decisions rapidly. Familiarity with this plan is so required all operators, operator representatives, and drilling contractor supervisory personnel who could possibly be on duty at the drilling location at the time of an H_2S emergency.

IT IS THE RESPONSIBILITY OF THE OPERATOR TO ASSURE SUCH FAMILIARITY BEFORE DRILLING WITHIN 1000' OR THREE DAYS PRIOR TO PENETRATION OF THE SHALLOWEST FORMATION KNOWN OR SUSPECTED TO CONTAIN H_2S IN POTENTIALLY HAZARDOUS QUANTITIES, AND ALSO TO ASSURE THE TIMELY ACCOMPLISHMENT OF ALL THE OTHER ACTION SPECIFIED HERE IN.

As this contingency plan was prepared considerably in advance of the anticipated H_2S operation, the plan must be kept current if it is to effectively serve its purpose. The operators will be responsible for seeing that all copies are updated. Updating the plan is required when any changes to the personnel Call List (Section) including telephone numbers occur or when any pertinent data or plans for the well are altered. The plan must also be updated when any changes in the general public likely to be within the exposure area in the event of an

accidental release from the well bore of a potentially hazardous quantity of H_2S. Two copies of this plan shall be retained at the office of Colgate Energy. Two copies shall be retained at the drilling location.

Discussion of Plan:

Suspected Problem Zones:

Implementation: This plan, with all details, is to be fully implemented 1000' before drilling into the first sour zone.

Emergency Response Procedure: This section outlines the conditions and denotes steps to be taken in the event of an emergency.

Emergency Equipment and Procedure: This section outlines the safety and emergency equipment that will be required for the drilling of this well.

Training Provisions: This section outlines the training provisions that must be adhered to 1000' before drilling into the first sour zone.

Emergency call list: Included are the telephone numbers of all persons that would need to be contacted, should an H_2S emergency occur.

Briefing: This section deals with the briefing of all persons involved with the drilling of this well.

Public Safety: Public Safety Personnel will be made aware of the drilling of this well.

Check Lists: Status check lists and procedural check lists have been included to ensure adherence to the plan.

General Information: A general information section has been included to supply support information.

III. OPERATING PROCEDURES

A. Blowout Preventer Drills

Due to the special piping and Mani folding necessary to handle poisonous gas, particular care will be taken to ensure that all rig personnel are completely familiar with their jobs during the drills. The Drilling Consultant and Tool Pusher (Rig Superintendent) are thoroughly familiar with the additional controls and piping necessary.

B. H_2S Alarm Drills

The Company Man and/ or designee will conduct frequent H_2S alarm drills for each crew by injecting a trace of H_2S where the detector will give an alarm. Under these conditions all personnel on location will put on air equipment and remain masked until all clear is announced.

C. Surface Annular Preventer/ Diverter System Testing

After installation of the surface annular preventer, Hydraulic Control Valve and diverter system, both are to be function tested. They also should be function tested frequently while drilling surface hole.

D. Blowout Preventer

After installation of the Blowout Preventer Stack, the stack will be pressure tested. The Choke manifold is also to be pressure tested at this time. This procedure will be repeated as required by the NMOCD, the BLM, or if any of the stack is nipped down. Also, at this time, the Blind and Pipe Rams are checked for correct operation.

E. Well Control Practice Drills and Safety Meeting for Crew Members

Pit drills are for the purpose of acquainting each member of the drilling crew with his duties in the event of an emergency. Drills will be held with each crew as frequently as required to thoroughly familiarize each man with his duties. Drills are to be held at least weekly from that time forward.

1. BOP Drill while on Bottom Drilling:
   A. Signal will be three or more long blast given by driller on the horn.

   B. Procedure will be as follows:
      1. Tool Pusher: Supervises entire operation.
      2. Driller
         a. Gives signal.
         b. Picks up Kelly.
         c. Stops pumps.
         d. Observes flow.
         e. Signal to close (pipe rams if necessary).
         f. Check that Choke Manifold is closed.
         g. Record drill pipe pressure, casing pressure and determine mud volume gain.
      3. Motorman
         a. Go to closing unit and standby for signal to close BOP.
         b. Close BOP in signal.
         c. Check on BOP closing.
         d. Go to floor to assist driller. (NOTE: During test drills the BOP

need not be completely closed at the discretion of the supervisor. Supervisor should make it very clear that it is a test drill only!)

4. Derrickman
    a. Check pumps.
    b. Go to floor for directions from the driller.
5. Floorman
    a. Go to manifold.
    b. Observe and record pressure.
    c. Check manifold and BOP for leaks.
    d. Check with driller for additional instructions.

2. BOP Drill While Making Trip:
    A. During trip driller will fill hole every five (5) stands and check the pits to be sure hole is taking mud.
    B. Drill Procedure is as follows:
        1. Driller
            a. Order Safety valve installed.
            b. Alert those not on the floor.
            c. Go to stations as described in above drill.

3. Safety Meetings
    A. Every person involved in the operating will be informed of the characteristics of H_2S, its danger and safety procedures to be used when it is encountered, and recommended first-aid procedure for regular rig personnel. This will be done through a series of talks made before spud.

    B. The Safety Advisor or Drilling Supervisor will conduct these training sessions and will repeat them as deemed necessary by him or as instructed by Colgate Energy. Talks may include the following subjects:
        1. Dangers of Hydrogen Sulfide (H_2S).
        2. Use and limitations of air equipment.
        3. Use of resuscitator.
        4. Organize Buddy System.
        5. First Aid procedures.
        6. Use of H_2S detection devices.
        7. Designate responsible people.
        8. Explain rig layout and policy to visitors.
            a. Designate smoking and safety or Muster area.
            b. Emphasize the importance of wind directions.
        9. Describe and explain operation of BOP stack, manifold, separator, and pit piping. Include maximum allowable pressure for casing procedure.
        10. Explain functions of Safety Supervisor.
        11. Explain organize H_2S Drills.
        12. Explain the overall emergency plan with emphasis given to the evacuation phase of the plans.

- Note: The above talks will be attended by every person involved in the operation. When drilling has reached a depth where H_2S is anticipated, temporary service personnel and visitors will be directed to the Drilling Consultant, who will designate the air equipment to be used by them in case of emergency, acquaint them with the dangers involved and be sure of their safety while they are in the area. He will point out the Briefing Areas, Windsocks, and Smoking Areas. He may refuse entrance to anyone, who in his opinion should not be admitted because of lack of safety equipment, special operations in progress or for other reasons involving personnel safety.

F. Outside Service Personnel

All service people such as cementing crews, logging crews, specialist, mechanics, and welders will furnish their own safety equipment. The Company Man/ or designee will be sure that the number of people on location does not exceed the number of masks on location, and they have been briefed regarding safety procedures. He will also be sure each of these people know about smoking and "Briefing Areas" and know what to do in case of an emergency alert or drill. Visitors will be restricted, except with special permission from the Drilling Consultant, when H_2S might be encountered. They will be briefed as to what to do in case of an alert or drill.

G. Onsite/ off shift workers

All workers that are staying on site must be identified as to where they are staying while off tour. If a drill/ or emergency takes place related to an H_2S release, each crew must have a designated person(s) that will wake them up and ensure that they are cleared to the appropriate muster area immediately.

H. Simultaneous Operations (SIMOPS)

If work is going on adjacent to the location is the responsibility of the Drilling Consultant or designee to communicate any applicable risks that may affect personnel working on that adjacent location. In the case of an H2S drill or event, there should be a designated crew member that is responsible for contacting personnel on adjacent locations. This could include just communication on potential events or in case of an event, notification to evacuate location. Drilling Consultant or designee are the Point of Contact and oversee all activities at such point of an H_2S event occurrence.

I. Area Residences/ Occupied Locations/ Public Roads

Any occupied residences/ businesses that are within a reasonable perimeter of the location (attached map will identify a 3000' radius around location) should be identified as part of this contingency and a reasonable effort will be made to gain contact information for them. As part of the briefing of the contingency plan, the team reviewing should identify where these potential receptors are and plan on who will contact them in case of a release that may impact that area.

J. Drilling Fluids

Drilling Fluid Monitoring – On Any Hazardous H_2S gas well, the earlier the warning of danger the better chance to control operations. Mud Company will be in daily contact with Colgate Energy Consultant. The Mud Engineer will take samples of the mud, analyze these samples, and make necessary recommendations to prevent H_2S gas from the formation, the pH will be increased as necessary for corrosion control.

pH Control – For normal drilling, pH of 10.5 – 11.5. Would be enough for corrosion protection. If there is an influx of H_2S gas from the formation, the pH will be increased as necessary for corrosion control.

H_2S Scavengers – If necessary H_2S scavengers will be added to the drilling mud.

IV. OPERATING CONDITIONS

A. Posting Well Condition Flags

Post the green, yellow or red well condition flag, as appropriate, on the well condition sign at the location entrance, and take necessary precautions as indicated below:

1. **Green Flag**: Potential Danger- When Drilling in known H_2S zones or when H_2S has been detected in the drilling fluid atmosphere. Protective breathing equipment shall be inspected, and all personnel on duty shall be alerted to be ready to use this equipment.
2. **Yellow Flag**: Potential Danger- When the threshold limit value of H_2S (10 PPM) or of SO_2 (5 PPM) is reached. If the concentration of H_2S or SO_2 reaches 10 PPM, protective breathing equipment shall be worn by all working personnel, and non-working personnel shall go to the upwind Safe Briefing Area.
3. **Red Flag**: Extreme danger*- When the ambient concentration of H_2S or SO_2 is reasonably believed or determined to have exceeded the potentially hazardous level. All non-essential personnel shall leave the drilling location taking the route most likely to exposure to escaping gas.

B. Requiring Air Masks Conditions

1. Whenever air masks are used, the person must be clean shaven as shown in the APC Guidelines
2. When breaking out any line where H_2S can reasonably be expected.
3. When sampling air in areas to determine if toxic concentrations of H_2S exist.
4. When working in areas where 10 PPM or more of H_2S has been detected.
5. At any time, there is doubt as to the H_2S level in the area to be entered.

C. Kick Procedure

1. It is very important that the driller be continuously alert, especially when approaching a gas formation.
2. Should gas come into the well bore, it is very important to be aware of a kick at the earliest time.
3. If a kick is identified, follow appropriate diverter or shut in procedures according to the situation that is presented utilizing appropriate kick procedures.

V. EMERGENCY PROCEDURES

I. In the event of any evidence of H_2S level above 10ppm, take the following steps immediately:
   a. Secure breathing apparatus.
   b. Order non-essential personnel out of the danger zone.
   c. Take steps to determine if the H_2S level can be corrected or suppressed, and if so, proceed with normal operations.

II. If uncontrollable conditions occur, proceed with the following:
   a. Take steps to protect and/or remove any public downwind of the rig, including partial evacuation or isolation. Notify necessary public safety personnel.
   b. Remove all personnel to the Safe Briefing Area.
   c. Notify public safety personnel for help with maintaining roadblocks, thus limiting traffic and implementing evacuation.
   d. Determine and proceed with the best possible plan to regain control of the well. Maintain tight security and safety measures.

III. Responsibility
   a. The Company Approved Supervisor shall be responsible for the total implementation of the plan.
   b. The Company Approved Supervisor shall be in complete command during any emergency.
   c. The Company Approved Supervisor shall designate a backup Supervisor if he/she is not available.

IV. Actions to be taken

   a. Assign specific tasks to drilling location personnel
   b. Evacuate the general public from the exposure area
   c. Cordon off the exposure area to prevent entry by unauthorized persons
   d. Request assistance if and as needed and initiate emergency notifications
   e. Stop the dispersion of H_2S
   f. Complete emergency notifications as required
   g. Return the situation to normal

EMERGENCY PROCEDURE IMPLEMENTATION

I. Drilling or Tripping

a. *All Personnel*

i. When alarm sounds, don escape unit and report to upwind Safe Briefing Area.
ii. Check status of other personnel (buddy system).
iii. Secure breathing apparatus.
iv. Wait for orders from supervisor.

b. *Drilling Consultant*

i. Report to the upwind Safe Briefing Area.
ii. Don Breathing Apparatus and return to the point of release with the Tool Pusher or Driller (buddy system).
iii. Determine the concentration of H_2S.
iv. Assess the situation and take appropriate control measures.

c. *Tool Pusher*

i. Report to the upwind Safe Briefing Area.
ii. Don Breathing Apparatus and return to the point of release with the Drilling Consultant or the Driller (buddy system).
iii. Determine the concentration of H_2S.
iv. Assess the situation and take appropriate control measures.

d. *Driller*

i. Check the status of other personnel (in a rescue attempt, always use the buddy system).
ii. Assign the least essential person to notify the Drilling Consultant and Tool Pusher, in the event of their absence.
iii. Assume the responsibility of the Drilling Consultant and the Tool Pusher until they arrive, in the event of their absence.

e. *Derrick Man and Floor Hands*

i. Remain in the upwind Safe Briefing Area until otherwise instructed by a supervisor.

f. *Mud Engineer*

i. Report to the upwind Safe Briefing Area.
ii. When instructed, begin check of mud for pH level and H_2S level.

g. *Safety Personnel*

i. Don Breathing Apparatus.
ii. Check status of personnel.
iii. Wait for instructions from Drilling Consultant or Tool Pusher.

II. Taking a Kick

a. All Personnel report to the upwind Safe Briefing Area.
b. Follow standard BOP/ diverter procedures.

III. Open Hole Logging

a. All unnecessary personnel should leave the rig floor.

b. Drilling Consultant and Safety Personnel should monitor the conditions and make necessary safety equipment recommendations.

IV. Running Casing or Plugging

a. Follow “Drilling or Tripping” procedures.

b. Assure that all personnel have access to protective equipment.

VI. POST EMERGENCY ACTIONS

In the event this plan is activated, the following post emergency actions shall be taken in an effort to reduce the possibility of a reoccurrence of the type of problem that required its activation, and/or assure that any future activation of a similar plan will be as effective as possible.

A. Review the factors that caused or permitted the emergency occur, and if the need is indicated, modify operating, maintance and/or surveillance procedures.
B. If the need is indicated, retrain employees in blowout prevention, H_2S emergency procedures and etc.
C. Clean up, recharge, restock, reapair, and/ or repalce H_2S emergency equipment as necessary , and return it to its proper place. (For whatever rental equipment is used, this will be the resposibility of Rental Company).
D. See that future H_2S drilling contingency plans are modified accordingly, if the need is indicated.

VII. IGNITION PROCEDURES

Responsibilities:

The decision to ignite the well is the responsibility of the DRILLING CONSULTANT in concurrence with the STATE POLICE. In the event the Drilling Consultant is incapacitated, it becomes the responsibility of the RIG TOOL PUSHER. This decision should be made only as a last resort and in a situation where it is clear that:

1. Human life and property are endangered.

2. There is no hope of controlling the blowout under the prevailing conditions.

If time permits, notify the main office, but do not delay if human life is in danger. Initiate the first phase of the evacuation plan.

Instructions for Igniting the Well:

1. Two people are required for the actual igniting operation. Both men must wear self-contained breathing apparatus and must use a full body harness and attach a retrievable safety line to the D-Ring in the back. One man must monitor the atmosphere for explosive gases with the LEL monitor, while the Drilling Consultant is responsible for igniting the well.

2. The primary method to ignite is a 25mm flare gun with a range of approximately 500 feet.

3. Ignite from upwind and do not approach any closer than is warranted.

4. Select the ignition site best suited for protection and which offers an easy escape route.

5. Before igniting, check for the presence of combustible gases.

6. After igniting, continue emergency actions and procedures as before.

7. All unassigned personnel will limit their actions to those directed by the Drilling Consultant.

Note: After the well is ignited, burning Hydrogen Sulfide will convert to Sulfur Dioxide, which is also highly toxic. Also, both are heavier than air. Do not assume the area is safe even after the well is ignited.

VIII. TRAINING PROGRAM

When working in an area where Hydrogen Sulfide (H_2S) might be encountered, definite training requirements must be carried out. The Company Supervisor will ensure that all personnel, at the well site, have had adequate training in the following:

1. Hazards and characteristics of Hydrogen Sulfide (H_2S).
2. Physicals effects of Hydrogen Sulfide on the human body.
3. Toxicity of Hydrogen Sulfide and Sulfur Dioxide.
4. H_2S detection, Emergency alarm and sensor location.
5. Don and Doff of SCBA and be clean shaven.
6. Emergency rescue.
7. Resuscitators.
8. First aid and artificial resuscitation.
9. The effects of Hydrogen Sulfide on metals.
10. Location safety.

Service company personnel and visiting personnel must be notified if the zone contains H_2S, and each service company must provide adequate training and equipment for their employees before they arrive at the well site.

IX. EMERGENCY EQUIPMENT

Lease Entrance Sign:

Should be located at the lease entrance with the following information:

CAUTION – POTENTIAL POISON GAS
HYDROGEN SULFIDE
NO ADMITTANCE WITHOUT AUTHORIZATION

Respiratory Equipment:

- Fresh air breathing equipment should be placed at the safe briefing areas and should include the following:
- Two SCBA's at each briefing area.
- Enough airline units to operate safely, anytime the H_2S concentration reaches the IDLH level (100 ppm).

- Cascade system with enough breathing air hose and manifolds to reach the rig floor, the derrickman and the other operation areas.

Windsocks or Wind Streamers:

- A minimum of two 10" windsocks located at strategic locations so that they may be seen from any point on location.
- Wind streamers (if preferred) should always be placed at various locations on the well site to ensure wind consciousness. (Corners of location).

Hydrogen Sulfide Detector and Alarms:

- 1 - Four channel H_2S monitor with alarms.
- Three (3) sensors located as follows: #1 – Rig Floor, #2 – Shale Shaker, #3 – Cellar.
- Gastec or Draeger pump with tubes.
- Sensor test gas.

Well Condition Sign and Flags:

The Well Condition Sign w/flags should be placed a minimum of 150' before you enter the location. It should have three (3) color coded flags (green, yellow and red) that will be used to denote the following location conditions:

GREEN – Normal Operating Conditions
YELLOW – Potential Danger
RED – Danger, H_2S Gas Present

Auxiliary Rescue Equipment:

- Stretcher
- 2 – 100' Rescue lines.
- First Aid kit properly stocked.

Mud Inspection Equipment:

Garret Gas Train or Hach Tester for inspection of Hydrogen Sulfide in the drilling mud system.

Fire Extinguishers:

Adequate fire extinguishers shall be located at strategic locations.

Blowout Preventer:

- The well shall have hydraulic BOP equipment for the anticipated bottom hole pressure (BHP).
- The BOP should be tested upon installation.
- BOP, Choke Line and Kill Line will be tested as specified by Operator.

Confined Space Monitor:

There should be a portable multi-gas monitor with at least 3 sensors (O_2, LEL H_2S), preferably 4 (O_2, LEL, H_2S, CO). This instrument should be used to test the atmosphere of any confined space before entering. It should also be used for atmospheric testing for LEL gas before beginning any type of Hot Work. Proper calibration documentation will need to be provided.

Communication Equipment:

- Proper communication equipment such as cell phones or 2-way radios should be available at the rig.
- Radio communication shall be available for communication between the company man's trailer, rig floor and the tool pusher's trailer.
- Communication equipment shall be available on the vehicles.

Special Control Equipment:

- Hydraulic BOP equipment with remote control on the ground.
- Rotating head at the surface casing point.

Evacuation Plan:

- Evacuation routes should be established prior to spudding the well.
- Should be discussed with all rig personnel.

Designated Areas:

Parking and Visitor area:

- All vehicles are to be parked at a pre-determined safe distance from the wellhead.
- Designated smoking area.

Safe Briefing Areas:

- Two Safe Briefing Areas shall be designated on either side of the location at the maximum allowable distance from the well bore so they offset prevailing winds, or they are at a 180-degree angle if wind directions tend to shift in the area.

- Personal protective equipment should be stored at both briefing areas and if a moveable cascade trailer is used, it should be kept upwind of existing winds. When wind is from the prevailing direction, both briefing areas should be accessible.

Note:

- Additional equipment will be available at the H_2S Provider Safety office.

- Additional personal H_2S monitors are available for all employees on location.

- Automatic Flare Igniters are recommended for installation on the rig.

X. CHECKLISTS

Rig-up & Equipment Status Check List

Note: Initial & Date each item as they are implemented. Multiple wells require additional Columns to be Dated/ Initialed

	Date & Initial 1st Well	Date & Initial 2nd Well	Date & Initial 3rd Well	Date & Initial 4th Well
Sign at location entrance.				
Two (2) windsocks (in required locations).				
Wind Streamers (if required).				
SCBA's on location (Minimum of 2 @ each Muster Area)				
Air packs (working packs and escape packs), inspected and ready for use.				
Spare bottles for each air pack (if required).				
Cascade system and hose line hook up.				
Choke manifold hooked-up and tested. (before drilling out surface casing.)				
Remote Hydraulic BOP control tested (before drilling out surface casing).				
BOP tested (before drilling out surface casing).				
Safe Briefing Areas set-up				
Well Condition sign and flags on location and ready.				
Hydrogen Sulfide detection/ alarm system hooked-up & tested.				
Stretcher on location				
2 – 100' Lifelines on location.				
1 – 20# Fire Extinguisher in safety trailer.				
Confined Space monitor on location and tested.				
All rig crews and supervisor trained (as required).				
All rig crews and supervision medically qualified and fit tested on proper respirators				
Access restricted for unauthorized personnel.				
Pre-spud meeting held reviewing Contingencies				
Drills on H_2S and well control procedures.				
All outside service contractors advised of potential H_2S on the well.				
25mm Flare Gun on location w/flares.				

Procedural Check List

Perform the following on each tour:

1. Check fire extinguishers to see that they have the proper charge.
2. Check breathing equipment to ensure that they have not been tampered with.
3. Check pressure on the supply air bottles to make sure they are capable of recharging.
4. Make sure all the Hydrogen Sulfide detection systems are operative.
5. Ensure that all BOP/ Surface Annular/ Diverter systems are functioning and operational.

Perform the following each week:

1. Check each piece of breathing equipment to make sure that they are fully charged and operational. This requires that the air cylinder be opened, and the mask assembly be put on and tested to make sure that the regulators and masks are properly working. Negative and Positive pressure should be conducted on all masks.
2. BOP skills.
3. Check supply pressure on BOP accumulator stand-by source.
4. Check all breathing air mask assemblies to see that straps are loosened and turned back, ready for use.
5. Check pressure on cascade air cylinders to make sure they are fully charged and ready to use for refill purposes if necessary.
6. Check all cascade system regulators to make sure they work properly.
7. Perform breathing drills with on-site personnel.
8. Check the following supplies for availability (may be with H_2S Techs On-call):
    - Stretcher
    - Safety Belts and Ropes
    - Spare air Bottles
    - Spare Oxygen Bottles (if resuscitator required)
    - Gas Detector Pump and Tubes
    - Emergency telephone lists
    - Test the Confined Space Monitor to verify the batteries are good.

XI. BRIEFING PROCEDURES

The following scheduled briefings will be held to ensure the effective drilling and operation of this project:

Pre-Spud Meeting

Date: Prior to spudding the well.

Attendance:
Drilling Supervisor
Drilling Engineer
Drilling Consultant
Rig Tool Pushers
Rig Drillers
Mud Engineer
All Safety Personnel
Key Service Company Personnel

Purpose: Review and discuss the well program, step-by-step, to insure complete understanding of assignments and responsibilities.

XII. EVACUATION PLAN

General Plan

The direct lines of action prepared by Colgate Energy to protect the public from hazardous gas situations are as follows:

1. When the company approved supervisor (Drilling Consultant, Tool Pusher or Driller) determine that Hydrogen Sulfide gas cannot be limited to the well location, and the public will be involved, he will activate the evacuation plan. Escape routes are noted on the area map.

2. Company safety personnel or designee will notify the appropriate local government agency that a hazardous condition exists, and evacuation needs to be implemented.

3. Company approved safety personnel that have been trained in the use of the proper emergency equipment will be utilized.

4. Law enforcement personnel (State Police, Local Police Department, Fire Department, and the Sheriff's Department) will be called to aid in setting up and maintaining roadblocks. Also, they will aid in evacuation of the public if necessary.

NOTE: Law enforcement personnel will not be asked to come into a contaminated area. Their assistance will be limited to uncontaminated areas. Constant radio contact will be maintained with them.

5. After the discharge of gas has been controlled, "Company" personnel will determine when the area is safe for re-entry.

6. If a major release is secured, all exposed housing, vehicles, rig buildings, and low-lying areas and other structures downwind must be tested and clear with SCBAs donned to ensure that all residual H_2S is cleared. Fans, or opening of doors is recommended to ensure that areas are cleared out as part of this process.

XIII. APPENDICES AND GENERAL INFORMATION

Radius of Exposure
Affected Notification List

(within a 65' radius of exposure @100ppm)

The geologic zones that will be encountered during drilling are known to contain hazardous quantities of H_2S. The accompanying map illustrates the affected areas of the community. The residents within this radius will be notified via a hand delivered written notice describing the activities, potential hazards, conditions of evacuation, evacuation drill siren alarms and other precautionary measures.

Evacuee Description:
Residents:

Notification Process:

A continuous siren audible to all residence will be activated, signaling evacuation of previously notified and informed residents.

Evacuation Plan:

All evacuees will migrate lateral to the wind direction.

The Operating Company will identify all home bound or highly susceptible individuals and make special evacuation preparations, interfacing with the local and emergency medical service as necessary.

Toxic Effects of H_2S Poisoning

Hydrogen Sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 10 PPM, which is .001% by volume. Hydrogen Sulfide is heavier than air (specific gravity – 1.192) and is colorless and transparent. Hydrogen Sulfide is almost as toxic as Hydrogen Cyanide and is 5-6 times more toxic than Carbon Monoxide. Occupational exposure limits for Hydrogen Sulfide and other gases are compared below in Table 1. Toxicity table for H_2S and physical effects are shown in Table 2.

Table 1
Permissible Exposure Limits of Various Gases

Common Name	Symbol	Sp. Gravity	TLV	STEL	IDLH
Hydrogen Cyanide	HCN	.94	4.7 ppm	4.7 ppm	50 ppm
Hydrogen Sulfide	H_2S	1.192	10 ppm	15 ppm	100 ppm
Sulfide Dioxide	SO_2	2.21	2 ppm	5 ppm	100 ppm
Chlorine	CL	2.45	.5 ppm	1 ppm	10 ppm
Carbon Monoxide	CO	.97	25 ppm	200 ppm	1200 ppm
Carbon Dioxide	CO_2	1.52	5000 ppm	30,000 ppm	40,000 ppm
Methane	CH_4	.55	5% LEL	15% UEL	

Definitions

A. TLV – Threshold Limit Value is the concentration employees may be exposed based on a TWA (time weighted average) for eight (8) hours in one day for 40 hours in one (1) week. This is set by ACGIH (American Conference of Governmental Hygienists) and regulated by OSHA.

B. STEL – Short Term Exposure Limit is the 15-minute average concentration an employee may be exposed to providing that the highest exposure never exceeds the OEL (Occupational Exposure Limit). The OEL for H_2S is 20 PPM.

C. IDLH – Immediately Dangerous to Life and Health is the concentration that has been determined by the ACGIH to cause serious health problems or death if exposed to this level. The IDLH for H_2S is 100 PPM.

D. TWA – Time Weighted Average is the average concentration of any chemical or gas for an eight (8) hour period. This is the concentration that any employee may be exposed based on a TWA.

Toxicity Table of H_2S

Percent %	PPM	Physical Effects
.0001	1	Can smell less than 1 ppm.
.001	10	TLV for 8 hours of exposure.
.0015	15	STEL for 15 minutes of exposure.
.01	100	Immediately Dangerous to Life & Health. Kills sense of smell in 3 to 5 minutes.
.02	200	Kills sense of smell quickly, may burn eyes and throat.
.05	500	Dizziness, cessation of breathing begins **in a few minutes.**
.07	700	Unconscious quickly, death will result if not rescued promptly.
.10	1000	Death will result unless rescued promptly. Artificial resuscitation may be necessary.

PHYSICAL PROPERTIES OF H_2S

The properties of all gases are usually described in the context of seven major categories:

COLOR
ODOR
VAPOR DENSITY
EXPLOSIVE LIMITS
FLAMMABILITY
SOLUBILITY (IN WATER)
BOILING POINT

Hydrogen Sulfide is no exception. Information from these categories should be considered in order to provide a complete picture of the properties of the gas.

COLOR – TRANSPARENT

Hydrogen Sulfide is colorless, so it is invisible. This fact simply means that you can't rely on your eyes to detect its presence. In fact, that makes this gas extremely dangerous to be around.

ODOR – ROTTEN EGGS

Hydrogen Sulfide has a distinctive offensive smell, like "rotten eggs". For this reason, it earned its common name "sour gas". However, H_2S, even in low concentrations, is so toxic that it attacks and quickly impairs a victim's sense of smell, so it could be fatal to rely on your nose as a detection device.

VAPOR DENSITY – SPECIFIC GRAVITY OF 1.192

Hydrogen Sulfide is heavier than air, so it tends to settle in low-lying areas like pits, cellars or tanks. If you find yourself in a location where H_2S is known to exist, protect yourself. Whenever possible, work in an area upwind and keep to higher ground.

EXPLOSIVE LIMITS – 4.0% TO 44%

Mixed with the right proportion of air or oxygen, H_2S will ignite and burn or explode, producing another alarming element of danger besides poisoning.

FLAMMABILITY

Hydrogen Sulfide will burn readily with a distinctive clear blue flame, producing Sulfur Dioxide (SO_2), another hazardous gas that irritates the eyes and lungs.

SOLUBILITY – 4 TO 1 RATIO WITH WATER

Hydrogen Sulfide can be dissolved in liquids, which means that it can be present in any container or vessel used to carry or hold well fluids including oil, water, emulsion and sludge. The solubility of H_2S is dependent on temperature and pressure, but if conditions are right, simply agitating a fluid containing H_2S may release the gas into the air.

BOILING POINT – (-77° Fahrenheit)

Liquefied Hydrogen Sulfide boils at a very low temperature, so it is usually found as a gas.

RESPIRATOR USE

The Occupational Safety and Health Administration (OSHA) regulate the use of respiratory protection to protect the health of employees. OSHA's requirements are written in the Code of Federal Regulations, Title 29, Part 1910, Section 134, Respiratory Protection. This regulation requires that all employees who might be required to wear respirators, shall complete an OSHA mandated medical evaluation questionnaire. The employee then should be fit tested prior to wearing any respirator while being exposed to hazardous gases.

Written procedures shall be prepared covering safe use of respirators in dangerous atmospheric situations, which might be encountered in normal operations or in emergencies. Personnel shall be familiar with these procedures and the available respirators.

Respirators shall be inspected prior to and after each use to make sure that the respirator has been properly cleaned, disinfected and that the respirator works properly. The unit should be fully charged prior to being used.

Anyone who may use respirators shall be properly trained in how to properly seal the face piece. They shall wear respirators in normal air and then in a test atmosphere. (Note: Such items as facial hair (beard or sideburns) and eyeglass temple pieces will not allow a proper seal.) Anyone who may be expected to wear respirators should have these items removed before entering a toxic atmosphere. A special mask must be obtained for anyone who must wear eyeglasses. Contact lenses should not be allowed.

Respirators shall be worn during the following conditions:

A. Any employee who works near the top or on the top of any tank unless tests reveal less than 20 ppm of H_2S.

B. When breaking out any line where H_2S can reasonably be expected.

C. When sampling air in areas where H_2S may be present.

D. When working in areas where the concentration of H_2S exceeds the Threshold Limit Value for H_2S (10 ppm).

E. At any time where there is a doubt as to the H_2S level in the area to be entered.

EMERGENCY RESCUE PROCEDURES

DO NOT PANIC!!!

Remain Calm – Think

1. Before attempting any rescue, you must first get out of the hazardous area yourself. Go to a safe briefing area.

2. Sound alarm and activate the 911 system.

3. Put on breathing apparatus. At least two persons should do this, when available use the buddy system.

4. Rescue the victim and return them to a safe briefing area.

5. Perform an initial assessment and begin proper First Aid/CPR procedures.

6. Keep victim lying down with a blanket or coat, etc.., under the shoulders to keep airway open. Conserve body heat and do not leave unattended.

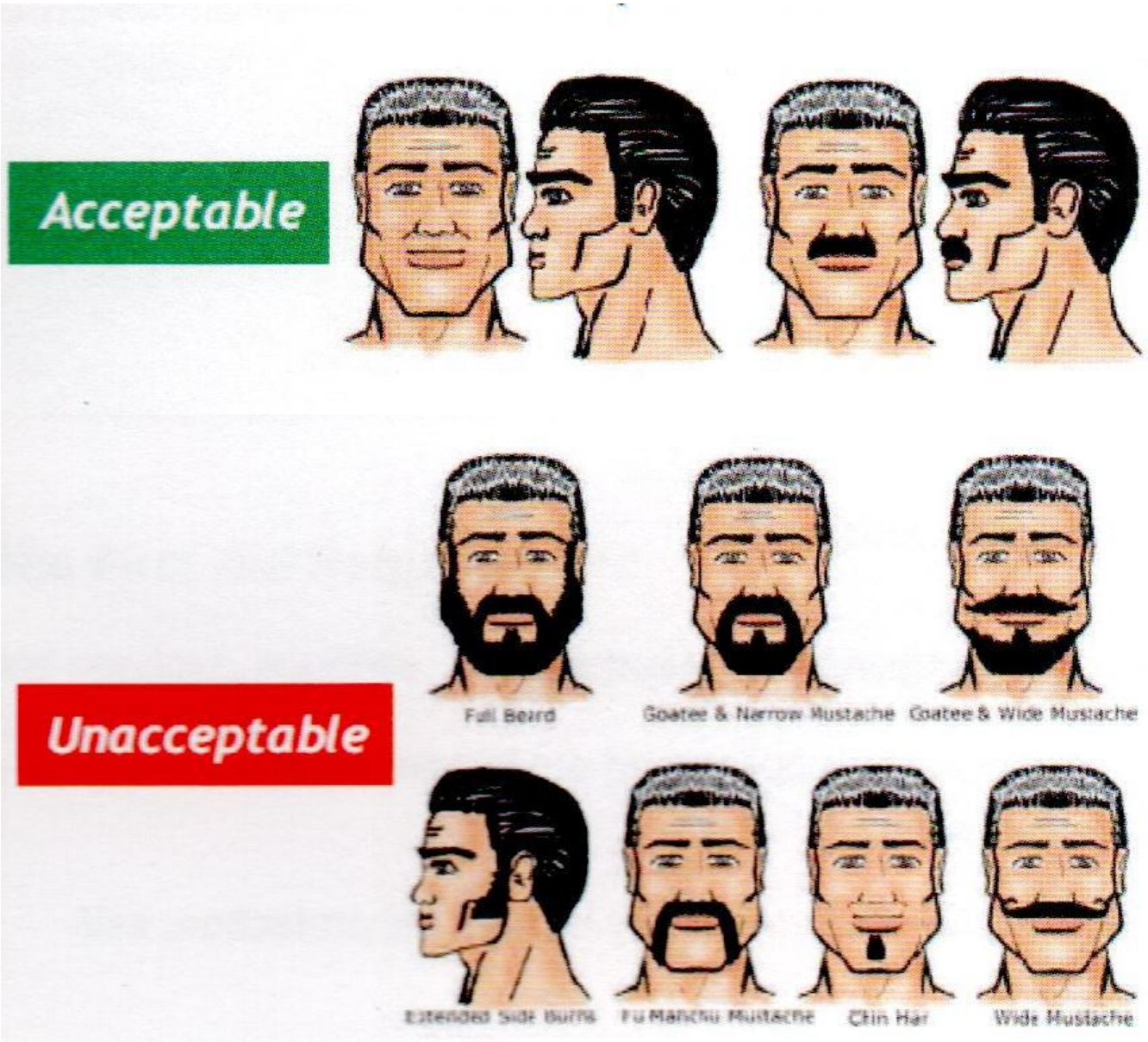
7. If the eyes are affected by H_2S, wash them thoroughly with potable water. For slight irritation, cold compresses are helpful.

8. In case a person has only minor exposure and does not lose consciousness totally, it's best if he doesn't return to work until the following day.

9. Any personnel overcome by H_2S should always be examined by medical personnel. They should always be transported to a hospital or doctor.

Facial Hair – Clean Shaven Examples

Purpose: To define clean shaven expectations in the field for: 1) Respirator Use, if applicable and 2) First Aid Administration, if situation occurs related to H_2S exposure, having no facial hair can greatly benefit response time and treatment ability.



Colgate Energy

(Permit) Eddy County, NM (83-NME)
(Permit) Koala 9 Fed Com
(B02) Koala 9 Fed Com 204H

Permit

Plan: APD-Revv00

Standard Planning Report

12 May, 2022

COLGATE ENERGY

Planning Report

Database:	EDM 5000.14 Single User Db	**Local Co-ordinate Reference:**	Well (B02) Koala 9 Fed Com 204H
Company:	Colgate Energy	**TVD Reference:**	3274+30 @ 3304.00usft
Project:	(Permit) Eddy County, NM (83-NME)	**MD Reference:**	3274+30 @ 3304.00usft
Site:	(Permit) Koala 9 Fed Com	**North Reference:**	Grid
Well:	(B02) Koala 9 Fed Com 204H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Permit		
Design:	APD-Revv00		

Project (Permit) Eddy County, NM (83-NME)

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

Site (Permit) Koala 9 Fed Com

Site Position:		**Northing:**	579,560.58 usft	**Latitude:**	32.59318638
From:	Map	**Easting:**	584,661.65 usft	**Longitude:**	-104.19265949
Position Uncertainty:	0.00 usft	**Slot Radius:**	13-3/16 "		

Well (B02) Koala 9 Fed Com 204H

Well Position	**+N/-S**	0.00 usft	**Northing:**	576,206.86 usft	**Latitude:**	32.58396725
	+E/-W	0.00 usft	**Easting:**	584,833.29 usft	**Longitude:**	-104.19211663
Position Uncertainty		0.00 usft	**Wellhead Elevation:**	usft	**Ground Level:**	3,274.00 usft
Grid Convergence:		0.08 °				

Wellbore Permit

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2020	5/6/2022	6.76	60.11	47,550.49358584

Design APD-Revv00

Audit Notes:

Version:		**Phase:**	PLAN	**Tie On Depth:**	0.00

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	89.62

Plan Survey Tool Program **Date** 5/12/2022

	Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	19,582.68	APD-Revv00 (Permit)	MWD+IFR1+SAG+FDIR (SQC	
				OWSG MWD + IFR1 + Sag + F	

COLGATE ENERGY

Planning Report

Database:	EDM 5000.14 Single User Db	**Local Co-ordinate Reference:**	Well (B02) Koala 9 Fed Com 204H
Company:	Colgate Energy	**TVD Reference:**	3274+30 @ 3304.00usft
Project:	(Permit) Eddy County, NM (83-NME)	**MD Reference:**	3274+30 @ 3304.00usft
Site:	(Permit) Koala 9 Fed Com	**North Reference:**	Grid
Well:	(B02) Koala 9 Fed Com 204H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Permit		
Design:	APD-Revv00		

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,288.86	1.33	198.39	1,288.85	-0.98	-0.33	1.50	1.50	0.00	198.39	
8,012.97	1.33	198.39	8,011.15	-149.41	-49.67	0.00	0.00	0.00	0.00	
8,101.84	0.00	0.00	8,100.00	-150.39	-50.00	1.50	-1.50	0.00	180.00	
8,281.88	0.00	0.00	8,280.04	-150.39	-50.00	0.00	0.00	0.00	0.00	
9,181.88	90.00	90.10	8,853.00	-151.39	522.96	10.00	10.00	0.00	90.10	
9,205.86	90.00	89.62	8,853.00	-151.33	546.94	2.00	0.00	-2.00	-90.00	
19,582.68	90.00	89.62	8,853.00	-82.56	10,923.53	0.00	0.00	0.00	0.00	PBHL(K9- 204H)

COLGATE ENERGY

Planning Report

Database:	EDM 5000.14 Single User Db	**Local Co-ordinate Reference:**	Well (B02) Koala 9 Fed Com 204H
Company:	Colgate Energy	**TVD Reference:**	3274+30 @ 3304.00usft
Project:	(Permit) Eddy County, NM (83-NME)	**MD Reference:**	3274+30 @ 3304.00usft
Site:	(Permit) Koala 9 Fed Com	**North Reference:**	Grid
Well:	(B02) Koala 9 Fed Com 204H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Permit		
Design:	APD-Revv00		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
227.00	0.00	0.00	227.00	0.00	0.00	0.00	0.00	0.00	0.00
Rustler									
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
368.00	0.00	0.00	368.00	0.00	0.00	0.00	0.00	0.00	0.00
T/Salt									
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
704.00	0.00	0.00	704.00	0.00	0.00	0.00	0.00	0.00	0.00
Tansill									
779.00	0.00	0.00	779.00	0.00	0.00	0.00	0.00	0.00	0.00
Yates									
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,154.00	0.00	0.00	1,154.00	0.00	0.00	0.00	0.00	0.00	0.00
Seven Rivers									
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,288.86	1.33	198.39	1,288.85	-0.98	-0.33	-0.33	1.50	1.50	0.00
1,300.00	1.33	198.39	1,299.99	-1.23	-0.41	-0.42	0.00	0.00	0.00
1,400.00	1.33	198.39	1,399.96	-3.43	-1.14	-1.16	0.00	0.00	0.00
1,500.00	1.33	198.39	1,499.93	-5.64	-1.88	-1.91	0.00	0.00	0.00
1,600.00	1.33	198.39	1,599.91	-7.85	-2.61	-2.66	0.00	0.00	0.00
1,700.00	1.33	198.39	1,699.88	-10.06	-3.34	-3.41	0.00	0.00	0.00
1,800.00	1.33	198.39	1,799.85	-12.26	-4.08	-4.16	0.00	0.00	0.00
1,824.15	1.33	198.39	1,824.00	-12.80	-4.25	-4.34	0.00	0.00	0.00
Queen									
1,900.00	1.33	198.39	1,899.83	-14.47	-4.81	-4.91	0.00	0.00	0.00
2,000.00	1.33	198.39	1,999.80	-16.68	-5.55	-5.66	0.00	0.00	0.00
2,054.22	1.33	198.39	2,054.00	-17.88	-5.94	-6.06	0.00	0.00	0.00
Grayburg									
2,100.00	1.33	198.39	2,099.77	-18.89	-6.28	-6.40	0.00	0.00	0.00
2,200.00	1.33	198.39	2,199.75	-21.09	-7.01	-7.15	0.00	0.00	0.00
2,300.00	1.33	198.39	2,299.72	-23.30	-7.75	-7.90	0.00	0.00	0.00
2,400.00	1.33	198.39	2,399.69	-25.51	-8.48	-8.65	0.00	0.00	0.00
2,404.31	1.33	198.39	2,404.00	-25.60	-8.51	-8.68	0.00	0.00	0.00
San Andres									
2,500.00	1.33	198.39	2,499.66	-27.72	-9.21	-9.40	0.00	0.00	0.00
2,600.00	1.33	198.39	2,599.64	-29.92	-9.95	-10.15	0.00	0.00	0.00
2,700.00	1.33	198.39	2,699.61	-32.13	-10.68	-10.90	0.00	0.00	0.00
2,800.00	1.33	198.39	2,799.58	-34.34	-11.42	-11.64	0.00	0.00	0.00
2,900.00	1.33	198.39	2,899.56	-36.55	-12.15	-12.39	0.00	0.00	0.00
2,979.47	1.33	198.39	2,979.00	-38.30	-12.73	-12.99	0.00	0.00	0.00
CYCN									
3,000.00	1.33	198.39	2,999.53	-38.75	-12.88	-13.14	0.00	0.00	0.00
3,100.00	1.33	198.39	3,099.50	-40.96	-13.62	-13.89	0.00	0.00	0.00
3,200.00	1.33	198.39	3,199.47	-43.17	-14.35	-14.64	0.00	0.00	0.00
3,300.00	1.33	198.39	3,299.45	-45.37	-15.09	-15.39	0.00	0.00	0.00

COLGATE ENERGY

Planning Report

Database:	EDM 5000.14 Single User Db	**Local Co-ordinate Reference:**	Well (B02) Koala 9 Fed Com 204H
Company:	Colgate Energy	**TVD Reference:**	3274+30 @ 3304.00usft
Project:	(Permit) Eddy County, NM (83-NME)	**MD Reference:**	3274+30 @ 3304.00usft
Site:	(Permit) Koala 9 Fed Com	**North Reference:**	Grid
Well:	(B02) Koala 9 Fed Com 204H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Permit		
Design:	APD-Revv00		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
3,400.00	1.33	198.39	3,399.42	-47.58	-15.82	-16.13	0.00	0.00	0.00
3,500.00	1.33	198.39	3,499.39	-49.79	-16.55	-16.88	0.00	0.00	0.00
3,600.00	1.33	198.39	3,599.37	-52.00	-17.29	-17.63	0.00	0.00	0.00
3,700.00	1.33	198.39	3,699.34	-54.20	-18.02	-18.38	0.00	0.00	0.00
3,800.00	1.33	198.39	3,799.31	-56.41	-18.76	-19.13	0.00	0.00	0.00
3,900.00	1.33	198.39	3,899.29	-58.62	-19.49	-19.88	0.00	0.00	0.00
4,000.00	1.33	198.39	3,999.26	-60.83	-20.22	-20.63	0.00	0.00	0.00
4,100.00	1.33	198.39	4,099.23	-63.03	-20.96	-21.37	0.00	0.00	0.00
4,200.00	1.33	198.39	4,199.20	-65.24	-21.69	-22.12	0.00	0.00	0.00
4,300.00	1.33	198.39	4,299.18	-67.45	-22.42	-22.87	0.00	0.00	0.00
4,400.00	1.33	198.39	4,399.15	-69.66	-23.16	-23.62	0.00	0.00	0.00
4,500.00	1.33	198.39	4,499.12	-71.86	-23.89	-24.37	0.00	0.00	0.00
4,600.00	1.33	198.39	4,599.10	-74.07	-24.63	-25.12	0.00	0.00	0.00
4,654.92	1.33	198.39	4,654.00	-75.28	-25.03	-25.53	0.00	0.00	0.00
BSGL									
4,700.00	1.33	198.39	4,699.07	-76.28	-25.36	-25.87	0.00	0.00	0.00
4,800.00	1.33	198.39	4,799.04	-78.49	-26.09	-26.61	0.00	0.00	0.00
4,900.00	1.33	198.39	4,899.01	-80.69	-26.83	-27.36	0.00	0.00	0.00
5,000.00	1.33	198.39	4,998.99	-82.90	-27.56	-28.11	0.00	0.00	0.00
5,100.00	1.33	198.39	5,098.96	-85.11	-28.30	-28.86	0.00	0.00	0.00
5,200.00	1.33	198.39	5,198.93	-87.32	-29.03	-29.61	0.00	0.00	0.00
5,300.00	1.33	198.39	5,298.91	-89.52	-29.76	-30.36	0.00	0.00	0.00
5,400.00	1.33	198.39	5,398.88	-91.73	-30.50	-31.11	0.00	0.00	0.00
5,500.00	1.33	198.39	5,498.85	-93.94	-31.23	-31.85	0.00	0.00	0.00
5,600.00	1.33	198.39	5,598.83	-96.15	-31.97	-32.60	0.00	0.00	0.00
5,700.00	1.33	198.39	5,698.80	-98.35	-32.70	-33.35	0.00	0.00	0.00
5,800.00	1.33	198.39	5,798.77	-100.56	-33.43	-34.10	0.00	0.00	0.00
5,900.00	1.33	198.39	5,898.74	-102.77	-34.17	-34.85	0.00	0.00	0.00
6,000.00	1.33	198.39	5,998.72	-104.97	-34.90	-35.60	0.00	0.00	0.00
6,100.00	1.33	198.39	6,098.69	-107.18	-35.63	-36.34	0.00	0.00	0.00
6,105.31	1.33	198.39	6,104.00	-107.30	-35.67	-36.38	0.00	0.00	0.00
FBSG									
6,200.00	1.33	198.39	6,198.66	-109.39	-36.37	-37.09	0.00	0.00	0.00
6,300.00	1.33	198.39	6,298.64	-111.60	-37.10	-37.84	0.00	0.00	0.00
6,400.00	1.33	198.39	6,398.61	-113.80	-37.84	-38.59	0.00	0.00	0.00
6,500.00	1.33	198.39	6,498.58	-116.01	-38.57	-39.34	0.00	0.00	0.00
6,600.00	1.33	198.39	6,598.55	-118.22	-39.30	-40.09	0.00	0.00	0.00
6,700.00	1.33	198.39	6,698.53	-120.43	-40.04	-40.84	0.00	0.00	0.00
6,800.00	1.33	198.39	6,798.50	-122.63	-40.77	-41.58	0.00	0.00	0.00
6,900.00	1.33	198.39	6,898.47	-124.84	-41.51	-42.33	0.00	0.00	0.00
7,000.00	1.33	198.39	6,998.45	-127.05	-42.24	-43.08	0.00	0.00	0.00
7,100.00	1.33	198.39	7,098.42	-129.26	-42.97	-43.83	0.00	0.00	0.00
7,155.60	1.33	198.39	7,154.00	-130.48	-43.38	-44.25	0.00	0.00	0.00
SBSG									
7,200.00	1.33	198.39	7,198.39	-131.46	-43.71	-44.58	0.00	0.00	0.00
7,300.00	1.33	198.39	7,298.37	-133.67	-44.44	-45.33	0.00	0.00	0.00
7,400.00	1.33	198.39	7,398.34	-135.88	-45.18	-46.08	0.00	0.00	0.00
7,500.00	1.33	198.39	7,498.31	-138.09	-45.91	-46.82	0.00	0.00	0.00
7,600.00	1.33	198.39	7,598.28	-140.29	-46.64	-47.57	0.00	0.00	0.00
7,700.00	1.33	198.39	7,698.26	-142.50	-47.38	-48.32	0.00	0.00	0.00
7,800.00	1.33	198.39	7,798.23	-144.71	-48.11	-49.07	0.00	0.00	0.00
7,900.00	1.33	198.39	7,898.20	-146.92	-48.84	-49.82	0.00	0.00	0.00
8,000.00	1.33	198.39	7,998.18	-149.12	-49.58	-50.57	0.00	0.00	0.00

COLGATE ENERGY

Planning Report

Database:	EDM 5000.14 Single User Db	**Local Co-ordinate Reference:**	Well (B02) Koala 9 Fed Com 204H
Company:	Colgate Energy	**TVD Reference:**	3274+30 @ 3304.00usft
Project:	(Permit) Eddy County, NM (83-NME)	**MD Reference:**	3274+30 @ 3304.00usft
Site:	(Permit) Koala 9 Fed Com	**North Reference:**	Grid
Well:	(B02) Koala 9 Fed Com 204H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Permit		
Design:	APD-Revv00		

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)
8,012.97	1.33	198.39	8,011.15	-149.41	-49.67	-50.66	0.00	0.00	0.00
8,101.84	0.00	0.00	8,100.00	-150.39	-50.00	-51.00	1.50	-1.50	0.00
8,200.00	0.00	0.00	8,198.16	-150.39	-50.00	-51.00	0.00	0.00	0.00
8,281.88	0.00	0.00	8,280.04	-150.39	-50.00	-51.00	0.00	0.00	0.00
KOP: 8281.88' MD, -51.00' VS,8280.04' TVD									
8,300.00	1.81	90.10	8,298.16	-150.39	-49.71	-50.71	10.00	10.00	0.00
8,305.84	2.40	90.10	8,304.00	-150.39	-49.50	-50.50	10.00	10.00	0.00
TBSG									
8,350.00	6.81	90.10	8,348.00	-150.40	-45.95	-46.95	10.00	10.00	0.00
8,400.00	11.81	90.10	8,397.33	-150.41	-37.87	-38.86	10.00	10.00	0.00
8,450.00	16.81	90.10	8,445.76	-150.43	-25.51	-26.51	10.00	10.00	0.00
8,500.00	21.81	90.10	8,492.93	-150.46	-8.98	-9.98	10.00	10.00	0.00
8,550.00	26.81	90.10	8,538.49	-150.50	11.60	10.60	10.00	10.00	0.00
8,600.00	31.81	90.10	8,582.07	-150.54	36.07	35.07	10.00	10.00	0.00
8,650.00	36.81	90.10	8,623.36	-150.59	64.25	63.25	10.00	10.00	0.00
8,700.00	41.81	90.10	8,662.03	-150.64	95.91	94.91	10.00	10.00	0.00
8,750.00	46.81	90.10	8,697.79	-150.71	130.83	129.83	10.00	10.00	0.00
8,759.15	47.73	90.10	8,704.00	-150.72	137.55	136.55	10.00	10.00	0.00
WFMP									
8,800.00	51.81	90.10	8,730.38	-150.77	168.73	167.73	10.00	10.00	0.00
8,850.00	56.81	90.10	8,759.54	-150.84	209.33	208.33	10.00	10.00	0.00
8,900.00	61.81	90.10	8,785.05	-150.92	252.32	251.31	10.00	10.00	0.00
8,950.00	66.81	90.10	8,806.71	-151.00	297.36	296.35	10.00	10.00	0.00
9,000.00	71.81	90.10	8,824.37	-151.08	344.12	343.11	10.00	10.00	0.00
9,039.78	75.79	90.10	8,835.47	-151.14	382.31	381.30	10.00	10.00	0.00
100'FWL									
9,044.09	76.22	90.10	8,836.51	-151.15	386.49	385.48	10.00	10.00	0.00
FTP(K9- 204H)									
9,050.00	76.81	90.10	8,837.89	-151.16	392.24	391.23	10.00	10.00	0.00
9,100.00	81.81	90.10	8,847.16	-151.25	441.36	440.35	10.00	10.00	0.00
9,150.00	86.81	90.10	8,852.11	-151.33	491.10	490.08	10.00	10.00	0.00
9,181.88	90.00	90.10	8,853.00	-151.39	522.96	521.95	10.00	10.00	0.00
EOC: 9181.88' MD, 521.95' VS,8853.00' TVD									
9,205.86	90.00	89.62	8,853.00	-151.33	546.94	545.93	2.00	0.00	-2.00
9,300.00	90.00	89.62	8,853.00	-150.71	641.08	640.07	0.00	0.00	0.00
9,400.00	90.00	89.62	8,853.00	-150.04	741.08	740.07	0.00	0.00	0.00
9,500.00	90.00	89.62	8,853.00	-149.38	841.07	840.07	0.00	0.00	0.00
9,600.00	90.00	89.62	8,853.00	-148.72	941.07	940.07	0.00	0.00	0.00
9,700.00	90.00	89.62	8,853.00	-148.06	1,041.07	1,040.07	0.00	0.00	0.00
9,800.00	90.00	89.62	8,853.00	-147.39	1,141.07	1,140.07	0.00	0.00	0.00
9,900.00	90.00	89.62	8,853.00	-146.73	1,241.07	1,240.07	0.00	0.00	0.00
10,000.00	90.00	89.62	8,853.00	-146.07	1,341.06	1,340.07	0.00	0.00	0.00
10,100.00	90.00	89.62	8,853.00	-145.41	1,441.06	1,440.07	0.00	0.00	0.00
10,200.00	90.00	89.62	8,853.00	-144.74	1,541.06	1,540.07	0.00	0.00	0.00
10,300.00	90.00	89.62	8,853.00	-144.08	1,641.06	1,640.07	0.00	0.00	0.00
10,400.00	90.00	89.62	8,853.00	-143.42	1,741.06	1,740.07	0.00	0.00	0.00
10,500.00	90.00	89.62	8,853.00	-142.75	1,841.05	1,840.07	0.00	0.00	0.00
10,600.00	90.00	89.62	8,853.00	-142.09	1,941.05	1,940.07	0.00	0.00	0.00
10,700.00	90.00	89.62	8,853.00	-141.43	2,041.05	2,040.07	0.00	0.00	0.00
10,800.00	90.00	89.62	8,853.00	-140.77	2,141.05	2,140.07	0.00	0.00	0.00
10,900.00	90.00	89.62	8,853.00	-140.10	2,241.04	2,240.07	0.00	0.00	0.00
11,000.00	90.00	89.62	8,853.00	-139.44	2,341.04	2,340.07	0.00	0.00	0.00
11,100.00	90.00	89.62	8,853.00	-138.78	2,441.04	2,440.07	0.00	0.00	0.00

COLGATE ENERGY

Planning Report

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Wellbore:	Permit		
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Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
11,200.00	90.00	89.62	8,853.00	-138.12	2,541.04	2,540.07	0.00	0.00	0.00
11,300.00	90.00	89.62	8,853.00	-137.45	2,641.04	2,640.07	0.00	0.00	0.00
11,400.00	90.00	89.62	8,853.00	-136.79	2,741.03	2,740.07	0.00	0.00	0.00
11,500.00	90.00	89.62	8,853.00	-136.13	2,841.03	2,840.07	0.00	0.00	0.00
11,600.00	90.00	89.62	8,853.00	-135.46	2,941.03	2,940.07	0.00	0.00	0.00
11,608.43	90.00	89.62	8,853.00	-135.41	2,949.46	2,948.50	0.00	0.00	0.00
Exit NM 015003 - Enter NM 013232									
11,700.00	90.00	89.62	8,853.00	-134.80	3,041.03	3,040.07	0.00	0.00	0.00
11,800.00	90.00	89.62	8,853.00	-134.14	3,141.02	3,140.07	0.00	0.00	0.00
11,900.00	90.00	89.62	8,853.00	-133.48	3,241.02	3,240.07	0.00	0.00	0.00
12,000.00	90.00	89.62	8,853.00	-132.81	3,341.02	3,340.07	0.00	0.00	0.00
12,100.00	90.00	89.62	8,853.00	-132.15	3,441.02	3,440.07	0.00	0.00	0.00
12,200.00	90.00	89.62	8,853.00	-131.49	3,541.02	3,540.07	0.00	0.00	0.00
12,300.00	90.00	89.62	8,853.00	-130.83	3,641.01	3,640.07	0.00	0.00	0.00
12,400.00	90.00	89.62	8,853.00	-130.16	3,741.01	3,740.07	0.00	0.00	0.00
12,500.00	90.00	89.62	8,853.00	-129.50	3,841.01	3,840.07	0.00	0.00	0.00
12,600.00	90.00	89.62	8,853.00	-128.84	3,941.01	3,940.07	0.00	0.00	0.00
12,700.00	90.00	89.62	8,853.00	-128.17	4,041.00	4,040.07	0.00	0.00	0.00
12,800.00	90.00	89.62	8,853.00	-127.51	4,141.00	4,140.07	0.00	0.00	0.00
12,900.00	90.00	89.62	8,853.00	-126.85	4,241.00	4,240.07	0.00	0.00	0.00
12,942.05	90.00	89.62	8,853.00	-126.57	4,283.05	4,282.12	0.00	0.00	0.00
Exit NM 013232 - Enter NM 016101									
13,000.00	90.00	89.62	8,853.00	-126.19	4,341.00	4,340.07	0.00	0.00	0.00
13,100.00	90.00	89.62	8,853.00	-125.52	4,441.00	4,440.07	0.00	0.00	0.00
13,200.00	90.00	89.62	8,853.00	-124.86	4,540.99	4,540.07	0.00	0.00	0.00
13,300.00	90.00	89.62	8,853.00	-124.20	4,640.99	4,640.07	0.00	0.00	0.00
13,400.00	90.00	89.62	8,853.00	-123.54	4,740.99	4,740.07	0.00	0.00	0.00
13,500.00	90.00	89.62	8,853.00	-122.87	4,840.99	4,840.07	0.00	0.00	0.00
13,600.00	90.00	89.62	8,853.00	-122.21	4,940.98	4,940.07	0.00	0.00	0.00
13,700.00	90.00	89.62	8,853.00	-121.55	5,040.98	5,040.07	0.00	0.00	0.00
13,800.00	90.00	89.62	8,853.00	-120.88	5,140.98	5,140.07	0.00	0.00	0.00
13,900.00	90.00	89.62	8,853.00	-120.22	5,240.98	5,240.07	0.00	0.00	0.00
14,000.00	90.00	89.62	8,853.00	-119.56	5,340.98	5,340.07	0.00	0.00	0.00
14,100.00	90.00	89.62	8,853.00	-118.90	5,440.97	5,440.07	0.00	0.00	0.00
14,200.00	90.00	89.62	8,853.00	-118.23	5,540.97	5,540.07	0.00	0.00	0.00
14,275.71	90.00	89.62	8,853.00	-117.73	5,616.68	5,615.78	0.00	0.00	0.00
Exit NM 016101 - Enter NM 015003									
14,300.00	90.00	89.62	8,853.00	-117.57	5,640.97	5,640.07	0.00	0.00	0.00
14,400.00	90.00	89.62	8,853.00	-116.91	5,740.97	5,740.07	0.00	0.00	0.00
14,500.00	90.00	89.62	8,853.00	-116.25	5,840.97	5,840.07	0.00	0.00	0.00
14,600.00	90.00	89.62	8,853.00	-115.58	5,940.96	5,940.07	0.00	0.00	0.00
14,700.00	90.00	89.62	8,853.00	-114.92	6,040.96	6,040.07	0.00	0.00	0.00
14,800.00	90.00	89.62	8,853.00	-114.26	6,140.96	6,140.07	0.00	0.00	0.00
14,900.00	90.00	89.62	8,853.00	-113.59	6,240.96	6,240.07	0.00	0.00	0.00
15,000.00	90.00	89.62	8,853.00	-112.93	6,340.95	6,340.07	0.00	0.00	0.00
15,100.00	90.00	89.62	8,853.00	-112.27	6,440.95	6,440.07	0.00	0.00	0.00
15,200.00	90.00	89.62	8,853.00	-111.61	6,540.95	6,540.07	0.00	0.00	0.00
15,300.00	90.00	89.62	8,853.00	-110.94	6,640.95	6,640.07	0.00	0.00	0.00
15,400.00	90.00	89.62	8,853.00	-110.28	6,740.95	6,740.07	0.00	0.00	0.00
15,500.00	90.00	89.62	8,853.00	-109.62	6,840.94	6,840.07	0.00	0.00	0.00
15,600.00	90.00	89.62	8,853.00	-108.95	6,940.94	6,940.07	0.00	0.00	0.00
15,700.00	90.00	89.62	8,853.00	-108.29	7,040.94	7,040.07	0.00	0.00	0.00
15,800.00	90.00	89.62	8,853.00	-107.63	7,140.94	7,140.07	0.00	0.00	0.00

COLGATE ENERGY

Planning Report

Database:	EDM 5000.14 Single User Db	**Local Co-ordinate Reference:**	Well (B02) Koala 9 Fed Com 204H
Company:	Colgate Energy	**TVD Reference:**	3274+30 @ 3304.00usft
Project:	(Permit) Eddy County, NM (83-NME)	**MD Reference:**	3274+30 @ 3304.00usft
Site:	(Permit) Koala 9 Fed Com	**North Reference:**	Grid
Well:	(B02) Koala 9 Fed Com 204H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Permit		
Design:	APD-Revv00		

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)
15,900.00	90.00	89.62	8,853.00	-106.97	7,240.93	7,240.07	0.00	0.00	0.00
16,000.00	90.00	89.62	8,853.00	-106.30	7,340.93	7,340.07	0.00	0.00	0.00
16,100.00	90.00	89.62	8,853.00	-105.64	7,440.93	7,440.07	0.00	0.00	0.00
16,200.00	90.00	89.62	8,853.00	-104.98	7,540.93	7,540.07	0.00	0.00	0.00
16,300.00	90.00	89.62	8,853.00	-104.32	7,640.93	7,640.07	0.00	0.00	0.00
16,400.00	90.00	89.62	8,853.00	-103.65	7,740.92	7,740.07	0.00	0.00	0.00
16,500.00	90.00	89.62	8,853.00	-102.99	7,840.92	7,840.07	0.00	0.00	0.00
16,600.00	90.00	89.62	8,853.00	-102.33	7,940.92	7,940.07	0.00	0.00	0.00
16,700.00	90.00	89.62	8,853.00	-101.66	8,040.92	8,040.07	0.00	0.00	0.00
16,800.00	90.00	89.62	8,853.00	-101.00	8,140.91	8,140.07	0.00	0.00	0.00
16,900.00	90.00	89.62	8,853.00	-100.34	8,240.91	8,240.07	0.00	0.00	0.00
17,000.00	90.00	89.62	8,853.00	-99.68	8,340.91	8,340.07	0.00	0.00	0.00
17,100.00	90.00	89.62	8,853.00	-99.01	8,440.91	8,440.07	0.00	0.00	0.00
17,200.00	90.00	89.62	8,853.00	-98.35	8,540.91	8,540.07	0.00	0.00	0.00
17,300.00	90.00	89.62	8,853.00	-97.69	8,640.90	8,640.07	0.00	0.00	0.00
17,400.00	90.00	89.62	8,853.00	-97.03	8,740.90	8,740.07	0.00	0.00	0.00
17,500.00	90.00	89.62	8,853.00	-96.36	8,840.90	8,840.07	0.00	0.00	0.00
17,600.00	90.00	89.62	8,853.00	-95.70	8,940.90	8,940.07	0.00	0.00	0.00
17,700.00	90.00	89.62	8,853.00	-95.04	9,040.89	9,040.07	0.00	0.00	0.00
17,800.00	90.00	89.62	8,853.00	-94.37	9,140.89	9,140.07	0.00	0.00	0.00
17,900.00	90.00	89.62	8,853.00	-93.71	9,240.89	9,240.07	0.00	0.00	0.00
18,000.00	90.00	89.62	8,853.00	-93.05	9,340.89	9,340.07	0.00	0.00	0.00
18,100.00	90.00	89.62	8,853.00	-92.39	9,440.89	9,440.07	0.00	0.00	0.00
18,200.00	90.00	89.62	8,853.00	-91.72	9,540.88	9,540.07	0.00	0.00	0.00
18,300.00	90.00	89.62	8,853.00	-91.06	9,640.88	9,640.07	0.00	0.00	0.00
18,400.00	90.00	89.62	8,853.00	-90.40	9,740.88	9,740.07	0.00	0.00	0.00
18,500.00	90.00	89.62	8,853.00	-89.74	9,840.88	9,840.07	0.00	0.00	0.00
18,600.00	90.00	89.62	8,853.00	-89.07	9,940.88	9,940.07	0.00	0.00	0.00
18,700.00	90.00	89.62	8,853.00	-88.41	10,040.87	10,040.07	0.00	0.00	0.00
18,800.00	90.00	89.62	8,853.00	-87.75	10,140.87	10,140.07	0.00	0.00	0.00
18,900.00	90.00	89.62	8,853.00	-87.08	10,240.87	10,240.07	0.00	0.00	0.00
19,000.00	90.00	89.62	8,853.00	-86.42	10,340.87	10,340.07	0.00	0.00	0.00
19,100.00	90.00	89.62	8,853.00	-85.76	10,440.86	10,440.07	0.00	0.00	0.00
19,200.00	90.00	89.62	8,853.00	-85.10	10,540.86	10,540.07	0.00	0.00	0.00
19,300.00	90.00	89.62	8,853.00	-84.43	10,640.86	10,640.07	0.00	0.00	0.00
19,400.00	90.00	89.62	8,853.00	-83.77	10,740.86	10,740.07	0.00	0.00	0.00
19,492.67	90.00	89.62	8,853.00	-83.16	10,833.52	10,832.73	0.00	0.00	0.00
LTP(K9- 204H)									
19,492.69	90.00	89.62	8,853.00	-83.16	10,833.55	10,832.76	0.00	0.00	0.00
100 'FEL									
19,500.00	90.00	89.62	8,853.00	-83.11	10,840.86	10,840.07	0.00	0.00	0.00
19,582.68	90.00	89.62	8,853.00	-82.56	10,923.53	10,922.74	0.00	0.00	0.00
TD: 19582.68' MD, 10922.75' VS,8853.00' TVD - PBHL(K9- 204H)									

COLGATE ENERGY

Planning Report

Database:	EDM 5000.14 Single User Db	**Local Co-ordinate Reference:**	Well (B02) Koala 9 Fed Com 204H
Company:	Colgate Energy	**TVD Reference:**	3274+30 @ 3304.00usft
Project:	(Permit) Eddy County, NM (83-NME)	**MD Reference:**	3274+30 @ 3304.00usft
Site:	(Permit) Koala 9 Fed Com	**North Reference:**	Grid
Well:	(B02) Koala 9 Fed Com 204H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Permit		
Design:	APD-Revv00		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
FTP(K9- 204H)	0.00	0.00	8,853.00	-152.12	382.47	576,054.74	585,215.76	32.58354771	-104.19087554
- plan misses target center by 17.00usft at 9044.09usft MD (8836.51 TVD, -151.15 N, 386.49 E)									
- Point									
PBHL(K9- 204H)	0.00	0.00	8,853.00	-82.56	10,923.53	576,124.30	595,756.82	32.58369546	-104.15665205
- plan hits target center									
- Point									
LTP(K9- 204H)	0.00	0.00	8,853.00	-83.17	10,833.52	576,123.69	595,666.81	32.58369419	-104.15694429
- plan misses target center by 0.01usft at 19492.66usft MD (8853.00 TVD, -83.16 N, 10833.52 E)									
- Point									

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
227.00	227.00	Rustler			
368.00	368.00	T/Salt			
704.00	704.00	Tansill			
779.00	779.00	Yates			
1,154.00	1,154.00	Seven Rivers			
1,824.15	1,824.00	Queen			
2,054.22	2,054.00	Grayburg			
2,404.31	2,404.00	San Andres			
2,979.47	2,979.00	CYCN			
4,654.92	4,654.00	BSGL			
6,105.31	6,104.00	FBSG			
7,155.60	7,154.00	SBSG			
8,305.84	8,304.00	TBSG			
8,759.15	8,704.00	WFMP			

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
8,281.88	8,280.04	-150.39	-50.00	KOP: 8281.88' MD, -51.00' VS,8280.04' TVD
9,039.78	8,835.47	-151.14	382.31	100'FWL
9,181.88	8,853.00	-151.39	522.96	EOC: 9181.88' MD, 521.95' VS,8853.00' TVD
11,608.43	8,853.00	-135.41	2,949.46	Exit NM 015003
11,608.43	8,853.00	-135.41	2,949.46	Enter NM 013232
12,942.05	8,853.00	-126.57	4,283.05	Exit NM 013232
12,942.05	8,853.00	-126.57	4,283.05	Enter NM 016101
14,275.71	8,853.00	-117.73	5,616.68	Exit NM 016101
14,275.71	8,853.00	-117.73	5,616.68	Enter NM 015003
19,492.69	8,853.00	-83.16	10,833.55	100 'FEL
19,582.68	8,853.00	-82.56	10,923.53	TD: 19582.68' MD, 10922.75' VS,8853.00' TVD

Permian Resources - Koala 9 Fed Com 204H

1. Geologic Formations

Formation	Elevation	TVD	Target
Rustler	-3077	227	No
Top of Salt	-2936	368	No
Capitan	NP	NP	No
Tansill	-2600	704	No
Yates	-2525	779	No
Seven Rivers	-2150	1154	No
Queen	-1480	1824	No
Grayburg	-1250	2054	No
San Andres	-900	2404	No
Delaware Mountain Group	-325	2979	No
Bone Spring Lime	1350	4654	No
1st Bone Spring Sand	2800	6104	No
2nd Bone Spring Sand	3850	7154	No
3rd Bone Spring Sand	5000	8304	No
Wolfcamp XY	5400	8704	Yes

2. Blowout Prevention

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	x	Tested to:
12.25	13-5/8"	5M	Annular	x	2500 psi
			Blind Ram	x	5000 psi
			Pipe Ram	x	
			Double Ram		
			Other*		
8.75	13-5/8"	5M	Annular	x	2500 psi
			Blind Ram	x	5000 psi
			Pipe Ram	x	
			Double Ram		
			Other*		

Equipment: BOPE with working pressure ratings in excess of anticipated maximum surface pressure will be utilized for well control from drill out of surface casing to TMD. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested. All BOPE connections shall be flanged, welded or clamped. All choke lines shall be straight unless targeted with running tees or tee blocks are used, and choke lines shall be anchored to prevent whip and reduce vibrations. All valves in the choke line & the choke manifold shall be full opening as to not cause restrictions and to allow for straight fluid paths to minimize potential erosion. All gauges utilized in the well control system shall be of a type designed for drilling fluid service. A top drive inside BOP valve will be utilized at all times. Subs equipped with full opening valves sized to fit the drill pipe and collars will be available on the rig floor in the open position. The key to operate said valve equipped subs will be on the rig floor at all times. The accumulator system will have sufficient capacity to open the HCR and close all three sets of rams plus the annular preventer while retaining at least 300 psi above precharge on the closing manifold (accumulator system shall be capable of doing so without using the closing unit pumps). The fluid reservoir capacity will be double the usable fluid volume of the accumulator system capacity, and the fluid level will be maintained at the manufacturer's recommended level. Prior to connecting the closing unit to the BOP stack, an accumulator precharge pressure test shall be performed to ensure the precharge pressure is within 100 psi of the desired precharge pressure (only nitrogen gas will be used to precharge). Two independent power sources will be made available at all times to power the closing unit pumps so that the pumps can automatically start when the closing valve manifold pressure has decreased to the preset level. Closing unit pumps will be sized to allow opening of HCR and closing of annular preventer on 5" drill pipe achieving at least 200 psi above precharge pressure with the accumulator system isolated from service in less than two minutes. A valve shall be installed in the closing line as close to the annular preventer as possible to act as a locking device; the valve shall be maintained in the open position and shall be closed only when the power source for the accumulator system is inoperative. Remote controls capable of opening and closing all preventers & the HCR shall be readily accessible to the driller; master controls with the same capability will be operable at the accumulator. The wellhead will be a multibowl speed head allowing for hangoff of intermediate casing & isolation of the 133/8 x 95/8 annulus without breaking the connection between the BOP & wellhead to install an additional casing head. A wear bushing will be installed & inspected frequently to guard against internal wear to wellhead. VBRs (variablebore rams) will be run in upper rambody of BOP stack to provide redundancy to annular preventer while RIH w/ production casing;

Requesting Variance? YES
Variance request: Flex hose and offline cement variances, see attachments in section 8.
Testing Procedure: The BOP test shall be performed before drilling out of the surface casing shoe and will occur at a minimum: a. when initially installed b. whenever any seal subject to test pressure is broken c. following related repairs d. at 30 day intervals e. checked daily as to mechanical operating conditions. The ram type preventer(s) will be tested using a test plug to 250 psi (low) and 5,000 psi (high) (casinghead WP) with a test plug upon its installation onto the 13 surface casing. If a test plug is not used, the ram type preventer(s) shall be tested to 70% of the minimum internal yield pressure of the casing. The annular type preventer(s) shall be tested to 3500 psi. Pressure will be maintained for at least 10 minutes or until provisions of the test are met, whichever is longer. A Sundry Notice (Form 3160 5), along with a copy of the BOP test report, shall be submitted to the local BLM office within 5 working days following the test. If the bleed line is connected into the buffer tank (header), all BOP equipment including the buffer tank and associated valves will be rated at the required BOP pressure. The BLM office will be provided with a minimum of four (4) hours notice of BOP testing to allow witnessing. The BOP Configuration, choke manifold layout, and accumulator system, will be in compliance with Onshore Order 2 for a 5,000 psi system. A remote accumulator and a multi-bowl system will be used, please see attachment in section 8 for multi-bowl procedure. Pressures, capacities, and specific placement and use of the manual and/or hydraulic controls, accumulator controls, bleed lines, etc., will be identified at the time of the BLM 'witnessed BOP test. Any remote controls will be capable of both opening and closing all preventers and shall be readily accessible.

Choke Diagram Attachemnt: 5 M Choe Manifold
BOP Diagram Attachment: BOP Schematic

3. Casing

String	Hole Size	Casing Size	Top	Bottom	Top TVD	Bottom TVD	Length	Grade	Weight	Connection	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
Surface	17.5	13.375	0	252	0	252	252	J55	54.5	BTC	9.08	4.30	Dry	7.99	Dry	7.50
Intermediate	12.25	9.625	0	2929	0	2929	2929	J55	36	BTC	2.58	1.56	Dry	3.11	Dry	2.75
Production	8.75	5.5	0	9181	0	8853	9181	P110RY	17	GeoConn	1.62	1.70	Dry	2.18	Dry	2.18
Production	7.875	5.5	9181	19582	8853	8853	10401	P110RY	17	GeoConn	1.62	1.70	Dry	2.18	Dry	2.18
								BLM Min Safety Factor			1.125	1		1.6		1.6

Non API casing spec sheets and casing design assumptions attached.

4. Cement

String	Lead/Tail	Top MD	Bottom MD	Quanity (sx)	Yield	Density	Cu Ft	Excess %	Cement Type	Additives
Surface	Tail	0	252	210	1.34	14.8	270	50%	Class C	Accelerator
Intermediate	Lead	0	2340	520	2.08	12.7	1080	50%	Class C	Salt, Extender, and LCM
Intermediate	Tail	2340	2929	210	1.34	14.8	280	50%	Class C	Accelerator
Production	Lead	2429	8281	850	2.41	11.5	2030	40%	Class H	POZ, Extender, Fluid Loss, Dispersant, Retarder
Production	Tail	8281	19582	1470	1.73	12.5	2540	25%	Class H	POZ, Extender, Fluid Loss, Dispersant, Retarder

5. Circulating Medium

Mud System Type: Closed
Will an air or gas system be used: No
Describe what will be on location to control well or mitigate oter conditions: Sufficient quantities of mud materials will be on the well site at all times for the purpose of assuring well control and maintaining wellbore integrity. Surface interval will employ fresh water mud. The intermediate hole will utilize a saturated brine fluid to inhibit salt washout. The production hole will employ brine based and oil base fluid to inhibit formation reactivity and of the appropriate density to maintain well control.

Describe the mud monitoring system utilized: Centrifuge separation system. Open tank monitoring with EDR will be used for drilling fluids and return volumes. Open tank monitoring will be used for cement and cuttings return volumes. Mud properties will be monitored at least every 24 hours using industry accepted mud check practices.

Cuttings Volume: 8750 Cu Ft

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight	Max Weight
0	252	Water Based Mud	8.6	9.5
252	2929	Salt Saturated	10	10
2929	9181	Brine	9	10
9181	19582	OBM	9	10

6. Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:
Will utilize MWD/LWD (Gamma Ray logging) from intermediate hole to TD of the well.
List of open and cased hole logs run in the well:
DIRECTIONAL SURVEY,GAMMA RAY LOG,
Coring operation description for the well:
N/A

7. Pressure

Anticipated Bottom Hole Pressure	4610	psi
Anticipated Surface Pressure	2655.9	psi
Anticipated Bottom Hole Temperature	145	°F
Anticipated Abnormal pressure, temp, or geo hazards	No	

8. Other Information

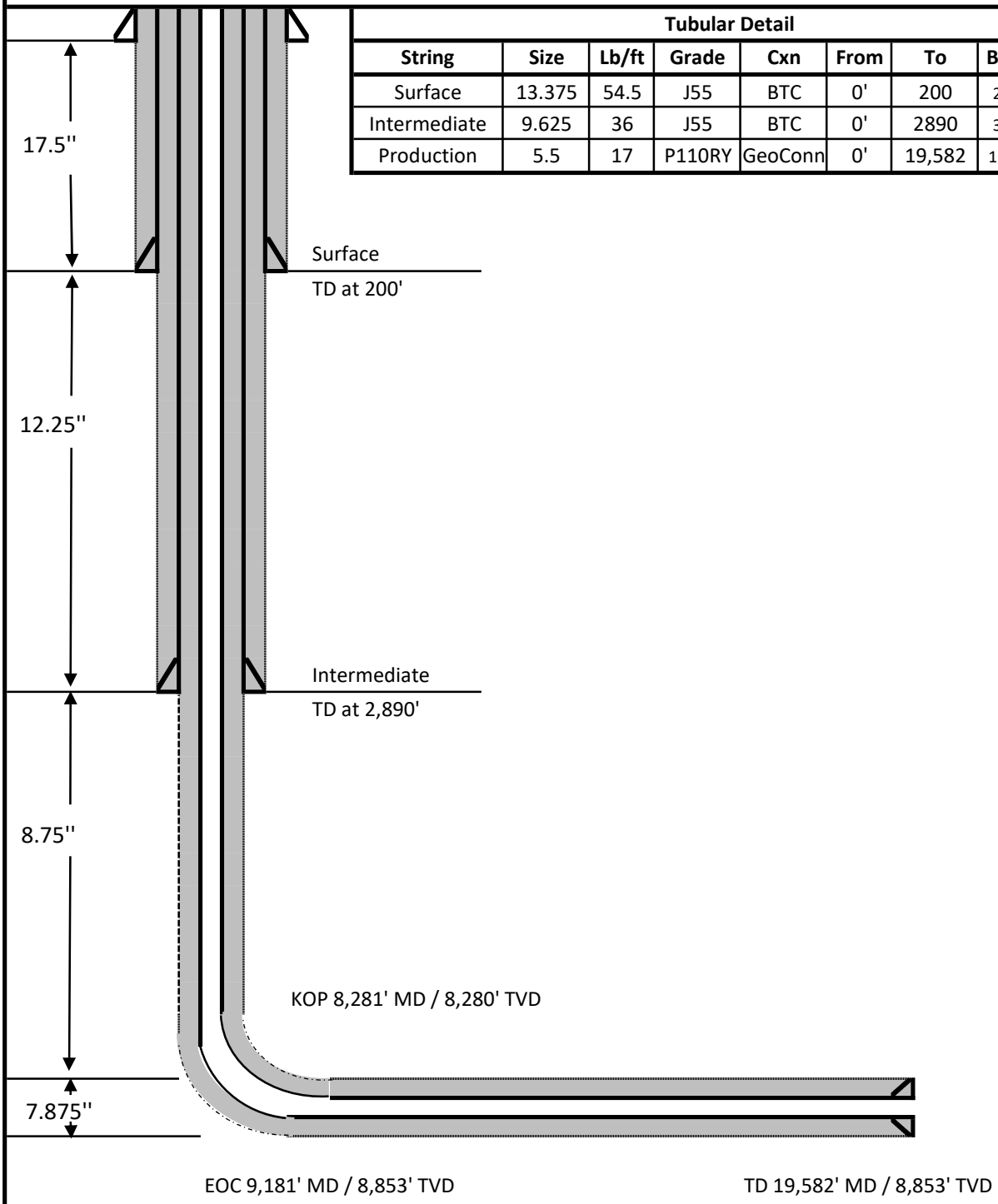
Well Plan and AC Report: attached
Batching Drilling Procedure: attached
WBD: attached
Flex Hose Specs: attached
Offline Cementing Procedure Attached:

Permian Resources

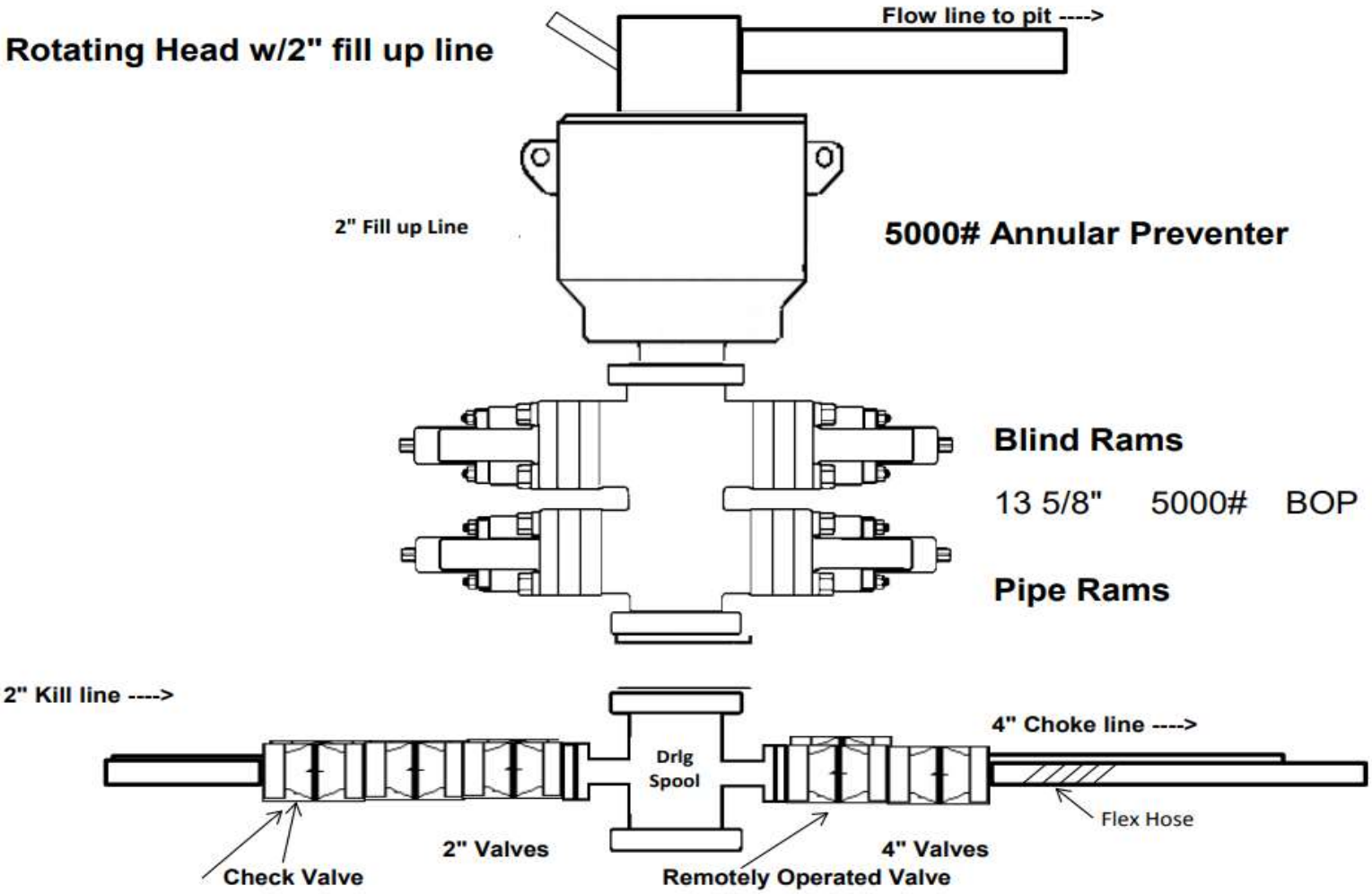
Well: Koala 9 Fed Com 204H
State New Mexico **County:** Eddy
FM Target: Wolfcamp
Location: Lot P, Section 8, T20S, R28E, 1144' FSL, 285' FEL
BHL: Lot P, Section 10, T20S, R28E, 990' FSL, 10' FEL
KB Elev: 3304 **KB:** 30 **GL Elev:** 3274

Tubular Detail

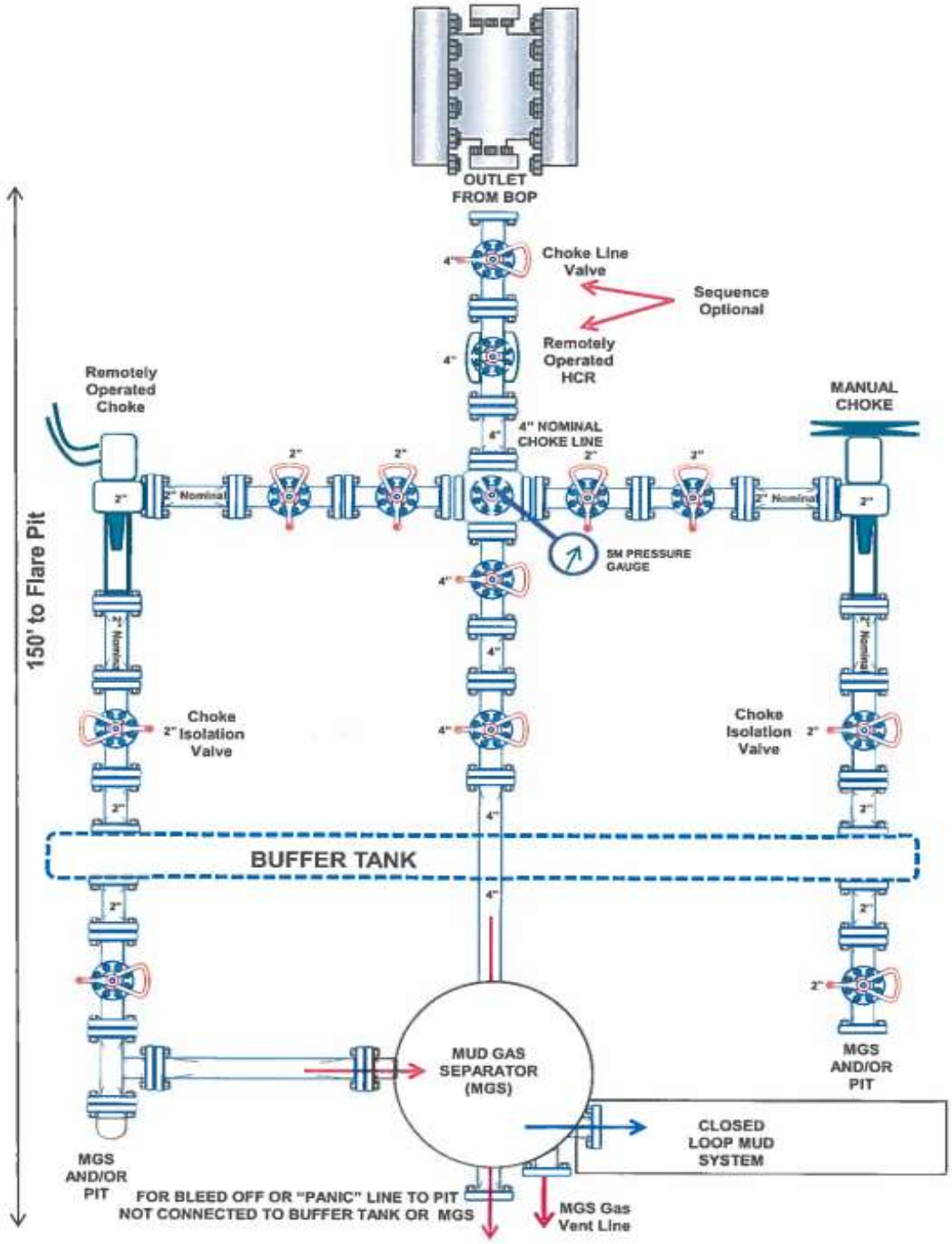
String	Size	Lb/ft	Grade	Cxn	From	To	Burst	Cllps
Surface	13.375	54.5	J55	BTC	0'	200	2740	1,130
Intermediate	9.625	36	J55	BTC	0'	2890	3520	2,020
Production	5.5	17	P110RY	GeoConn	0'	19,582	11550	7,480



5,000 psi BOP Schematic



5M Choke Manifold Equipment (WITH MGS + CLOSED LOOP)



Continental
ContiTech

CONTITECH RUBBER Industrial Kft.	No:QC-DB- 210/ 2014
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QUALITY CONTROL INSPECTION AND TEST CERTIFICATE					CERT. N°:	504	
PURCHASER:	ContiTech Oil & Marine Corp.				P.O. N°:	4500409659	
CONTITECH RUBBER order N°:	538236		HOSE TYPE:	3" ID	Choke and Kill Hose		
HOSE SERIAL N°:	67255		NOMINAL / ACTUAL LENGTH:		10,67 m / 10,77 m		
W.P. 68,9 MPa	10000 psi		T.P. 103,4 MPa	15000 psi	Duration:	60	min.

Pressure test with water at
ambient tempecature

See attachment. (1 page)

↑ 10 mm = 10 Min.
→ 10 mm = 20 MPa

COUPLINGS Type	Serial N°		Quality	Heat N°
3" coupling with	9251	9254	AISI 4130	A0579N
4 1/16" 10K API b.w. Flange end			AISI 4130	035608

Not Designed For Well Testing **API Spec 16 C**

Temperature rate:"B"

All metal parts are flawless

WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER INSPECTED AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.

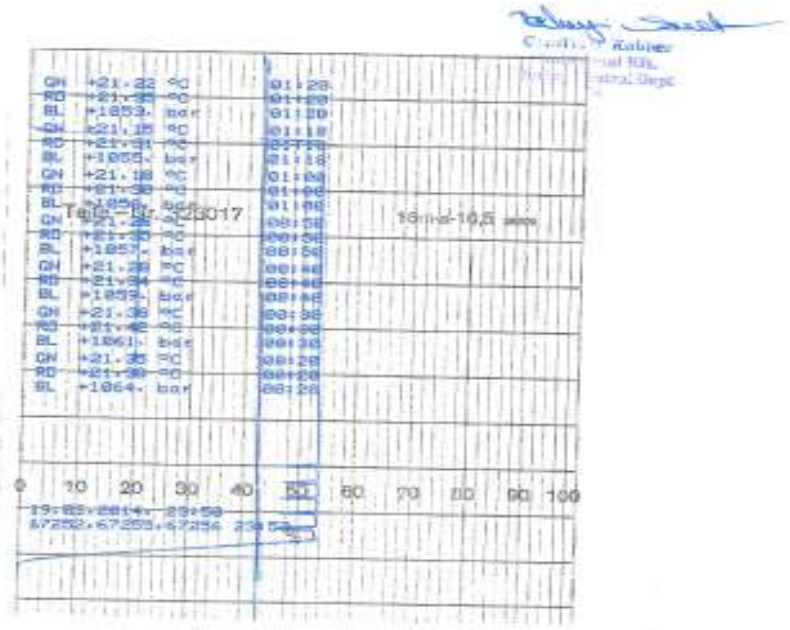
STATEMENT OF CONFORMITY: We hereby certify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were fabricated inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements.

COUNTRY OF ORIGIN HUNGARY/EU

Date:	Inspector	Quality Control
20. March 2014.		

ATTACHMENT OF QUALITY CONTROL INSPECTION AND TEST CERTIFICATE No: 501, 504, 505

Page: 1 / 1



CONTITECH RUBBER Industrial Kft.	No:QC-DB- 210/ 2014
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ContiTech

Hose Data Sheet

CRI Order No.	538236
Customer	ContiTech Oil & Marine Corp.
Customer Order No	4500409659
Item No.	1
Hose Type	Flexible Hose
Standard	**API SPEC 16 C**
Inside dia in inches	3
Length	35 ft
Type of coupling one end	FLANGE 4.1/16" 10K API SPEC 6A TYPE 6BX FLANGE C/W BX155 R.GR.SOUR
Type of coupling other end	FLANGE 4.1/16" 10K API SPEC 6A TYPE 6BX FLANGE C/W BX155 R.GR.SOUR
H2S service NACE MR0175	Yes
Working Pressure	10 000 psi
Design Pressure	10 000 psi
Test Pressure	15 000 psi
Safety Factor	2,25
Marking	USUAL PHOENIX
Cover	NOT FIRE RESISTANT
Outside protection	St.steel outer wrap
Internal stripwound tube	No
Lining	OIL + GAS RESISTANT SOUR
Safety clamp	No
Lifting collar	No
Element C	No
Safety chain	No
Safety wire rope	No
Max.design temperature [°C]	100
Min.design temperature [°C]	-20
Min. Bend Radius operating [m]	0,90
Min. Bend Radius storage [m]	0,90
Electrical continuity	The Hose is electrically continuous
Type of packing	WOODEN CRATE ISPM-15

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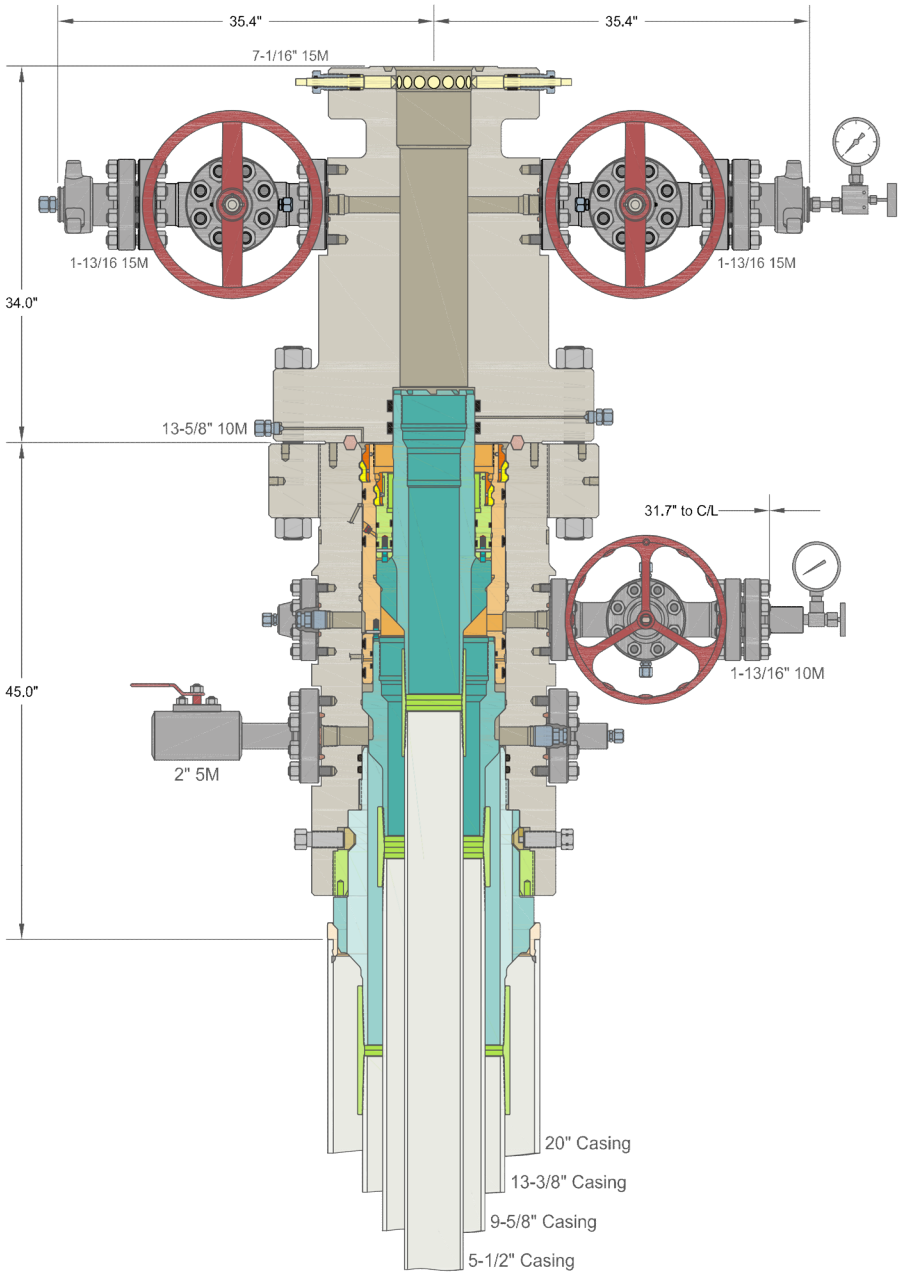


ALL DIMENSIONS APPROXIMATE

CACTUS WELLHEAD LLC	CENTENNIAL RESOURCE DEVELOPMENT LEE CO, NM		
20" x 13-3/8" x 9-5/8" x 5-1/2" 10M MBU-3T-CFL-R-DBLO System With 13-5/8" 10M x 7-1/16" 15M CTH-DBLHPS Tubing Head, 20" Landing Ring & Pin Down Mandrel Casing Hangers	DRAWN	DLE	10JUN20
	APPRV		
	DRAWING NO.	HBE0000338	

Permian Resources Casing Design Criteria

A sundry will be requested if any lesser grade or different size casing is substituted. All casing will be centralized as specified in On Shore Order II. Casing will be tested as specified in On Shore Order II.

Casing Design Assumptions:

Surface

1) Burst Design Loads
   a) Displacement to Gas
      (1) Internal: Assumes a full column of gas in the casing with a gas gradient of 0.7 psi/ft in the absence of better information. It is limited to the controlling pressure based on the maximum expected pore pressure within the next drilling interval.
      (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
   b) Casing Pressure Test
      (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
      (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
2) Collapse Loads
   a) Cementing
      (1) Internal: Displacement fluid density.
      (2) External: Mud weight from TOC to surface and cement slurry weight from TOC to shoe.
   b) Lost Returns with Mud Drop
      (1) Internal: Lost circulation at the TD of the next hole section and the fluid level falls to a depth where the hydrostatic pressure of the mud column equals pore pressure at the depth of the lost circulation zone.
      (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
3) Tension Loads
   a) Overpull Force
      1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
   b) Green Cement Casing Test
      1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

Intermediate I

1) Burst Design Loads
   a) Displacement to Gas
      (1) Internal: Assumes a full column of gas in the casing with a gas gradient of 0.7 psi/ft in the absence of better information. It is limited to the controlling pressure based on the maximum expected pore pressure within the next drilling interval.
      (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
   b) Casing Pressure Test
      (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.

(2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.

2) Collapse Loads
   a) Cementing
      (1) Internal: Displacement fluid density.
      (2) External: Mud weight from TOC to surface and cement slurry weight from TOC to shoe.
   b) Lost Returns with Mud Drop
      (1) Internal: Lost circulation at the TD of the next hole section and the fluid level falls to a depth where the hydrostatic pressure of the mud column equals pore pressure at the depth of the lost circulation zone.
      (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
3) Tension Loads
   a) Overpull Force
      1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
   b) Green Cement Casing Test
      1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

<u>Intermediate or Intermediate II</u>

1) Burst Design Loads
   a) Gas Kick Profile
      (1) Internal: Load profile based on influx encountered in lateral portion of wellbore with a maximum influx volume of 150 bbl and a kick intensity of 1.5 ppg using maximum anticipated MW of 9.9 ppg.
      (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
   b) Casing Pressure Test
      (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
      (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
2) Collapse Loads
   a) Cementing
      (1) Internal: Displacement fluid density.
      (2) External: Mud weight from TOC to surface and cement slurry weight from TOC to shoe.
   b) Lost Returns with Mud Drop
      (1) Internal: Lost circulation at the deepest TVD of the next hole section and the fluid level falls to a depth where the hydrostatic pressure of the mud column equals pore pressure at the depth of the lost circulation zone.
      (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
3) Tension Loads
   a) Overpull Force
      1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
   b) Green Cement Casing Test
      1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

Production

1) Burst Design Loads
   a) Injection Down Casing
      (1) Internal: Surface pressure plus injection fluid gradient.
      (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
   b) Casing Pressure Test (Drilling)
      (1) Internal: Displacement fluid plus surface pressure required to comply with regulatory casing test pressure requirements of Onshore Oil and Gas Order No. 2 and NM NMAC 19.15.16 of NMOCD regulations.
      (2) External: Mud weight to TOC and cement mix water gradient (8.4 ppg) below TOC.
   c) Casing Pressure Test (Production)
      (1) Internal: The design pressure test should be the greater of the planned test pressure prior to simulation down the casing, the regulatory test pressure, and the expected gas lift system pressure. The design test fluid should be the fluid associated with the pressure test having the greatest pressure.
      (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
   d) Tubing Leak
      (1) Internal: SITP plus a packer fluid gradient to the top of packer.
      (2) External: Mud base-fluid density to top of cement and cement mix water gradient (8.4 ppg) below TOC.
2) Collapse Loads
   a) Cementing
      (1) Internal: Displacement fluid density.
      (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
   b) Full Evacuation
      (1) Internal: Full void pipe.
      (2) External: Mud weight to TOC and cement slurry(s) density below TOC.
3) Tension Loads
   a) Overpull Force
      1. Axial: Buoyant weight of the string plus planned 100,000 lbs applied in stuck pipe situation.
   b) Green Cement Casing Test
      1. Axial: Buoyant weight of the string plus cement plug bump pressure load.

Permian Resources
Multi-Well Pad Batch Drilling Procedure

Surface Casing - PR intends to Batch set all 13-3/8" casing to a depth approved in the APD. 17-1/2" Surface Holes will be batch drilled by a rig. Appropriate notifications will be made prior to spudding the well, running and cementing casing and prior to skidding to the rig to the next well on pad.

1. Drill 17-1/2" Surface hole to Approved Depth with Rig and perform wellbore cleanup cycles. Trip out and rack back drilling BHA.
2. Run and land 13-3/8" 54.5# J55 BTC casing see Illustration 1-1 Below to depth approved in APD.
3. Set packoff and test to 5k psi
4. Offline Cement
5. Install wellhead with pressure gauge and nightcap. Nightcap is shown on final wellhead Stack up Illustration #2-2.
6. Skid Rig to adjacent well to drill Surface hole.
7. Surface casing test will be performed by the rig in order to allow ample time for Cement to develop 500psi compressive strength. Casing test to 0.22 psi/ft or 1500 psi whichever is

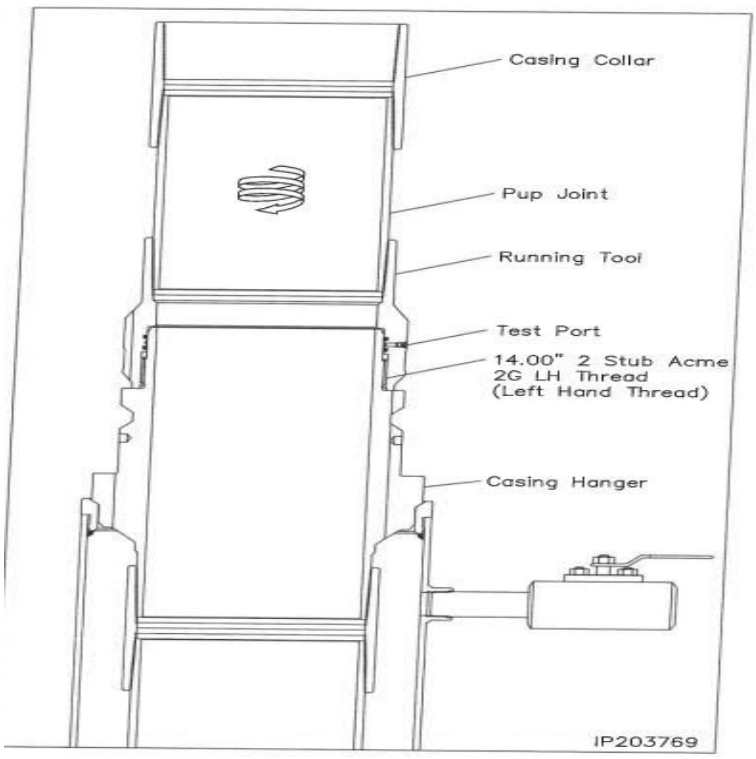


Illustration 1-1

Intermediate Casing – PR intends to Batch set all intermediate casing strings to a depth approved in the APD, typically set into Lamar. 12-1/4" Intermediate Holes will be batch drilled by the rig. Appropriate notifications will be made prior Testing BOPE, and prior to running/cementing all casing strings.

1. Rig will remove the nightcap and install and test BOPE.
2. Test Surface casing per COA WOC timing (.22 psi/ft or 1500 psi whichever is greater) - not to exceed 70% casing burst. Cement must have achieved 500psi compressive strength prior to test.
3. Install wear bushing then drill out 13-3/8" shoe-track plus 20' and conduct FIT to minimum of the MW equivalent anticipated to control the formation pressure to the next casing point.
4. Drill Intermediate hole to approved casing point. Trip out of hole with BHA to run Casing.
5. Remove wear bushing then run and land Intermediate Casing with mandrel hanger in wellhead.
6. Cement casing to surface with floats holding.
7. Washout stack then run wash tool in wellhead and wash hanger and pack-off setting area.
8. Install pack-off and test void to 5,000 psi for 15 minutes. Nightcap shown on final wellhead stack up illustration 2-2 on page 3.
9. Test casing per COA WOC timing (.22 psi/ft or 1500 psi whichever is greater) - not to exceed 70% casing burst. Cement must have achieved 500psi compressive strength prior to test.
10. Install nightcap – skid rig to adjacent well to drill Intermediate hole.

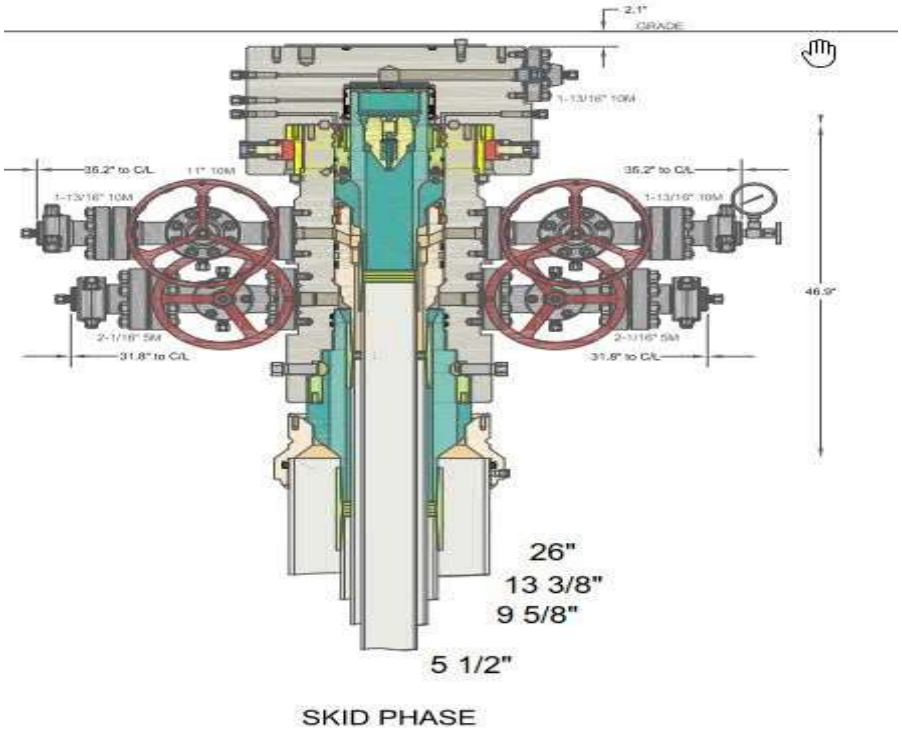


Illustration 2-2

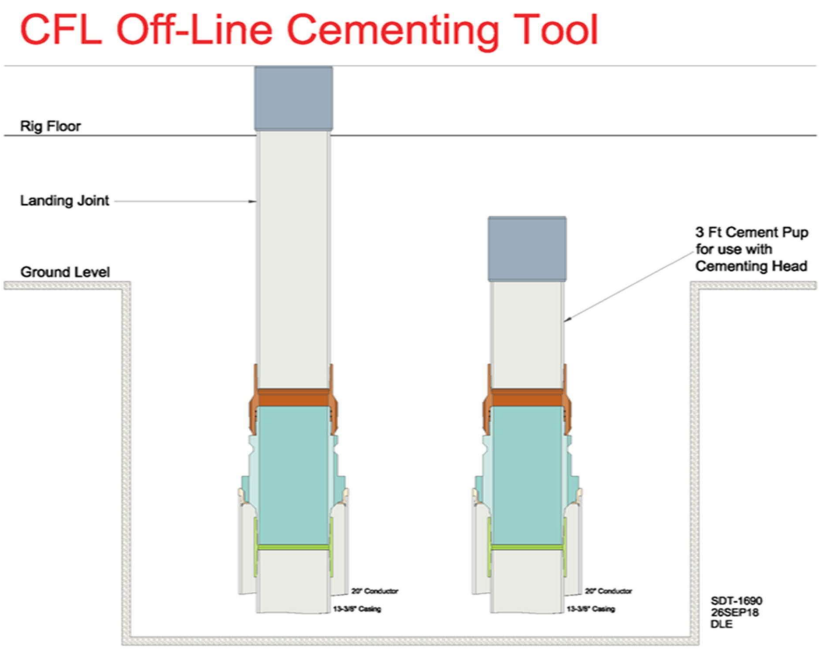
Production Casing – PR intends to Batch set all Production casings with Rig. Appropriate notifications will be made prior Testing BOPE, and prior to running/cementing all casing strings.

1. Big Rig will remove the nightcap and install and test BOPE.
2. Install wear bushing then drill Intermediate shoe-track plus 20' and conduct FIT to minimum MW equivalent to control the formation pressure to TD of well.
3. Drill Vertical hole to KOP – Trip out for Curve BHA.
4. Drill Curve, landing in production interval – Trip for Lateral BHA.
5. Drill Lateral / Production hole to Permitted BHL, perform cleanup cycles and trip out to run 51/2" Production Casing.
6. Remove wear bushing then run 5-1/2" production casing to TD landing casing mandrel in wellhead.
7. Cement 5-1/2" Production string with floats holding.
8. Run in with wash tool and wash wellhead area – install pack-off and test void to 5,000psi for 15 minutes.
9. Install BPV in 5-1/2" mandrel hanger – Nipple down BOPE and install nightcap.
10. Test nightcap void to 5,000psi for 30 minutes per illustration 2-2
11. Skid rig to adjacent well on pad to drill production hole.

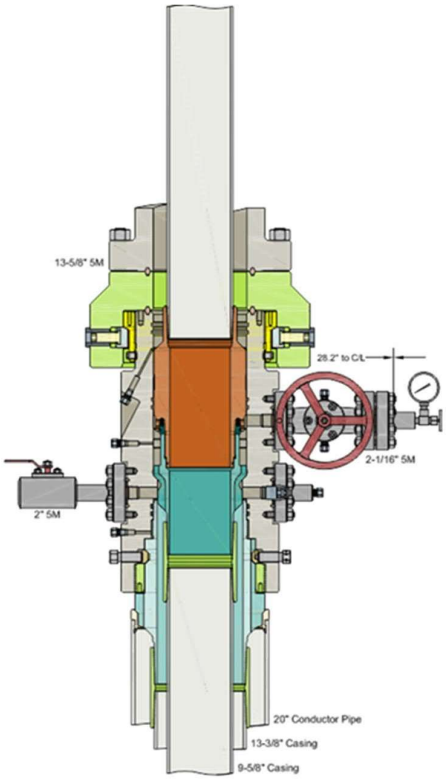
Permian Resources Offline Cementing Procedure
13-3/8" & 9-5/8" Casing

1. Drill hole to Total Depth with Rig and perform wellbore cleanup cycles.
2. Run and casing to Depth.
3. Land casing with mandrel.
4. Circulate 1.5 csg capacity.
5. Flow test – Confirm well is static and floats are holding.
6. Set Annular packoff and pressure test. Test to 5k.
7. Nipple down BOP and install cap flange.
8. Skid rig to next well on pad
9. Remove cap flange (confirm well is static before removal)
    a) If well is not static use the casing outlet valves to kill well
    b) Drillers method will be used in well control event
    c) High pressure return line will be rigged up to lower casing valve and run to choke manifold to control annular pressure
    d) Kill mud will be circulated once influx is circulated out of hole
    e) Confirm well is static and remove cap flange to start offline cement operations
10. Install offline cement tool.
11. Rig up cementers.
12. Circulate bottoms up with cement truck
13. Commence planned cement job, take returns through the annulus wellhead valve
14. After plug is bumped confirm floats hold and well is static
15. Rig down cementers and equipment
16. Install night cap with pressure gauge to monitor.

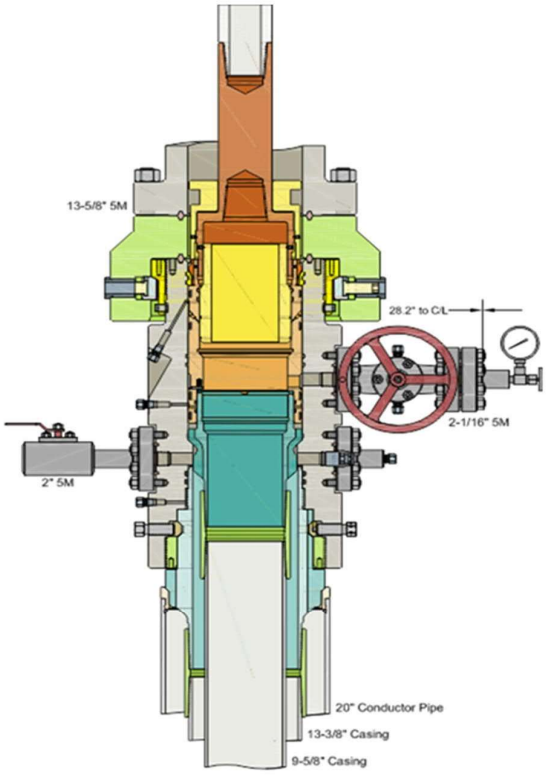
13 3/8" Surface



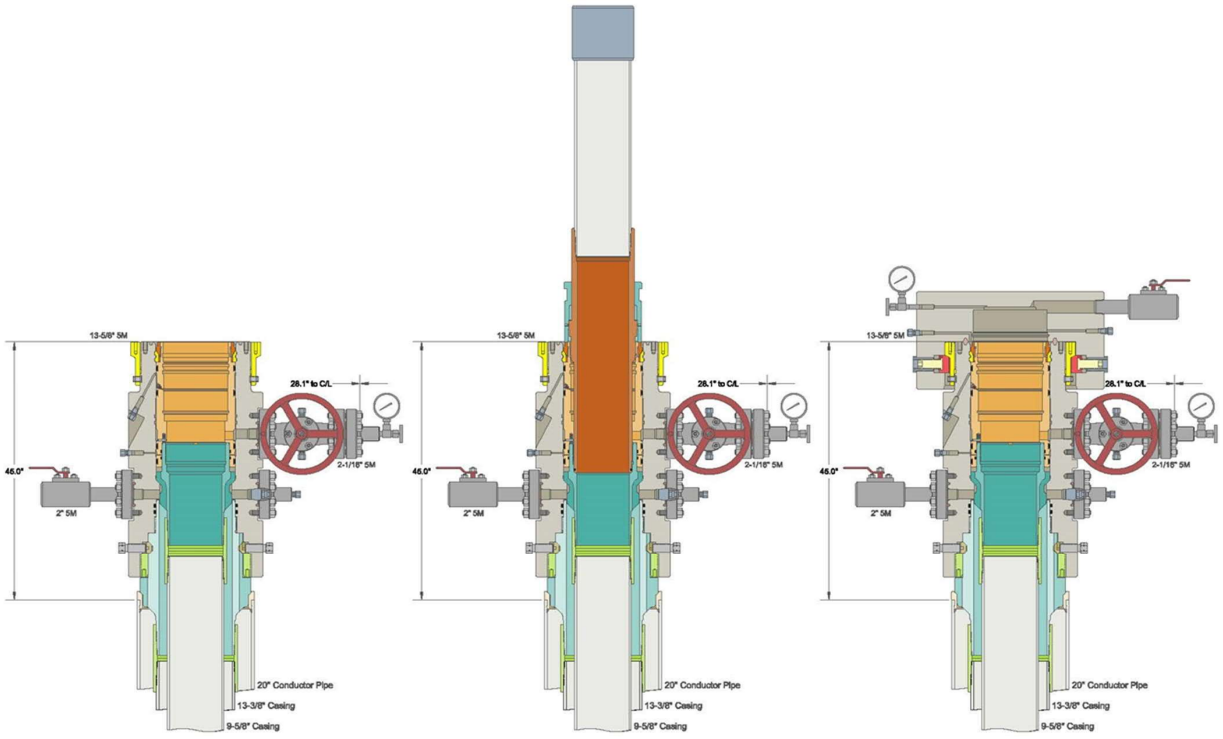
9 5/8" Intermediate



Run 9-5/8" Casing
Land Casing on 9-5/8" Mandrel Hanger
Cement 9-5/8" Casing
Retrieve Running Tool



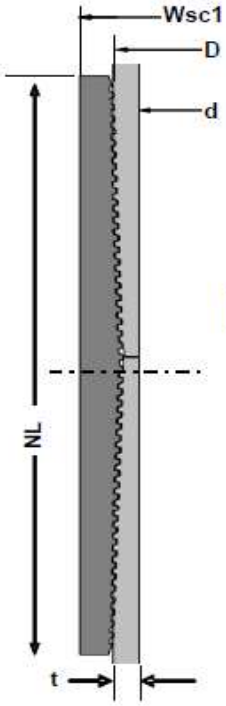
Run 13-5/8" Packoff
Test Upper and Lower Seals
Engage Lockring
Retrieve Running Tool



Metal One Corp.	GEOCONN-SC Pipe: SeAH P110RY 95%PBW (SMYS110ksi) *1 Coupling: P110RY (SMYS110ksi) Connection Data Sheet	Page	MAI GC 5.5 17 SeAH P110RY 95%RBW+SC-Cplg6.050 P110RY
Metal One		Date	3-Feb-21
		Rev.	0

Geometry

GEOCONN-SC



Pipe Body

		Imperial		S.I.	
Grade *1	P110RY	-	P110RY	-
SMYS	110	ksi	110	ksi
Pipe OD (D)	5.500	in	139.70	mm
Weight	17.00	lb/ft	25.33	kg/m
Wall Thickness (t)	0.304	in	7.72	mm
Pipe ID (d)	4.892	in	124.26	mm
Drift Dia.	4.767	in	121.08	mm

Connection

Coupling SMYS	110	ksi	110	ksi
SC-Coupling OD (Wsc1)	6.050	in	153.67	mm
Coupling Length (NL)	8.350	in	212.09	mm
Make up Loss	4.125	in	104.78	mm
Pipe Critical Area	4.96	in^2	3,202	mm^2
Box Critical Area	6.10	in^2	3,937	mm^2
Thread Taper	1 / 16 (3/4" per ft)			
Number of Threads	5 TPI			

Performance

Performance Properties for Pipe Body

		Imperial		S.I.	
S.M.Y.S. *1	546	kips	2,428	kN
M.I.Y.P. *1	11,550	psi	79.66	MPa
Collapse Strength *1	7,480	psi	51.59	MPa

Note S.M.Y.S.= Specified Minimum YIELD Strength of Pipe body
M.I.Y.P. = Minimum Internal Yield Pressure of Pipe body

*1: SeAH P110RY 95%RBW: SMYS110ksi, MIYP11,550psi

Performance Properties for Connection

Min. Connection Joint Strength	100% of S.M.Y.S.
Min. Compression Yield	100% of S.M.Y.S.
Internal Pressure	100% of M.I.Y.P.
External Pressure	100% of Collapse Strength
Max. DLS (deg. /100ft)	>90

Recommended Torque

Min.	10,800	ft-lb	14,600	N-m
Opti.	12,000	ft-lb	16,200	N-m
Max.	13,200	ft-lb	17,800	N-m
Operational Max.	15,600	ft-lb	21,100	N-m

Note : Operational Max. torque can be applied for high torque application

CONTITECH RUBBER Industrial Kft.	No:QC-DB- 210/ 2014
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ContiTech

Hose Data Sheet

CRI Order No.	538236
Customer	ContiTech Oil & Marine Corp.
Customer Order No	4500409659
Item No.	1
Hose Type	Flexible Hose
Standard	**API SPEC 16 C**
Inside dia in inches	3
Length	35 ft
Type of coupling one end	FLANGE 4.1/16" 10K API SPEC 6A TYPE 6BX FLANGE C/W BX155 R.GR.SOUR
Type of coupling other end	FLANGE 4.1/16" 10K API SPEC 6A TYPE 6BX FLANGE C/W BX155 R.GR.SOUR
H2S service NACE MR0175	Yes
Working Pressure	10 000 psi
Design Pressure	10 000 psi
Test Pressure	15 000 psi
Safety Factor	2,25
Marking	USUAL PHOENIX
Cover	NOT FIRE RESISTANT
Outside protection	St.steel outer wrap
Internal stripwound tube	No
Lining	OIL + GAS RESISTANT SOUR
Safety clamp	No
Lifting collar	No
Element C	No
Safety chain	No
Safety wire rope	No
Max.design temperature [°C]	100
Min.design temperature [°C]	-20
Min. Bend Radius operating [m]	0,90
Min. Bend Radius storage [m]	0,90
Electrical continuity	The Hose is electrically continuous
Type of packing	WOODEN CRATE ISPM-15

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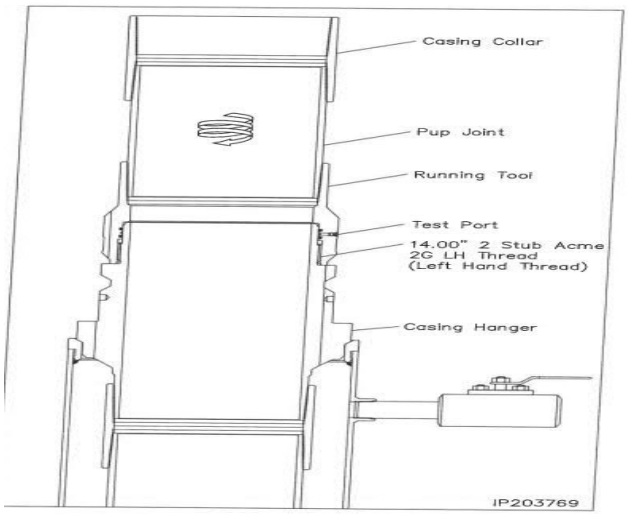
Permian Resources
Multi-Well Pad Batch Drilling & Off Line Cement Procedure

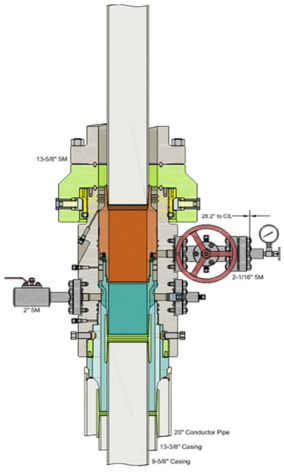
20" Surface Casing - PR intends to Batch set and offline cement all 20" casing to a depth approved in the APD. 24" Surface Holes will be batch drilled by a big rig. Appropriate notifications will be made prior to spudding the well, running, and cementing casing and prior to skidding to the rig to the next well on pad.

1. Drill 24" Surface hole to Approved Depth with Surface Preset Rig and perform wellbore cleanup cycles. Trip out and rack back drilling BHA.
2. Run casing with Cactus Multibowl system, with 32" baseplate supported by both 30" Conductor.
3. Circulate 1.5 csg capacity.
4. Flow test – Confirm well is static.
5. Install cap flange.
6. Skid rig to next well on pad
7. Remove cap flange (confirm well is static before removal)
    a) If well is not static use the casing outlet valves to kill well
    b) Drillers method will be used in well control event
    c) High pressure return line will be rigged up to lower casing valve and run to choke manifold to control annular pressure
    d) Kill mud will be circulated once influx is circulated out of hole
    e) Confirm well is static and remove cap flange to start offline cement operations
8. Install offline cement tool.
9. Rig up cementers.
10. Circulate bottoms up with cement truck
11. Commence planned cement job, take returns through the annulus wellhead valve
12. After plug is bumped confirm floats hold and well is static
13. Perform green cement casing test.
    a) Test Surface casing (.22 psi/ft or 1500 psi whichever is greater) - not to exceed 70% casing burst.
14. Rig down cementers and equipment
15. Install night cap with pressure gauge to monitor.

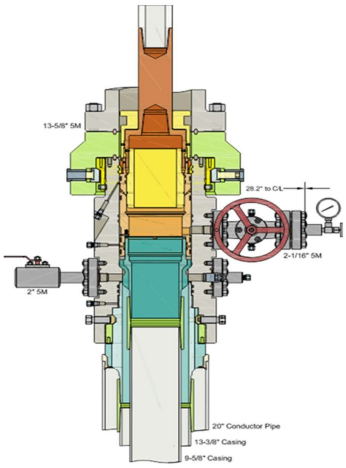


Intermediate 1 Casing – PR intends to Batch set all intermediate 1 casing strings to a depth approved in the APD, typically set into end of salts. Appropriate notifications will be made prior Testing BOPE, and prior to running/cementing all casing strings.
Rig will remove the nightcap and install and test BOPE (testing will be performed on the first intermediate 1 as per requested break testing variance).
Install wear bushing then drill out 20" shoe-track.

1. Drill 17.5" Intermediate 1 hole to approved casing point. Trip out of hole with BHA to run Casing.
2. Remove wear bushing then run and land Intermediate 13 3/8" 54.5# J-55 BTC casing with mandrel hanger in wellhead.
3. Flow test – Confirm well is static.
4. Set Annular packoff and pressure test. Test to 5k.
5. Install BPV, Nipple down BOP and install cap flange.
6. Skid rig to next well on pad
7. Remove cap flange (confirm well is static before removal)
    a) If well is not static use the casing outlet valves to kill well
    b) Drillers method will be used in well control event
    c) High pressure return line will be rigged up to lower casing valve and run to choke manifold to control annular pressure
    d) Kill mud will be circulated once influx is circulated out of hole
    e) Confirm well is static and remove cap flange to start offline cement operations
8. Install offline cement tool.
9. Rig up cementers.
10. Circulate bottoms up with cement truck
11. Commence planned cement job, take returns through the annulus wellhead valve
12. After plug is bumped confirm floats hold and well is static
13. Perform green cement casing test.
    a) Test casing (.22 psi/ft or 1500 psi whichever is greater) - not to exceed 70% casing burst.
14. Rig down cementers and equipment
15. Install night cap with pressure gauge to monitor.



Run 9-5/8" Casing
Land Casing on 9-5/8" Mandrel Hanger
Cement 9-5/8" Casing
Retrieve Running Tool



Run 13-5/8" Packoff
Test Upper and Lower Seals
Engage Lockring
Retrieve Running Tool

Intermediate 2 Casing – PR intends to Batch set all intermediate 2 casing strings to a depth approved in the APD, typically set into Captain past losses. Appropriate notifications will be made prior Testing BOPE, and prior to running/cementing all casing strings.

1. Rig will remove the nightcap and install and test BOPE (testing will be performed on the first intermediate 2 as per requested break testing variance).
2. Install wear bushing then drill out 13-3/8" shoe-track.
3. Drill Intermediate 12.25" hole to approved casing point. Trip out of hole with BHA to run Casing.
4. Remove wear bushing then run and land Intermediate 9.625" 40# J-55 BTC casing with mandrel hanger in wellhead.
5. Flow test – Confirm well is static.
6. Set Annular packoff and pressure test. Test to 5k.
7. Install BPV, Nipple down BOP and install cap flange.
8. Skid rig to next well on pad
9. Remove cap flange (confirm well is static before removal)
    a) If well is not static use the casing outlet valves to kill well
    b) Drillers method will be used in well control event
    c) High pressure return line will be rigged up to lower casing valve and run to choke manifold to control annular pressure
    d) Kill mud will be circulated once influx is circulated out of hole
    e) Confirm well is static and remove cap flange to start offline cement operations
10. Install offline cement tool.
11. Rig up cementers.
12. Circulate bottoms up with cement truck
13. Commence planned cement job, take returns through the annulus wellhead valve
14. After plug is bumped confirm floats hold and well is static
15. Perform green cement casing test.
    a) Test casing (.22 psi/ft or 1500 psi whichever is greater) - not to exceed 70% casing burst.
16. Rig down cementers and equipment
17. Install night cap with pressure gauge to monitor.

Production Casing – PR intends to Batch set all Production casings. Appropriate notifications will be made prior Testing BOPE, and prior to running/cementing all casing strings.

1. Rig will remove the nightcap and install and test BOPE.
2. Install wear bushing then drill Intermediate shoe-track.
3. 3. Drill Vertical hole to KOP – Trip out for Curve BHA.
4. Drill Curve, landing in production interval – Trip for Lateral BHA.
5. Drill Lateral / Production hole to Permitted BHL, perform cleanup cycles and trip out to run 5-1/2" Production Casing.
6. Remove wear bushing then run 5-1/2" production casing to TD landing casing mandrel in wellhead.
7. Cement 5-1/2" Production string to surface with floats holding.

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

Bond Info Data
08/29/2023

APD ID: 10400085832
Submission Date: 06/03/2022
Operator Name: COLGATE OPERATING LLC
Well Name: KOALA 9 FED COM
Well Number: 204H
Well Type: OIL WELL
Well Work Type: Drill

Highlighted data reflects the most recent changes
Show Final Text

Bond

Federal/Indian APD: FED

BLM Bond number: NMB001382

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information

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

CONDITIONS

Action 258492

CONDITIONS

Operator: Permian Resources Operating, LLC 1001 17th Street, Suite 1800 Denver, CO 80202	OGRID: 372165
	Action Number: 258492
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
ward.rikala	Notify OCD 24 hours prior to casing & cement	8/31/2023
ward.rikala	Will require a File As Drilled C-102 and a Directional Survey with the C-104	8/31/2023
ward.rikala	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string	8/31/2023
ward.rikala	Cement is required to circulate on both surface and intermediate1 strings of casing	8/31/2023
ward.rikala	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system	8/31/2023