

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

General Information  
Phone: (505) 629-6116

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

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

Form C-101  
August 1, 2011

Permit 382894

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

|                                                                                                               |                                              |                               |
|---------------------------------------------------------------------------------------------------------------|----------------------------------------------|-------------------------------|
| 1. Operator Name and Address<br>Paloma Permian AssetCo, LLC<br>1100 Louisiana, Ste. 5100<br>Houston, TX 77002 |                                              | 2. OGRID Number<br>332449     |
|                                                                                                               |                                              | 3. API Number<br>30-015-56241 |
| 4. Property Code<br>337041                                                                                    | 5. Property Name<br>HOLLYWOOD STAR FEE 17 18 | 6. Well No.<br>704H           |

**7. Surface Location**

|          |         |          |       |         |           |          |           |          |        |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| L        | 16      | 22S      | 27E   |         | 2441      | S        | 180       | W        | Eddy   |

**8. Proposed Bottom Hole Location**

|          |         |          |       |         |           |          |           |          |        |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| D        | 18      | 22S      | 27E   | 1       | 660       | N        | 200       | W        | Eddy   |

**9. Pool Information**

|                            |       |
|----------------------------|-------|
| PURPLE SAGE;WOLFCAMP (GAS) | 98220 |
|----------------------------|-------|

**Additional Well Information**

|                           |                             |                                        |                           |                                    |
|---------------------------|-----------------------------|----------------------------------------|---------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>GAS        | 13. Cable/Rotary                       | 14. Lease Type<br>Private | 15. Ground Level Elevation<br>3110 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>19650 | 18. Formation<br>Wolfcamp              | 19. Contractor            | 20. Spud Date<br>4/1/2025          |
| Depth to Ground water     |                             | Distance from nearest fresh water well |                           | Distance to nearest surface water  |

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

**21. Proposed Casing and Cement Program**

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5      | 13.375      | 54.5             | 654           | 566             | 0             |
| Int1 | 12.25     | 9.625       | 40               | 3170          | 1119            | 0             |
| Prod | 8.5       | 5.5         | 23               | 19650         | 2806            | 0             |
| Prod | 8.75      | 5.5         | 23               | 9524          | 2806            | 0             |

**Casing/Cement Program: Additional Comments**

We will be drilling 8.75" open hole in vertical and curve, then downsize to 8.5" open hole for the lateral, then run a 5.5" long string of casing, after plan to cement with 2806 sks of Class H cement, estimating top of lead cement at surface and top of tail cement at 6000'.

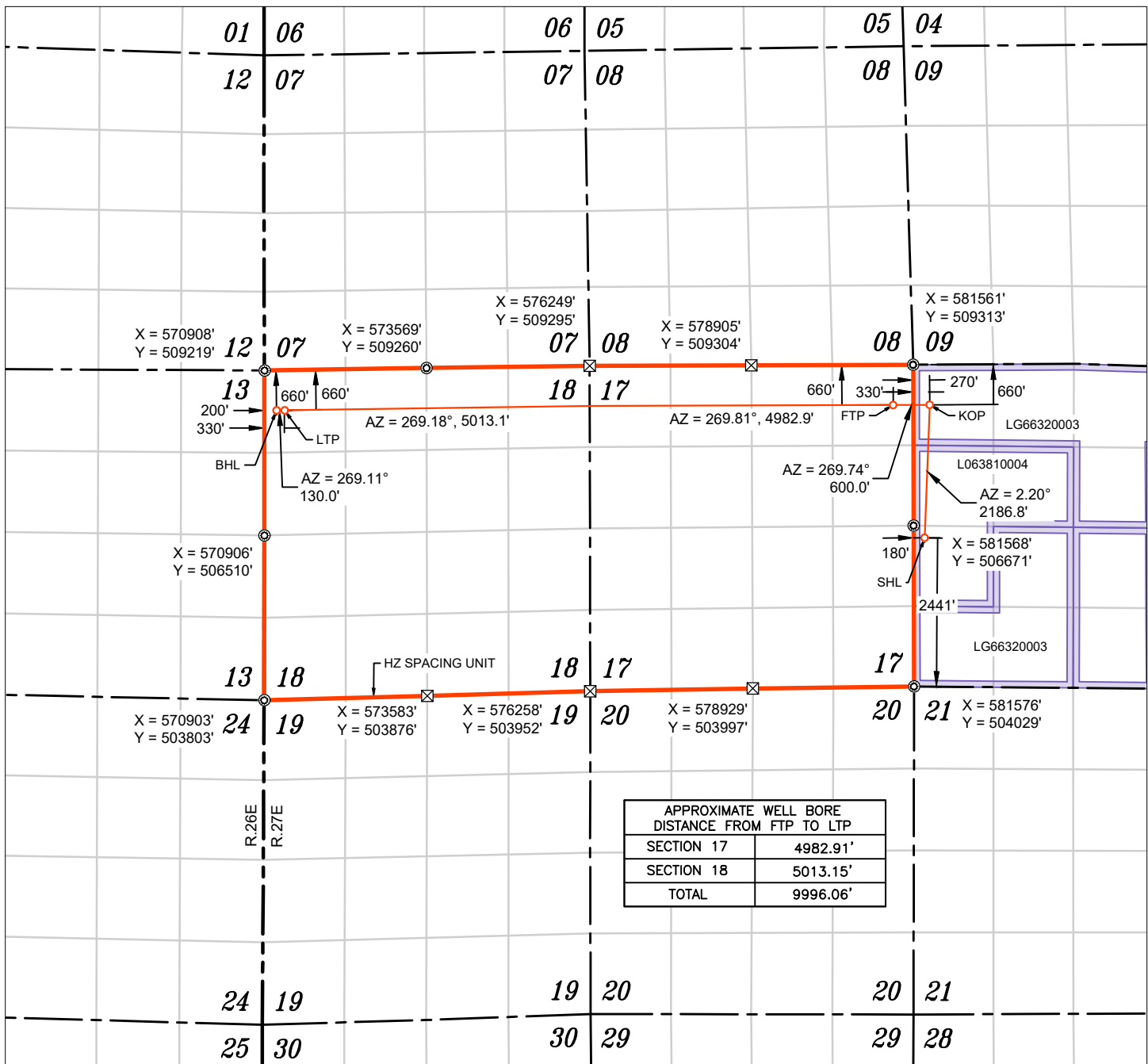
**22. Proposed Blowout Prevention Program**

| Type       | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Annular    | 5000             | 3500          | Axon         |
| Double Ram | 10000            | 5000          | Axon         |
| Pipe       | 10000            | 5000          | Axon         |

|                                                                                                                                                                                                                                                                                                                      |                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.<br><br>Signature: | <b>OIL CONSERVATION DIVISION</b>                         |
| Printed Name: Electronically filed by Brittney Brunner                                                                                                                                                                                                                                                               | Approved By: Matthew Gomez                               |
| Title: OpAdmin                                                                                                                                                                                                                                                                                                       | Title:                                                   |
| Email Address: bbrunner@palomaresources.com                                                                                                                                                                                                                                                                          | Approved Date: 2/21/2025      Expiration Date: 2/21/2027 |
| Date: 2/4/2025      Phone: 713-654-8534                                                                                                                                                                                                                                                                              | Conditions of Approval Attached                          |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                      |                                                                                                            |                      |                                                                                                                                                        |                                                                                                                                                                                                                                                            |                                                                                                    |                                         |                                  |                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|------------------------------------------------------------------------------------------------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------|-----------------------|
| <b>C-102</b><br><br>Submit Electronically<br>Via OCD Permitting                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                      | State of New Mexico<br>Energy, Minerals & Natural Resources Department<br><b>OIL CONSERVATION DIVISION</b> |                      |                                                                                                                                                        |                                                                                                                                                                                                                                                            | Revised July 9, 2024                                                                               |                                         |                                  |                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                      | Submittal Type:                                                                                            |                      | <input checked="" type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled                |                                                                                                                                                                                                                                                            |                                                                                                    |                                         |                                  |                       |
| <b>WELL LOCATION INFORMATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                      |                                                                                                            |                      |                                                                                                                                                        |                                                                                                                                                                                                                                                            |                                                                                                    |                                         |                                  |                       |
| API Number <b>30-015-56241</b><br><b>PENDING</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                      | Pool Code<br><b>98220</b>                                                                                  |                      | Pool Name<br><b>PURPLE SAGE WOLFCAMP (GAS)</b>                                                                                                         |                                                                                                                                                                                                                                                            |                                                                                                    |                                         |                                  |                       |
| Property Code<br><b>337041</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                      | Property Name<br><b>HOLLYWOOD STAR FEE 17-18</b>                                                           |                      |                                                                                                                                                        |                                                                                                                                                                                                                                                            | Well Number<br><b>#704H</b>                                                                        |                                         |                                  |                       |
| OGRID No.<br><b>332449</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                      | Operator Name<br><b>PALOMA PERMIAN ASSETCO, LLC</b>                                                        |                      |                                                                                                                                                        |                                                                                                                                                                                                                                                            | Ground Level Elevation<br><b>3110'</b>                                                             |                                         |                                  |                       |
| Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                      |                                                                                                            |                      | Mineral Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |                                                                                                                                                                                                                                                            |                                                                                                    |                                         |                                  |                       |
| <b>Surface Location</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                      |                                                                                                            |                      |                                                                                                                                                        |                                                                                                                                                                                                                                                            |                                                                                                    |                                         |                                  |                       |
| UL<br><b>L</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Section<br><b>16</b> | Township<br><b>22 S</b>                                                                                    | Range<br><b>27 E</b> | Lot                                                                                                                                                    | Ft. from N/S<br><b>2441' FSL</b>                                                                                                                                                                                                                           | Ft. from E/W<br><b>180' FWL</b>                                                                    | Latitude<br><b>32.392285°</b>           | Longitude<br><b>-104.202408°</b> | County<br><b>EDDY</b> |
| <b>Bottom Hole Location</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                                                                                                            |                      |                                                                                                                                                        |                                                                                                                                                                                                                                                            |                                                                                                    |                                         |                                  |                       |
| UL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Section<br><b>18</b> | Township<br><b>22 S</b>                                                                                    | Range<br><b>27 E</b> | Lot<br><b>LOT 1</b>                                                                                                                                    | Ft. from N/S<br><b>660' FNL</b>                                                                                                                                                                                                                            | Ft. from E/W<br><b>200' FWL</b>                                                                    | Latitude<br><b>32.398067°</b>           | Longitude<br><b>-104.236879°</b> | County<br><b>EDDY</b> |
| Dedicated Acres<br><b>1267.84</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      | Infill or Defining Well<br><b>Infill</b>                                                                   |                      | Defining Well API<br><b>Pending</b>                                                                                                                    |                                                                                                                                                                                                                                                            | Overlapping Spacing Unit (Y/N)<br><b>N</b>                                                         |                                         | Consolidation Code               |                       |
| Order Numbers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                      |                                                                                                            |                      |                                                                                                                                                        |                                                                                                                                                                                                                                                            | Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No |                                         |                                  |                       |
| <b>Kick Off Point (KOP)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                                                                                                            |                      |                                                                                                                                                        |                                                                                                                                                                                                                                                            |                                                                                                    |                                         |                                  |                       |
| UL<br><b>D</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Section<br><b>16</b> | Township<br><b>22 S</b>                                                                                    | Range<br><b>27 E</b> | Lot                                                                                                                                                    | Ft. from N/S<br><b>660' FNL</b>                                                                                                                                                                                                                            | Ft. from E/W<br><b>270' FWL</b>                                                                    | Latitude<br><b>32.398291°</b>           | Longitude<br><b>-104.202128°</b> | County<br><b>EDDY</b> |
| <b>First Take Point (FTP)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                      |                                                                                                            |                      |                                                                                                                                                        |                                                                                                                                                                                                                                                            |                                                                                                    |                                         |                                  |                       |
| UL<br><b>A</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Section<br><b>17</b> | Township<br><b>22 S</b>                                                                                    | Range<br><b>27 E</b> | Lot                                                                                                                                                    | Ft. from N/S<br><b>660' FNL</b>                                                                                                                                                                                                                            | Ft. from E/W<br><b>330' FEL</b>                                                                    | Latitude<br><b>32.398286°</b>           | Longitude<br><b>-104.204072°</b> | County<br><b>EDDY</b> |
| <b>Last Take Point (LTP)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                      |                                                                                                            |                      |                                                                                                                                                        |                                                                                                                                                                                                                                                            |                                                                                                    |                                         |                                  |                       |
| UL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Section<br><b>18</b> | Township<br><b>22 S</b>                                                                                    | Range<br><b>27 E</b> | Lot<br><b>LOT 1</b>                                                                                                                                    | Ft. from N/S<br><b>660' FNL</b>                                                                                                                                                                                                                            | Ft. from E/W<br><b>330' FWL</b>                                                                    | Latitude<br><b>32.398072°</b>           | Longitude<br><b>-104.236458°</b> | County<br><b>EDDY</b> |
| Unitized Area or Area of Uniform Interest                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                      |                                                                                                            |                      | Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical                                                     |                                                                                                                                                                                                                                                            |                                                                                                    | Ground Floor Elevation:<br><b>3110'</b> |                                  |                       |
| <b>OPERATOR CERTIFICATIONS</b><br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i><br><br><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i> |                      |                                                                                                            |                      |                                                                                                                                                        | <b>SURVEYOR CERTIFICATIONS</b><br><br><i>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.</i> |                                                                                                    |                                         |                                  |                       |
| Signature _____ Date <b>2/20/2025</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                                            |                      |                                                                                                                                                        | Signature and Seal of Professional Surveyor<br><div style="text-align: center;"> <br/> <b>17 Feb 2025</b> </div>                                                      |                                                                                                    |                                         |                                  |                       |
| Printed Name<br><b>Lelan J Anders</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                                                                            |                      |                                                                                                                                                        | 21209 FEBRUARY 17, 2025                                                                                                                                                                                                                                    |                                                                                                    |                                         |                                  |                       |
| Email Address<br><b>LAnders@PalomaResources.com</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                                                                                            |                      |                                                                                                                                                        | Certificate Number                                                                                                                                                                                                                                         |                                                                                                    | Date of Survey                          |                                  |                       |

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



WELL NAME: HOLLYWOOD STAR FEE 17-18 #704H  
ELEVATION: 3110'

|                                              |
|----------------------------------------------|
| <b>NAD 83 (SHL) 2441' FSL &amp; 180' FWL</b> |
| LATITUDE = 32.392285°                        |
| LONGITUDE = -104.202408°                     |
| <b>NAD 27 (SURFACE HOLE LOCATION)</b>        |
| LATITUDE = 32.392167°                        |
| LONGITUDE = -104.201906°                     |
| <b>STATE PLANE NAD 83 (N.M. EAST)</b>        |
| N: 506469.43' E: 581748.90'                  |
| <b>STATE PLANE NAD 27 (N.M. EAST)</b>        |
| N: 506409.78' E: 540567.43'                  |

|                                             |
|---------------------------------------------|
| <b>NAD 83 (KOP) 660' FNL &amp; 270' FWL</b> |
| LATITUDE = 32.398291°                       |
| LONGITUDE = -104.202128°                    |
| <b>NAD 27 (KOP)</b>                         |
| LATITUDE = 32.398173°                       |
| LONGITUDE = -104.201625°                    |
| <b>STATE PLANE NAD 83 (N.M. EAST)</b>       |
| N: 508654.64' E: 581832.87'                 |
| <b>STATE PLANE NAD 27 (N.M. EAST)</b>       |
| N: 508594.93' E: 540651.44'                 |

|                                             |
|---------------------------------------------|
| <b>NAD 83 (FTP) 660' FNL &amp; 330' FEL</b> |
| LATITUDE = 32.398286°                       |
| LONGITUDE = -104.204072°                    |
| <b>NAD 27 (FTP)</b>                         |
| LATITUDE = 32.398168°                       |
| LONGITUDE = -104.203569°                    |
| <b>STATE PLANE NAD 83 (N.M. EAST)</b>       |
| N: 508651.91' E: 581232.88'                 |
| <b>STATE PLANE NAD 27 (N.M. EAST)</b>       |
| N: 508592.20' E: 540051.46'                 |

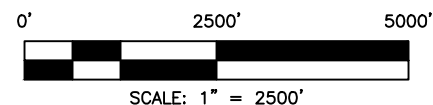
|                                             |
|---------------------------------------------|
| <b>NAD 83 (LTP) 660' FNL &amp; 330' FWL</b> |
| LATITUDE = 32.398072°                       |
| LONGITUDE = -104.236458°                    |
| <b>NAD 27 (LTP)</b>                         |
| LATITUDE = 32.397954°                       |
| LONGITUDE = -104.235954°                    |
| <b>STATE PLANE NAD 83 (N.M. EAST)</b>       |
| N: 508563.67' E: 571237.36'                 |
| <b>STATE PLANE NAD 27 (N.M. EAST)</b>       |
| N: 508504.07' E: 530056.05'                 |

|                                             |
|---------------------------------------------|
| <b>NAD 83 (BHL) 660' FNL &amp; 200' FWL</b> |
| LATITUDE = 32.398067°                       |
| LONGITUDE = -104.236879°                    |
| <b>NAD 27 (BHL)</b>                         |
| LATITUDE = 32.397949°                       |
| LONGITUDE = -104.236375°                    |
| <b>STATE PLANE NAD 83 (N.M. EAST)</b>       |
| N: 508561.64' E: 571107.36'                 |
| <b>STATE PLANE NAD 27 (N.M. EAST)</b>       |
| N: 508502.05' E: 529926.05'                 |

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

### NOTES

- ALL COORDINATES, BEARINGS, AND DISTANCES CONTAINED HEREIN ARE GRID, BASED UPON THE NEW MEXICO STATE PLANE COORDINATES SYSTEM, NORTH AMERICAN DATUM 83, NEW MEXICO EAST (3001).
- THIS DOCUMENT IS BASED UPON AN ON THE GROUND SURVEY PERFORMED DURING NOVEMBER, 2024. CERTIFICATION OF THIS DOCUMENT IS ONLY TO THE LOCATION OF THIS EASEMENT IN RELATION TO RECORDED MONUMENT OF DEEDS PROVIDED BY THE CLIENT.
- ELEVATIONS MSL, DERIVED FROM G.N.S.S. OBSERVATION AND DERIVED FROM SAID ON-THE-GROUND SURVEY.



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

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

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

Form APD Comments  
Permit 382894

PERMIT COMMENTS

|                                                                                                                      |                                                                                                            |                                         |
|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| Operator Name and Address:<br>Paloma Permian AssetCo, LLC [332449]<br>1100 Louisiana, Ste. 5100<br>Houston, TX 77002 |                                                                                                            | API Number:<br>30-015-56241             |
|                                                                                                                      |                                                                                                            | Well:<br>HOLLYWOOD STAR FEE 17 18 #704H |
| Created By                                                                                                           | Comment                                                                                                    | Comment Date                            |
| lelananders                                                                                                          | The surface of this well is located out of unit in section 16, the unit is section 17 and 18 of T22S-R27E. | 2/4/2025                                |

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

Form APD Conditions

Permit 382894

**PERMIT CONDITIONS OF APPROVAL**

|                                                                                                                      |                                         |
|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| Operator Name and Address:<br>Paloma Permian AssetCo, LLC [332449]<br>1100 Louisiana, Ste. 5100<br>Houston, TX 77002 | API Number:<br>30-015-56241             |
|                                                                                                                      | Well:<br>HOLLYWOOD STAR FEE 17 18 #704H |

| OCD Reviewer  | Condition                                                                                                                                                                                                                                                             |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| matthew.gomez | A [C-103] Sub. Drilling (C-103N) is required within (10) days of spud.                                                                                                                                                                                                |
| matthew.gomez | Notify the OCD 24 hours prior to casing & cement.                                                                                                                                                                                                                     |
| matthew.gomez | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string. |
| matthew.gomez | Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.                  |
| matthew.gomez | Cement is required to circulate on both surface and intermediate1 strings of casing.                                                                                                                                                                                  |
| matthew.gomez | If cement does not circulate on any string, a Cement Bond Log (CBL) is required for that string of casing.                                                                                                                                                            |
| matthew.gomez | File As Drilled C-102 and a directional Survey with C-104 completion packet.                                                                                                                                                                                          |
| matthew.gomez | Administrative order required for non-standard spacing unit prior to production.                                                                                                                                                                                      |
| matthew.gomez | Prior to production of this well a change to the well name/number is required to comply with the OCD well naming convention.                                                                                                                                          |
| matthew.gomez | This well is within the radius of the Carlsbad Brine Well. Operator shall provide written notice to OCD at least 14 days prior to the start of any drilling or completion activities. The notice shall be filed with OCD.Engineer@state.nm.us.                        |
| matthew.gomez | Vertical portions of wells may not advance within 1/4-mile of the backfilled void.                                                                                                                                                                                    |
| matthew.gomez | Lateral portions of wells occurring within 1-mile of the backfilled void may not occur at depths less than 5,000 feet.                                                                                                                                                |
| matthew.gomez | Completion activities (hydraulic fracturing) within 1-mile of the backfilled void may not occur simultaneously. OCD may require the completion schedule to be modified if multiple completions are planned to occur simultaneously.                                   |



## **PALOMA RESOURCES**

**EDDY CO., NM (NAD83, NME)  
HOLLYWOOD STAR FEE 17-18  
#704H**

**OH**

**Plan: PLAN #1**

## **Standard Planning Report**

**18 January, 2025**



## Planning Report

|                  |                              |                                     |                                   |
|------------------|------------------------------|-------------------------------------|-----------------------------------|
| <b>Database:</b> | EDM 5000.1.13 Single User Db | <b>Local Co-ordinate Reference:</b> | Well #704H                        |
| <b>Company:</b>  | PALOMA RESOURCES             | <b>TVD Reference:</b>               | RKB = 26' @ 3136.00usft (ICD 331) |
| <b>Project:</b>  | EDDY CO., NM (NAD83, NME)    | <b>MD Reference:</b>                | RKB = 26' @ 3136.00usft (ICD 331) |
| <b>Site:</b>     | HOLLYWOOD STAR FEE 17-18     | <b>North Reference:</b>             | Grid                              |
| <b>Well:</b>     | #704H                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                 |
| <b>Wellbore:</b> | OH                           |                                     |                                   |
| <b>Design:</b>   | PLAN #1                      |                                     |                                   |

|                    |                           |                      |                |
|--------------------|---------------------------|----------------------|----------------|
| <b>Project</b>     | EDDY CO., NM (NAD83, NME) |                      |                |
| <b>Map System:</b> | US State Plane 1983       | <b>System Datum:</b> | Mean Sea Level |
| <b>Geo Datum:</b>  | North American Datum 1983 |                      |                |
| <b>Map Zone:</b>   | New Mexico Eastern Zone   |                      |                |

| Site                  |           | HOLLYWOOD STAR FEE 17-18 |                 |                   |              |
|-----------------------|-----------|--------------------------|-----------------|-------------------|--------------|
| Site Position:        |           | Northing:                | 505,679.44 usft | Latitude:         | 32.3901134   |
| From:                 | Map       | Easting:                 | 581,751.18 usft | Longitude:        | -104.2024042 |
| Position Uncertainty: | 0.00 usft | Slot Radius:             | 13-3/16 "       | Grid Convergence: | 0.070 °      |

| Well                 | #704H |             |                     |                 |               |               |
|----------------------|-------|-------------|---------------------|-----------------|---------------|---------------|
| Well Position        | +N/-S | 789.99 usft | Northing:           | 506,469.43 usft | Latitude:     | 32.3922850    |
|                      | +E/-W | -2.28 usft  | Easting:            | 581,748.90 usft | Longitude:    | -104.2024085  |
| Position Uncertainty |       | 0.00 usft   | Wellhead Elevation: | 0.00 usft       | Ground Level: | 3,110.00 usft |

|                  |                   |                    |                        |                      |                            |
|------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|
| <b>Wellbore</b>  | OH                |                    |                        |                      |                            |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination (°)</b> | <b>Dip Angle (°)</b> | <b>Field Strength (nT)</b> |
|                  | IGRF2020          | 03/01/25           | 6.414                  | 59.839               | 47,145                     |

|                          |                                |                     |                      |                      |  |
|--------------------------|--------------------------------|---------------------|----------------------|----------------------|--|
| <b>Design</b>            | PLAN #1                        |                     |                      |                      |  |
| <b>Audit Notes:</b>      |                                |                     |                      |                      |  |
| <b>Version:</b>          | <b>Phase:</b>                  | PLAN                | <b>Tie On Depth:</b> | 0.00                 |  |
| <b>Vertical Section:</b> | <b>Depth From (TVD) (usft)</b> | <b>+N/-S (usft)</b> | <b>+E/-W (usft)</b>  | <b>Direction (°)</b> |  |
|                          | 0.00                           | 0.00                | 0.00                 | 269.49               |  |

| 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                  | 0.000   |                   |
| 1,000.00              | 0.00            | 0.01        | 1,000.00              | 0.00         | 0.00         | 0.00                    | 0.00                   | 0.00                  | 0.005   |                   |
| 1,814.42              | 16.29           | 1.75        | 1,803.49              | 114.93       | 3.50         | 2.00                    | 2.00                   | 0.00                  | 1.745   |                   |
| 8,613.99              | 16.29           | 1.75        | 8,330.15              | 2,021.13     | 61.59        | 0.00                    | 0.00                   | 0.00                  | 0.000   |                   |
| 9,523.56              | 90.43           | 269.81      | 8,885.00              | 2,182.48     | -516.02      | 10.00                   | 8.15                   | -10.11                | -91.742 | 704H (FTP) 660' F |
| 14,506.52             | 90.43           | 269.81      | 8,847.60              | 2,165.53     | -5,498.81    | 0.00                    | 0.00                   | 0.00                  | 0.000   | 704H (MID-POINT)  |
| 14,537.71             | 90.43           | 269.18      | 8,847.37              | 2,165.25     | -5,530.00    | 2.00                    | 0.00                   | -2.00                 | -90.002 |                   |
| 19,649.92             | 90.43           | 269.18      | 8,809.00              | 2,092.21     | -10,641.54   | 0.00                    | 0.00                   | 0.00                  | 0.000   | 704H (BHL) 660' F |



## Planning Report

|                  |                              |                                     |                                   |
|------------------|------------------------------|-------------------------------------|-----------------------------------|
| <b>Database:</b> | EDM 5000.1.13 Single User Db | <b>Local Co-ordinate Reference:</b> | Well #704H                        |
| <b>Company:</b>  | PALOMA RESOURCES             | <b>TVD Reference:</b>               | RKB = 26' @ 3136.00usft (ICD 331) |
| <b>Project:</b>  | EDDY CO., NM (NAD83, NME)    | <b>MD Reference:</b>                | RKB = 26' @ 3136.00usft (ICD 331) |
| <b>Site:</b>     | HOLLYWOOD STAR FEE 17-18     | <b>North Reference:</b>             | Grid                              |
| <b>Well:</b>     | #704H                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                 |
| <b>Wellbore:</b> | OH                           |                                     |                                   |
| <b>Design:</b>   | PLAN #1                      |                                     |                                   |

| Planned Survey        |                 |             |                       |              |              |                         |                         |                        |                       |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 0.00                  | 0.00            | 0.00        | 0.00                  | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 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                  |
| 300.00                | 0.00            | 0.00        | 300.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 400.00                | 0.00            | 0.00        | 400.00                | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 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                  |
| 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            | 0.01        | 1,000.00              | 0.00         | 0.00         | 0.00                    | 0.00                    | 0.00                   | 0.00                  |
| 1,100.00              | 2.00            | 1.75        | 1,099.98              | 1.74         | 0.05         | -0.07                   | 2.00                    | 2.00                   | 0.00                  |
| 1,200.00              | 4.00            | 1.75        | 1,199.84              | 6.98         | 0.21         | -0.27                   | 2.00                    | 2.00                   | 0.00                  |
| 1,300.00              | 6.00            | 1.75        | 1,299.45              | 15.69        | 0.48         | -0.62                   | 2.00                    | 2.00                   | 0.00                  |
| 1,400.00              | 8.00            | 1.75        | 1,398.70              | 27.87        | 0.85         | -1.10                   | 2.00                    | 2.00                   | 0.00                  |
| 1,500.00              | 10.00           | 1.75        | 1,497.47              | 43.50        | 1.33         | -1.71                   | 2.00                    | 2.00                   | 0.00                  |
| 1,600.00              | 12.00           | 1.75        | 1,595.62              | 62.57        | 1.91         | -2.46                   | 2.00                    | 2.00                   | 0.00                  |
| 1,700.00              | 14.00           | 1.75        | 1,693.06              | 85.06        | 2.59         | -3.35                   | 2.00                    | 2.00                   | 0.00                  |
| 1,800.00              | 16.00           | 1.75        | 1,789.64              | 110.93       | 3.38         | -4.37                   | 2.00                    | 2.00                   | 0.00                  |
| 1,814.42              | 16.29           | 1.75        | 1,803.49              | 114.93       | 3.50         | -4.53                   | 2.00                    | 2.00                   | 0.00                  |
| 1,900.00              | 16.29           | 1.75        | 1,885.64              | 138.92       | 4.23         | -5.47                   | 0.00                    | 0.00                   | 0.00                  |
| 2,000.00              | 16.29           | 1.75        | 1,981.63              | 166.96       | 5.09         | -6.57                   | 0.00                    | 0.00                   | 0.00                  |
| 2,100.00              | 16.29           | 1.75        | 2,077.61              | 194.99       | 5.94         | -7.68                   | 0.00                    | 0.00                   | 0.00                  |
| 2,200.00              | 16.29           | 1.75        | 2,173.60              | 223.03       | 6.80         | -8.78                   | 0.00                    | 0.00                   | 0.00                  |
| 2,300.00              | 16.29           | 1.75        | 2,269.58              | 251.06       | 7.65         | -9.89                   | 0.00                    | 0.00                   | 0.00                  |
| 2,400.00              | 16.29           | 1.75        | 2,365.57              | 279.10       | 8.50         | -10.99                  | 0.00                    | 0.00                   | 0.00                  |
| 2,500.00              | 16.29           | 1.75        | 2,461.56              | 307.13       | 9.36         | -12.09                  | 0.00                    | 0.00                   | 0.00                  |
| 2,600.00              | 16.29           | 1.75        | 2,557.54              | 335.16       | 10.21        | -13.20                  | 0.00                    | 0.00                   | 0.00                  |
| 2,700.00              | 16.29           | 1.75        | 2,653.53              | 363.20       | 11.07        | -14.30                  | 0.00                    | 0.00                   | 0.00                  |
| 2,800.00              | 16.29           | 1.75        | 2,749.52              | 391.23       | 11.92        | -15.40                  | 0.00                    | 0.00                   | 0.00                  |
| 2,900.00              | 16.29           | 1.75        | 2,845.50              | 419.27       | 12.78        | -16.51                  | 0.00                    | 0.00                   | 0.00                  |
| 3,000.00              | 16.29           | 1.75        | 2,941.49              | 447.30       | 13.63        | -17.61                  | 0.00                    | 0.00                   | 0.00                  |
| 3,100.00              | 16.29           | 1.75        | 3,037.47              | 475.33       | 14.49        | -18.72                  | 0.00                    | 0.00                   | 0.00                  |
| 3,200.00              | 16.29           | 1.75        | 3,133.46              | 503.37       | 15.34        | -19.82                  | 0.00                    | 0.00                   | 0.00                  |
| 3,300.00              | 16.29           | 1.75        | 3,229.45              | 531.40       | 16.19        | -20.92                  | 0.00                    | 0.00                   | 0.00                  |
| 3,400.00              | 16.29           | 1.75        | 3,325.43              | 559.44       | 17.05        | -22.03                  | 0.00                    | 0.00                   | 0.00                  |
| 3,500.00              | 16.29           | 1.75        | 3,421.42              | 587.47       | 17.90        | -23.13                  | 0.00                    | 0.00                   | 0.00                  |
| 3,600.00              | 16.29           | 1.75        | 3,517.41              | 615.50       | 18.76        | -24.23                  | 0.00                    | 0.00                   | 0.00                  |
| 3,700.00              | 16.29           | 1.75        | 3,613.39              | 643.54       | 19.61        | -25.34                  | 0.00                    | 0.00                   | 0.00                  |
| 3,800.00              | 16.29           | 1.75        | 3,709.38              | 671.57       | 20.47        | -26.44                  | 0.00                    | 0.00                   | 0.00                  |
| 3,900.00              | 16.29           | 1.75        | 3,805.36              | 699.61       | 21.32        | -27.55                  | 0.00                    | 0.00                   | 0.00                  |
| 4,000.00              | 16.29           | 1.75        | 3,901.35              | 727.64       | 22.17        | -28.65                  | 0.00                    | 0.00                   | 0.00                  |
| 4,100.00              | 16.29           | 1.75        | 3,997.34              | 755.68       | 23.03        | -29.75                  | 0.00                    | 0.00                   | 0.00                  |
| 4,200.00              | 16.29           | 1.75        | 4,093.32              | 783.71       | 23.88        | -30.86                  | 0.00                    | 0.00                   | 0.00                  |
| 4,300.00              | 16.29           | 1.75        | 4,189.31              | 811.74       | 24.74        | -31.96                  | 0.00                    | 0.00                   | 0.00                  |
| 4,400.00              | 16.29           | 1.75        | 4,285.30              | 839.78       | 25.59        | -33.06                  | 0.00                    | 0.00                   | 0.00                  |
| 4,500.00              | 16.29           | 1.75        | 4,381.28              | 867.81       | 26.45        | -34.17                  | 0.00                    | 0.00                   | 0.00                  |
| 4,600.00              | 16.29           | 1.75        | 4,477.27              | 895.85       | 27.30        | -35.27                  | 0.00                    | 0.00                   | 0.00                  |
| 4,700.00              | 16.29           | 1.75        | 4,573.25              | 923.88       | 28.15        | -36.38                  | 0.00                    | 0.00                   | 0.00                  |
| 4,800.00              | 16.29           | 1.75        | 4,669.24              | 951.91       | 29.01        | -37.48                  | 0.00                    | 0.00                   | 0.00                  |
| 4,900.00              | 16.29           | 1.75        | 4,765.23              | 979.95       | 29.86        | -38.58                  | 0.00                    | 0.00                   | 0.00                  |
| 5,000.00              | 16.29           | 1.75        | 4,861.21              | 1,007.98     | 30.72        | -39.69                  | 0.00                    | 0.00                   | 0.00                  |
| 5,100.00              | 16.29           | 1.75        | 4,957.20              | 1,036.02     | 31.57        | -40.79                  | 0.00                    | 0.00                   | 0.00                  |
| 5,200.00              | 16.29           | 1.75        | 5,053.19              | 1,064.05     | 32.43        | -41.90                  | 0.00                    | 0.00                   | 0.00                  |



## Planning Report

|                  |                              |                                     |                                   |
|------------------|------------------------------|-------------------------------------|-----------------------------------|
| <b>Database:</b> | EDM 5000.1.13 Single User Db | <b>Local Co-ordinate Reference:</b> | Well #704H                        |
| <b>Company:</b>  | PALOMA RESOURCES             | <b>TVD Reference:</b>               | RKB = 26' @ 3136.00usft (ICD 331) |
| <b>Project:</b>  | EDDY CO., NM (NAD83, NME)    | <b>MD Reference:</b>                | RKB = 26' @ 3136.00usft (ICD 331) |
| <b>Site:</b>     | HOLLYWOOD STAR FEE 17-18     | <b>North Reference:</b>             | Grid                              |
| <b>Well:</b>     | #704H                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                 |
| <b>Wellbore:</b> | OH                           |                                     |                                   |
| <b>Design:</b>   | PLAN #1                      |                                     |                                   |

| Planned Survey        |                 |             |                       |              |              |                         |                         |                        |                       |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 5,300.00              | 16.29           | 1.75        | 5,149.17              | 1,092.08     | 33.28        | -43.00                  | 0.00                    | 0.00                   | 0.00                  |
| 5,400.00              | 16.29           | 1.75        | 5,245.16              | 1,120.12     | 34.13        | -44.10                  | 0.00                    | 0.00                   | 0.00                  |
| 5,500.00              | 16.29           | 1.75        | 5,341.14              | 1,148.15     | 34.99        | -45.21                  | 0.00                    | 0.00                   | 0.00                  |
| 5,600.00              | 16.29           | 1.75        | 5,437.13              | 1,176.19     | 35.84        | -46.31                  | 0.00                    | 0.00                   | 0.00                  |
| 5,700.00              | 16.29           | 1.75        | 5,533.12              | 1,204.22     | 36.70        | -47.41                  | 0.00                    | 0.00                   | 0.00                  |
| 5,800.00              | 16.29           | 1.75        | 5,629.10              | 1,232.26     | 37.55        | -48.52                  | 0.00                    | 0.00                   | 0.00                  |
| 5,900.00              | 16.29           | 1.75        | 5,725.09              | 1,260.29     | 38.41        | -49.62                  | 0.00                    | 0.00                   | 0.00                  |
| 6,000.00              | 16.29           | 1.75        | 5,821.08              | 1,288.32     | 39.26        | -50.73                  | 0.00                    | 0.00                   | 0.00                  |
| 6,100.00              | 16.29           | 1.75        | 5,917.06              | 1,316.36     | 40.11        | -51.83                  | 0.00                    | 0.00                   | 0.00                  |
| 6,200.00              | 16.29           | 1.75        | 6,013.05              | 1,344.39     | 40.97        | -52.93                  | 0.00                    | 0.00                   | 0.00                  |
| 6,300.00              | 16.29           | 1.75        | 6,109.03              | 1,372.43     | 41.82        | -54.04                  | 0.00                    | 0.00                   | 0.00                  |
| 6,400.00              | 16.29           | 1.75        | 6,205.02              | 1,400.46     | 42.68        | -55.14                  | 0.00                    | 0.00                   | 0.00                  |
| 6,500.00              | 16.29           | 1.75        | 6,301.01              | 1,428.49     | 43.53        | -56.24                  | 0.00                    | 0.00                   | 0.00                  |
| 6,600.00              | 16.29           | 1.75        | 6,396.99              | 1,456.53     | 44.39        | -57.35                  | 0.00                    | 0.00                   | 0.00                  |
| 6,700.00              | 16.29           | 1.75        | 6,492.98              | 1,484.56     | 45.24        | -58.45                  | 0.00                    | 0.00                   | 0.00                  |
| 6,800.00              | 16.29           | 1.75        | 6,588.97              | 1,512.60     | 46.09        | -59.56                  | 0.00                    | 0.00                   | 0.00                  |
| 6,900.00              | 16.29           | 1.75        | 6,684.95              | 1,540.63     | 46.95        | -60.66                  | 0.00                    | 0.00                   | 0.00                  |
| 7,000.00              | 16.29           | 1.75        | 6,780.94              | 1,568.66     | 47.80        | -61.76                  | 0.00                    | 0.00                   | 0.00                  |
| 7,100.00              | 16.29           | 1.75        | 6,876.92              | 1,596.70     | 48.66        | -62.87                  | 0.00                    | 0.00                   | 0.00                  |
| 7,200.00              | 16.29           | 1.75        | 6,972.91              | 1,624.73     | 49.51        | -63.97                  | 0.00                    | 0.00                   | 0.00                  |
| 7,300.00              | 16.29           | 1.75        | 7,068.90              | 1,652.77     | 50.37        | -65.07                  | 0.00                    | 0.00                   | 0.00                  |
| 7,400.00              | 16.29           | 1.75        | 7,164.88              | 1,680.80     | 51.22        | -66.18                  | 0.00                    | 0.00                   | 0.00                  |
| 7,500.00              | 16.29           | 1.75        | 7,260.87              | 1,708.83     | 52.07        | -67.28                  | 0.00                    | 0.00                   | 0.00                  |
| 7,600.00              | 16.29           | 1.75        | 7,356.86              | 1,736.87     | 52.93        | -68.39                  | 0.00                    | 0.00                   | 0.00                  |
| 7,700.00              | 16.29           | 1.75        | 7,452.84              | 1,764.90     | 53.78        | -69.49                  | 0.00                    | 0.00                   | 0.00                  |
| 7,800.00              | 16.29           | 1.75        | 7,548.83              | 1,792.94     | 54.64        | -70.59                  | 0.00                    | 0.00                   | 0.00                  |
| 7,900.00              | 16.29           | 1.75        | 7,644.81              | 1,820.97     | 55.49        | -71.70                  | 0.00                    | 0.00                   | 0.00                  |
| 8,000.00              | 16.29           | 1.75        | 7,740.80              | 1,849.01     | 56.35        | -72.80                  | 0.00                    | 0.00                   | 0.00                  |
| 8,100.00              | 16.29           | 1.75        | 7,836.79              | 1,877.04     | 57.20        | -73.91                  | 0.00                    | 0.00                   | 0.00                  |
| 8,200.00              | 16.29           | 1.75        | 7,932.77              | 1,905.07     | 58.05        | -75.01                  | 0.00                    | 0.00                   | 0.00                  |
| 8,300.00              | 16.29           | 1.75        | 8,028.76              | 1,933.11     | 58.91        | -76.11                  | 0.00                    | 0.00                   | 0.00                  |
| 8,400.00              | 16.29           | 1.75        | 8,124.75              | 1,961.14     | 59.76        | -77.22                  | 0.00                    | 0.00                   | 0.00                  |
| 8,500.00              | 16.29           | 1.75        | 8,220.73              | 1,989.18     | 60.62        | -78.32                  | 0.00                    | 0.00                   | 0.00                  |
| 8,600.00              | 16.29           | 1.75        | 8,316.72              | 2,017.21     | 61.47        | -79.42                  | 0.00                    | 0.00                   | 0.00                  |
| 8,613.99              | 16.29           | 1.75        | 8,330.15              | 2,021.13     | 61.59        | -79.58                  | 0.00                    | 0.00                   | 0.00                  |
| 8,650.00              | 16.56           | 349.03      | 8,364.70              | 2,031.22     | 60.77        | -78.84                  | 10.00                   | 0.76                   | -35.33                |
| 8,700.00              | 18.13           | 333.04      | 8,412.45              | 2,045.16     | 55.88        | -74.08                  | 10.00                   | 3.14                   | -31.97                |
| 8,750.00              | 20.78           | 320.25      | 8,459.61              | 2,058.92     | 46.68        | -65.00                  | 10.00                   | 5.30                   | -25.57                |
| 8,800.00              | 24.15           | 310.56      | 8,505.83              | 2,072.41     | 33.22        | -51.67                  | 10.00                   | 6.75                   | -19.38                |
| 8,850.00              | 27.99           | 303.26      | 8,550.74              | 2,085.50     | 15.63        | -34.19                  | 10.00                   | 7.68                   | -14.62                |
| 8,900.00              | 32.13           | 297.64      | 8,594.01              | 2,098.11     | -5.98        | -12.70                  | 10.00                   | 8.28                   | -11.23                |
| 8,950.00              | 36.47           | 293.21      | 8,635.31              | 2,110.14     | -31.43       | 12.65                   | 10.00                   | 8.67                   | -8.87                 |
| 9,000.00              | 40.93           | 289.61      | 8,674.33              | 2,121.50     | -60.53       | 41.65                   | 10.00                   | 8.93                   | -7.19                 |
| 9,050.00              | 45.49           | 286.61      | 8,710.77              | 2,132.11     | -93.07       | 74.09                   | 10.00                   | 9.12                   | -5.99                 |
| 9,100.00              | 50.12           | 284.05      | 8,744.34              | 2,141.87     | -128.79      | 109.72                  | 10.00                   | 9.25                   | -5.12                 |
| 9,150.00              | 54.80           | 281.82      | 8,774.80              | 2,150.72     | -167.42      | 148.27                  | 10.00                   | 9.35                   | -4.47                 |
| 9,200.00              | 59.51           | 279.83      | 8,801.91              | 2,158.59     | -208.67      | 189.45                  | 10.00                   | 9.43                   | -3.98                 |
| 9,250.00              | 64.25           | 278.03      | 8,825.47              | 2,165.41     | -252.22      | 232.93                  | 10.00                   | 9.48                   | -3.61                 |
| 9,300.00              | 69.01           | 276.36      | 8,845.30              | 2,171.15     | -297.74      | 278.41                  | 10.00                   | 9.52                   | -3.33                 |
| 9,350.00              | 73.79           | 274.80      | 8,861.24              | 2,175.75     | -344.89      | 325.51                  | 10.00                   | 9.55                   | -3.12                 |
| 9,400.00              | 78.58           | 273.31      | 8,873.18              | 2,179.18     | -393.31      | 373.90                  | 10.00                   | 9.57                   | -2.98                 |
| 9,450.00              | 83.37           | 271.88      | 8,881.02              | 2,181.41     | -442.62      | 423.19                  | 10.00                   | 9.59                   | -2.88                 |
| 9,500.00              | 88.17           | 270.47      | 8,884.71              | 2,182.42     | -492.46      | 473.02                  | 10.00                   | 9.60                   | -2.82                 |
| 9,523.56              | 90.43           | 269.81      | 8,885.00              | 2,182.48     | -516.02      | 496.57                  | 10.00                   | 9.60                   | -2.80                 |



## Planning Report

|                  |                              |                                     |                                   |
|------------------|------------------------------|-------------------------------------|-----------------------------------|
| <b>Database:</b> | EDM 5000.1.13 Single User Db | <b>Local Co-ordinate Reference:</b> | Well #704H                        |
| <b>Company:</b>  | PALOMA RESOURCES             | <b>TVD Reference:</b>               | RKB = 26' @ 3136.00usft (ICD 331) |
| <b>Project:</b>  | EDDY CO., NM (NAD83, NME)    | <b>MD Reference:</b>                | RKB = 26' @ 3136.00usft (ICD 331) |
| <b>Site:</b>     | HOLLYWOOD STAR FEE 17-18     | <b>North Reference:</b>             | Grid                              |
| <b>Well:</b>     | #704H                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                 |
| <b>Wellbore:</b> | OH                           |                                     |                                   |
| <b>Design:</b>   | PLAN #1                      |                                     |                                   |

| Planned Survey        |                 |             |                       |              |              |                         |                         |                        |                       |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
| 9,600.00              | 90.43           | 269.81      | 8,884.43              | 2,182.22     | -592.45      | 573.01                  | 0.00                    | 0.00                   | 0.00                  |
| 9,700.00              | 90.43           | 269.81      | 8,883.68              | 2,181.88     | -692.45      | 673.00                  | 0.00                    | 0.00                   | 0.00                  |
| 9,800.00              | 90.43           | 269.81      | 8,882.93              | 2,181.54     | -792.45      | 773.00                  | 0.00                    | 0.00                   | 0.00                  |
| 9,900.00              | 90.43           | 269.81      | 8,882.17              | 2,181.20     | -892.44      | 872.99                  | 0.00                    | 0.00                   | 0.00                  |
| 10,000.00             | 90.43           | 269.81      | 8,881.42              | 2,180.86     | -992.44      | 972.99                  | 0.00                    | 0.00                   | 0.00                  |
| 10,100.00             | 90.43           | 269.81      | 8,880.67              | 2,180.52     | -1,092.44    | 1,072.99                | 0.00                    | 0.00                   | 0.00                  |
| 10,200.00             | 90.43           | 269.81      | 8,879.92              | 2,180.18     | -1,192.43    | 1,172.98                | 0.00                    | 0.00                   | 0.00                  |
| 10,300.00             | 90.43           | 269.81      | 8,879.17              | 2,179.84     | -1,292.43    | 1,272.98                | 0.00                    | 0.00                   | 0.00                  |
| 10,400.00             | 90.43           | 269.81      | 8,878.42              | 2,179.50     | -1,392.43    | 1,372.97                | 0.00                    | 0.00                   | 0.00                  |
| 10,500.00             | 90.43           | 269.81      | 8,877.67              | 2,179.16     | -1,492.42    | 1,472.97                | 0.00                    | 0.00                   | 0.00                  |
| 10,600.00             | 90.43           | 269.81      | 8,876.92              | 2,178.82     | -1,592.42    | 1,572.96                | 0.00                    | 0.00                   | 0.00                  |
| 10,700.00             | 90.43           | 269.81      | 8,876.17              | 2,178.48     | -1,692.42    | 1,672.96                | 0.00                    | 0.00                   | 0.00                  |
| 10,800.00             | 90.43           | 269.81      | 8,875.42              | 2,178.14     | -1,792.41    | 1,772.96                | 0.00                    | 0.00                   | 0.00                  |
| 10,900.00             | 90.43           | 269.81      | 8,874.67              | 2,177.80     | -1,892.41    | 1,872.95                | 0.00                    | 0.00                   | 0.00                  |
| 11,000.00             | 90.43           | 269.81      | 8,873.92              | 2,177.46     | -1,992.41    | 1,972.95                | 0.00                    | 0.00                   | 0.00                  |
| 11,100.00             | 90.43           | 269.81      | 8,873.17              | 2,177.12     | -2,092.40    | 2,072.94                | 0.00                    | 0.00                   | 0.00                  |
| 11,200.00             | 90.43           | 269.81      | 8,872.42              | 2,176.78     | -2,192.40    | 2,172.94                | 0.00                    | 0.00                   | 0.00                  |
| 11,300.00             | 90.43           | 269.81      | 8,871.67              | 2,176.44     | -2,292.40    | 2,272.93                | 0.00                    | 0.00                   | 0.00                  |
| 11,400.00             | 90.43           | 269.81      | 8,870.92              | 2,176.10     | -2,392.39    | 2,372.93                | 0.00                    | 0.00                   | 0.00                  |
| 11,500.00             | 90.43           | 269.81      | 8,870.17              | 2,175.76     | -2,492.39    | 2,472.92                | 0.00                    | 0.00                   | 0.00                  |
| 11,600.00             | 90.43           | 269.81      | 8,869.42              | 2,175.42     | -2,592.39    | 2,572.92                | 0.00                    | 0.00                   | 0.00                  |
| 11,700.00             | 90.43           | 269.81      | 8,868.66              | 2,175.08     | -2,692.38    | 2,672.92                | 0.00                    | 0.00                   | 0.00                  |
| 11,800.00             | 90.43           | 269.81      | 8,867.91              | 2,174.74     | -2,792.38    | 2,772.91                | 0.00                    | 0.00                   | 0.00                  |
| 11,900.00             | 90.43           | 269.81      | 8,867.16              | 2,174.40     | -2,892.38    | 2,872.91                | 0.00                    | 0.00                   | 0.00                  |
| 12,000.00             | 90.43           | 269.81      | 8,866.41              | 2,174.06     | -2,992.37    | 2,972.90                | 0.00                    | 0.00                   | 0.00                  |
| 12,100.00             | 90.43           | 269.81      | 8,865.66              | 2,173.72     | -3,092.37    | 3,072.90                | 0.00                    | 0.00                   | 0.00                  |
| 12,200.00             | 90.43           | 269.81      | 8,864.91              | 2,173.38     | -3,192.37    | 3,172.89                | 0.00                    | 0.00                   | 0.00                  |
| 12,300.00             | 90.43           | 269.81      | 8,864.16              | 2,173.04     | -3,292.36    | 3,272.89                | 0.00                    | 0.00                   | 0.00                  |
| 12,400.00             | 90.43           | 269.81      | 8,863.41              | 2,172.70     | -3,392.36    | 3,372.89                | 0.00                    | 0.00                   | 0.00                  |
| 12,500.00             | 90.43           | 269.81      | 8,862.66              | 2,172.36     | -3,492.36    | 3,472.88                | 0.00                    | 0.00                   | 0.00                  |
| 12,600.00             | 90.43           | 269.81      | 8,861.91              | 2,172.02     | -3,592.35    | 3,572.88                | 0.00                    | 0.00                   | 0.00                  |
| 12,700.00             | 90.43           | 269.81      | 8,861.16              | 2,171.68     | -3,692.35    | 3,672.87                | 0.00                    | 0.00                   | 0.00                  |
| 12,800.00             | 90.43           | 269.81      | 8,860.41              | 2,171.33     | -3,792.35    | 3,772.87                | 0.00                    | 0.00                   | 0.00                  |
| 12,900.00             | 90.43           | 269.81      | 8,859.66              | 2,170.99     | -3,892.34    | 3,872.86                | 0.00                    | 0.00                   | 0.00                  |
| 13,000.00             | 90.43           | 269.81      | 8,858.91              | 2,170.65     | -3,992.34    | 3,972.86                | 0.00                    | 0.00                   | 0.00                  |
| 13,100.00             | 90.43           | 269.81      | 8,858.16              | 2,170.31     | -4,092.34    | 4,072.86                | 0.00                    | 0.00                   | 0.00                  |
| 13,200.00             | 90.43           | 269.81      | 8,857.41              | 2,169.97     | -4,192.33    | 4,172.85                | 0.00                    | 0.00                   | 0.00                  |
| 13,300.00             | 90.43           | 269.81      | 8,856.66              | 2,169.63     | -4,292.33    | 4,272.85                | 0.00                    | 0.00                   | 0.00                  |
| 13,400.00             | 90.43           | 269.81      | 8,855.91              | 2,169.29     | -4,392.33    | 4,372.84                | 0.00                    | 0.00                   | 0.00                  |
| 13,500.00             | 90.43           | 269.81      | 8,855.15              | 2,168.95     | -4,492.32    | 4,472.84                | 0.00                    | 0.00                   | 0.00                  |
| 13,600.00             | 90.43           | 269.81      | 8,854.40              | 2,168.61     | -4,592.32    | 4,572.83                | 0.00                    | 0.00                   | 0.00                  |
| 13,700.00             | 90.43           | 269.81      | 8,853.65              | 2,168.27     | -4,692.32    | 4,672.83                | 0.00                    | 0.00                   | 0.00                  |
| 13,800.00             | 90.43           | 269.81      | 8,852.90              | 2,167.93     | -4,792.31    | 4,772.83                | 0.00                    | 0.00                   | 0.00                  |
| 13,900.00             | 90.43           | 269.81      | 8,852.15              | 2,167.59     | -4,892.31    | 4,872.82                | 0.00                    | 0.00                   | 0.00                  |
| 14,000.00             | 90.43           | 269.81      | 8,851.40              | 2,167.25     | -4,992.31    | 4,972.82                | 0.00                    | 0.00                   | 0.00                  |
| 14,100.00             | 90.43           | 269.81      | 8,850.65              | 2,166.91     | -5,092.30    | 5,072.81                | 0.00                    | 0.00                   | 0.00                  |
| 14,200.00             | 90.43           | 269.81      | 8,849.90              | 2,166.57     | -5,192.30    | 5,172.81                | 0.00                    | 0.00                   | 0.00                  |
| 14,300.00             | 90.43           | 269.81      | 8,849.15              | 2,166.23     | -5,292.30    | 5,272.80                | 0.00                    | 0.00                   | 0.00                  |
| 14,400.00             | 90.43           | 269.81      | 8,848.40              | 2,165.89     | -5,392.29    | 5,372.80                | 0.00                    | 0.00                   | 0.00                  |
| 14,506.52             | 90.43           | 269.81      | 8,847.60              | 2,165.53     | -5,498.81    | 5,479.32                | 0.00                    | 0.00                   | 0.00                  |
| 14,537.71             | 90.43           | 269.18      | 8,847.37              | 2,165.25     | -5,530.00    | 5,510.50                | 2.00                    | 0.00                   | -2.00                 |
| 14,600.00             | 90.43           | 269.18      | 8,846.90              | 2,164.36     | -5,592.28    | 5,572.79                | 0.00                    | 0.00                   | 0.00                  |
| 14,700.00             | 90.43           | 269.18      | 8,846.15              | 2,162.94     | -5,692.26    | 5,672.79                | 0.00                    | 0.00                   | 0.00                  |
| 14,800.00             | 90.43           | 269.18      | 8,845.40              | 2,161.51     | -5,792.25    | 5,772.78                | 0.00                    | 0.00                   | 0.00                  |



## Planning Report

|                  |                              |                                     |                                   |
|------------------|------------------------------|-------------------------------------|-----------------------------------|
| <b>Database:</b> | EDM 5000.1.13 Single User Db | <b>Local Co-ordinate Reference:</b> | Well #704H                        |
| <b>Company:</b>  | PALOMA RESOURCES             | <b>TVD Reference:</b>               | RKB = 26' @ 3136.00usft (ICD 331) |
| <b>Project:</b>  | EDDY CO., NM (NAD83, NME)    | <b>MD Reference:</b>                | RKB = 26' @ 3136.00usft (ICD 331) |
| <b>Site:</b>     | HOLLYWOOD STAR FEE 17-18     | <b>North Reference:</b>             | Grid                              |
| <b>Well:</b>     | #704H                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                 |
| <b>Wellbore:</b> | OH                           |                                     |                                   |
| <b>Design:</b>   | PLAN #1                      |                                     |                                   |

| Planned Survey        |                 |             |                       |              |              |                         |                         |                        |                       |  |
|-----------------------|-----------------|-------------|-----------------------|--------------|--------------|-------------------------|-------------------------|------------------------|-----------------------|--|
| Measured Depth (usft) | Inclination (°) | Azimuth (°) | Vertical Depth (usft) | +N/-S (usft) | +E/-W (usft) | Vertical Section (usft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |  |
| 14,900.00             | 90.43           | 269.18      | 8,844.65              | 2,160.08     | -5,892.24    | 5,872.78                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,000.00             | 90.43           | 269.18      | 8,843.90              | 2,158.65     | -5,992.23    | 5,972.77                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,100.00             | 90.43           | 269.18      | 8,843.15              | 2,157.22     | -6,092.21    | 6,072.77                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,200.00             | 90.43           | 269.18      | 8,842.40              | 2,155.79     | -6,192.20    | 6,172.77                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,300.00             | 90.43           | 269.18      | 8,841.65              | 2,154.36     | -6,292.19    | 6,272.76                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,400.00             | 90.43           | 269.18      | 8,840.89              | 2,152.93     | -6,392.17    | 6,372.76                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,500.00             | 90.43           | 269.18      | 8,840.14              | 2,151.50     | -6,492.16    | 6,472.75                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,600.00             | 90.43           | 269.18      | 8,839.39              | 2,150.08     | -6,592.15    | 6,572.75                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,700.00             | 90.43           | 269.18      | 8,838.64              | 2,148.65     | -6,692.13    | 6,672.74                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,800.00             | 90.43           | 269.18      | 8,837.89              | 2,147.22     | -6,792.12    | 6,772.74                | 0.00                    | 0.00                   | 0.00                  |  |
| 15,900.00             | 90.43           | 269.18      | 8,837.14              | 2,145.79     | -6,892.11    | 6,872.74                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,000.00             | 90.43           | 269.18      | 8,836.39              | 2,144.36     | -6,992.10    | 6,972.73                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,100.00             | 90.43           | 269.18      | 8,835.64              | 2,142.93     | -7,092.08    | 7,072.73                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,200.00             | 90.43           | 269.18      | 8,834.89              | 2,141.50     | -7,192.07    | 7,172.72                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,300.00             | 90.43           | 269.18      | 8,834.14              | 2,140.07     | -7,292.06    | 7,272.72                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,400.00             | 90.43           | 269.18      | 8,833.39              | 2,138.65     | -7,392.04    | 7,372.71                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,500.00             | 90.43           | 269.18      | 8,832.64              | 2,137.22     | -7,492.03    | 7,472.71                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,600.00             | 90.43           | 269.18      | 8,831.89              | 2,135.79     | -7,592.02    | 7,572.71                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,700.00             | 90.43           | 269.18      | 8,831.14              | 2,134.36     | -7,692.00    | 7,672.70                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,800.00             | 90.43           | 269.18      | 8,830.39              | 2,132.93     | -7,791.99    | 7,772.70                | 0.00                    | 0.00                   | 0.00                  |  |
| 16,900.00             | 90.43           | 269.18      | 8,829.64              | 2,131.50     | -7,891.98    | 7,872.69                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,000.00             | 90.43           | 269.18      | 8,828.89              | 2,130.07     | -7,991.97    | 7,972.69                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,100.00             | 90.43           | 269.18      | 8,828.14              | 2,128.64     | -8,091.95    | 8,072.68                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,200.00             | 90.43           | 269.18      | 8,827.39              | 2,127.21     | -8,191.94    | 8,172.68                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,300.00             | 90.43           | 269.18      | 8,826.64              | 2,125.79     | -8,291.93    | 8,272.68                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,400.00             | 90.43           | 269.18      | 8,825.89              | 2,124.36     | -8,391.91    | 8,372.67                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,500.00             | 90.43           | 269.18      | 8,825.13              | 2,122.93     | -8,491.90    | 8,472.67                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,600.00             | 90.43           | 269.18      | 8,824.38              | 2,121.50     | -8,591.89    | 8,572.66                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,700.00             | 90.43           | 269.18      | 8,823.63              | 2,120.07     | -8,691.87    | 8,672.66                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,800.00             | 90.43           | 269.18      | 8,822.88              | 2,118.64     | -8,791.86    | 8,772.65                | 0.00                    | 0.00                   | 0.00                  |  |
| 17,900.00             | 90.43           | 269.18      | 8,822.13              | 2,117.21     | -8,891.85    | 8,872.65                | 0.00                    | 0.00                   | 0.00                  |  |
| 18,000.00             | 90.43           | 269.18      | 8,821.38              | 2,115.78     | -8,991.84    | 8,972.65                | 0.00                    | 0.00                   | 0.00                  |  |
| 18,100.00             | 90.43           | 269.18      | 8,820.63              | 2,114.36     | -9,091.82    | 9,072.64                | 0.00                    | 0.00                   | 0.00                  |  |
| 18,200.00             | 90.43           | 269.18      | 8,819.88              | 2,112.93     | -9,191.81    | 9,172.64                | 0.00                    | 0.00                   | 0.00                  |  |
| 18,300.00             | 90.43           | 269.18      | 8,819.13              | 2,111.50     | -9,291.80    | 9,272.63                | 0.00                    | 0.00                   | 0.00                  |  |
| 18,400.00             | 90.43           | 269.18      | 8,818.38              | 2,110.07     | -9,391.78    | 9,372.63                | 0.00                    | 0.00                   | 0.00                  |  |
| 18,500.00             | 90.43           | 269.18      | 8,817.63              | 2,108.64     | -9,491.77    | 9,472.62                | 0.00                    | 0.00                   | 0.00                  |  |
| 18,600.00             | 90.43           | 269.18      | 8,816.88              | 2,107.21     | -9,591.76    | 9,572.62                | 0.00                    | 0.00                   | 0.00                  |  |
| 18,700.00             | 90.43           | 269.18      | 8,816.13              | 2,105.78     | -9,691.74    | 9,672.62                | 0.00                    | 0.00                   | 0.00                  |  |
| 18,800.00             | 90.43           | 269.18      | 8,815.38              | 2,104.35     | -9,791.73    | 9,772.61                | 0.00                    | 0.00                   | 0.00                  |  |
| 18,900.00             | 90.43           | 269.18      | 8,814.63              | 2,102.93     | -9,891.72    | 9,872.61                | 0.00                    | 0.00                   | 0.00                  |  |
| 19,000.00             | 90.43           | 269.18      | 8,813.88              | 2,101.50     | -9,991.70    | 9,972.60                | 0.00                    | 0.00                   | 0.00                  |  |
| 19,100.00             | 90.43           | 269.18      | 8,813.13              | 2,100.07     | -10,091.69   | 10,072.60               | 0.00                    | 0.00                   | 0.00                  |  |
| 19,200.00             | 90.43           | 269.18      | 8,812.38              | 2,098.64     | -10,191.68   | 10,172.59               | 0.00                    | 0.00                   | 0.00                  |  |
| 19,300.00             | 90.43           | 269.18      | 8,811.63              | 2,097.21     | -10,291.67   | 10,272.59               | 0.00                    | 0.00                   | 0.00                  |  |
| 19,400.00             | 90.43           | 269.18      | 8,810.88              | 2,095.78     | -10,391.65   | 10,372.59               | 0.00                    | 0.00                   | 0.00                  |  |
| 19,500.00             | 90.43           | 269.18      | 8,810.13              | 2,094.35     | -10,491.64   | 10,472.58               | 0.00                    | 0.00                   | 0.00                  |  |
| 19,600.00             | 90.43           | 269.18      | 8,809.37              | 2,092.92     | -10,591.63   | 10,572.58               | 0.00                    | 0.00                   | 0.00                  |  |
| 19,649.92             | 90.43           | 269.18      | 8,809.00              | 2,092.21     | -10,641.54   | 10,622.50               | 0.00                    | 0.00                   | 0.00                  |  |



Planning Report

|                  |                              |                                     |                                   |
|------------------|------------------------------|-------------------------------------|-----------------------------------|
| <b>Database:</b> | EDM 5000.1.13 Single User Db | <b>Local Co-ordinate Reference:</b> | Well #704H                        |
| <b>Company:</b>  | PALOMA RESOURCES             | <b>TVD Reference:</b>               | RKB = 26' @ 3136.00usft (ICD 331) |
| <b>Project:</b>  | EDDY CO., NM (NAD83, NME)    | <b>MD Reference:</b>                | RKB = 26' @ 3136.00usft (ICD 331) |
| <b>Site:</b>     | HOLLYWOOD STAR FEE 17-18     | <b>North Reference:</b>             | Grid                              |
| <b>Well:</b>     | #704H                        | <b>Survey Calculation Method:</b>   | Minimum Curvature                 |
| <b>Wellbore:</b> | OH                           |                                     |                                   |
| <b>Design:</b>   | PLAN #1                      |                                     |                                   |

| Design Targets                                                                                   |           |          |          |          |            |            |            |            |              |
|--------------------------------------------------------------------------------------------------|-----------|----------|----------|----------|------------|------------|------------|------------|--------------|
| Target Name                                                                                      |           |          |          |          |            |            |            |            |              |
| - hit/miss target                                                                                | Dip Angle | Dip Dir. | TVD      | +N/-S    | +E/-W      | Northing   | Easting    | Latitude   | Longitude    |
| - Shape                                                                                          | (°)       | (°)      | (usft)   | (usft)   | (usft)     | (usft)     | (usft)     |            |              |
| 704H (SHL) 2441' FSI                                                                             | 0.00      | 0.01     | 0.00     | 0.00     | 0.00       | 506,469.43 | 581,748.90 | 32.3922850 | -104.2024085 |
| - plan hits target center                                                                        |           |          |          |          |            |            |            |            |              |
| - Point                                                                                          |           |          |          |          |            |            |            |            |              |
| 704H (PLAN KOP) 82                                                                               | 0.00      | 0.00     | 8,330.15 | 2,021.13 | 61.59      | 508,490.56 | 581,810.49 | 32.3978405 | -104.2022009 |
| - plan hits target center                                                                        |           |          |          |          |            |            |            |            |              |
| - Point                                                                                          |           |          |          |          |            |            |            |            |              |
| 704H (BHL) 660' FNL                                                                              | 0.00      | 0.01     | 8,809.00 | 2,092.21 | -10,641.54 | 508,561.64 | 571,107.36 | 32.3980672 | -104.2368788 |
| - plan hits target center                                                                        |           |          |          |          |            |            |            |            |              |
| - Point                                                                                          |           |          |          |          |            |            |            |            |              |
| 704H (LTP) 660' FNL                                                                              | 0.00      | 0.01     | 8,809.00 | 2,094.24 | -10,511.54 | 508,563.67 | 571,237.36 | 32.3980724 | -104.2364576 |
| - plan misses target center by 0.99usft at 19519.91usft MD (8809.98 TVD, 2094.07 N, -10511.54 E) |           |          |          |          |            |            |            |            |              |
| - Point                                                                                          |           |          |          |          |            |            |            |            |              |
| 704H (MID-POINT) 660' FNL                                                                        | 0.00      | 0.01     | 8,847.60 | 2,165.53 | -5,498.81  | 508,634.96 | 576,250.09 | 32.3982549 | -104.2202161 |
| - plan hits target center                                                                        |           |          |          |          |            |            |            |            |              |
| - Point                                                                                          |           |          |          |          |            |            |            |            |              |
| 704H (FTP) 660' FNL                                                                              | 0.00      | 0.01     | 8,885.00 | 2,182.48 | -516.02    | 508,651.91 | 581,232.88 | 32.3982859 | -104.2040717 |
| - plan hits target center                                                                        |           |          |          |          |            |            |            |            |              |
| - Point                                                                                          |           |          |          |          |            |            |            |            |              |

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

Submit Electronically  
Via E-permitting

## NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

### Section 1 – Plan Description

Effective May 25, 2021

**I. Operator:** Paloma Permian AssetCo, LLC **OGRID:** 332449 **Date:** 1 / 28 / 2025

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

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

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

| Well Name                     | API | ULSTR        | Footages            | Anticipated Oil BBL/D | Anticipated Gas MCF/D | Anticipated Produced Water BBL/D |
|-------------------------------|-----|--------------|---------------------|-----------------------|-----------------------|----------------------------------|
| Hollywood Star Fee 17-18 704H |     | L-16-22S-27E | 2441 FSL<br>180 FWL | 1500 bopd             | 4.0 MMcfpd            | 6500 bwpd                        |
|                               |     |              |                     |                       |                       |                                  |

**IV. Central Delivery Point Name:** Hollywood Star CTB [See 19.15.27.9(D)(1) NMAC]

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

| Well Name                     | API | Spud Date | TD Reached Date | Completion Commencement Date | Initial Flow Back Date | First Production Date |
|-------------------------------|-----|-----------|-----------------|------------------------------|------------------------|-----------------------|
| Hollywood Star Fee 17-18 704H |     | 4/1/2025  | 4/21/2025       | 8/15/2025                    | 9/22/2025              | 9/29/2025             |
|                               |     |           |                 |                              |                        |                       |

**VI. Separation Equipment:** ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

**VII. Operational Practices:** ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

**VIII. Best Management Practices:** ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

**Section 2 – Enhanced Plan****EFFECTIVE APRIL 1, 2022**

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

**IX. Anticipated Natural Gas Production:**

| Well | API | Anticipated Average Natural Gas Rate MCF/D | Anticipated Volume of Natural Gas for the First Year MCF |
|------|-----|--------------------------------------------|----------------------------------------------------------|
|      |     |                                            |                                                          |
|      |     |                                            |                                                          |

**X. Natural Gas Gathering System (NGGS):**

| Operator | System | ULSTR of Tie-in | Anticipated Gathering Start Date | Available Maximum Daily Capacity of System Segment Tie-in |
|----------|--------|-----------------|----------------------------------|-----------------------------------------------------------|
|          |        |                 |                                  |                                                           |
|          |        |                 |                                  |                                                           |

**XI. Map.** ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

**XII. Line Capacity.** The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

**XIII. Line Pressure.** Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

**XIV. Confidentiality:** ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

### **Section 3 - Certifications**

**Effective May 25, 2021**

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

***If Operator checks this box, Operator will select one of the following:***

**Well Shut-In.** ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

**Venting and Flaring Plan.** ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

### **Section 4 - Notices**

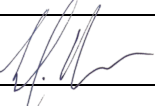
1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

|                                                                                                  |
|--------------------------------------------------------------------------------------------------|
| Signature:      |
| Printed Name:<br>Lelan J Anders                                                                  |
| Title:<br>Vice President of Operations                                                           |
| E-mail Address:<br>LAnders@PalomaResources.com                                                   |
| Date:<br>2-19-2025                                                                               |
| Phone:<br>713-650-8500                                                                           |
| <b>OIL CONSERVATION DIVISION</b><br><b>(Only applicable when submitted as a standalone form)</b> |
| Approved By:                                                                                     |
| Title:                                                                                           |
| Approval Date:                                                                                   |
| Conditions of Approval:                                                                          |

## Natural Gas Management Plan – Attachment

- VI.** Separation equipment will be sized by construction engineering staff based on stated manufacturer daily throughput capacities and anticipated daily production rates to ensure adequate capacity. Closed vent system piping, compression needs, and VRUs will be sized utilizing BRE ProMAX modeling software to ensure adequate capacity for anticipated production volumes and conditions.
- VII.** Paloma Permian AssetCo, LLC (PPA) will take the following actions to comply with the regulations listed in 19.15.27.8:
- A.** PPA will maximize the recovery of natural gas by minimizing the waste, as defined by 19.15.2 NMAC, of natural gas through venting and flaring. PPA will ensure that well(s) will be connected to a natural gas gathering system with sufficient capacity to transport natural gas. If there is no adequate takeaway for the gas, compression will be added to deliver volumes that are produced, well production may also be curtailed to manage the flow of gas and not overrun compression.
  - B.** All drilling operations will be equipped with a rig flare located at least 100' from the nearest surface hole. Rig flare will be utilized to combust any natural gas that is brought to surface during normal drilling operations.
  - C.** During completion operations any natural gas brought to surface will be flared. Immediately following the finish of completion operations, all well flowback will be directed to permanent separation equipment. Produced natural gas from separation equipment will be sent to sales. It is not anticipated that gas will not meet pipeline standards. However, if natural gas does not meet gathering pipeline quality specifications, PPA will flare the natural gas for up to 60 days or until the natural gas meets the pipeline quality specifications, whichever is sooner. PPA will ensure that the flare is sized properly and is equipped with automatic igniter or continuous pilot. The gas sample will be analyzed twice per week and the gas will be routed into a gathering system as soon as pipeline specifications are met.
  - D.** Natural gas will not be flared with the exceptions and provisions listed in the 19.15.27.8 D.(I) through (4). If there is no adequate takeaway for the separator gas, well(s) will be curtailed until the natural gas gathering system is available with exception of emergency or malfunction situations. Venting and/or flaring volumes will be measured using a TOTAL FLOW meter and reported appropriately.
  - E.** PPA will comply with the performance standards requirements and provisions listed in 19.15.27.8 E.(I) through (8). All equipment will be designed and sized to handle maximum anticipated pressures and throughputs to minimize the waste. Production storage tanks constructed after May 25, 2021, will be equipped with automatic gauging system. Flares constructed after May 25, 2021, will be equipped with automatic igniter or continuous pilot. Flares will be located at least 100' from the well and storage tanks unless otherwise approved by the division. PPA will conduct AVO inspections as described in 19.15.27.8 E (5) (a) with frequencies specified in 19.15.27.8 E (5) (b) and (c). All emergencies will be resolved as quickly and safely as feasible to minimize waste.

- F.** The volume of natural gas that is vented or flared as the result of malfunction or emergency during drilling and completions operations will be estimated. The volume of natural gas that is vented, flared, or beneficially used during production operations, will be measured, or estimated. PPA will install equipment to measure the volume of natural gas flared from existing process piping, or a flowline piped from equipment such as high-pressure separators, heater treaters, or vapor recovery units associated with a well or facility associated with a well authorized by an PPA issued after May 25, 2021, that has an average daily production greater than 60 Mcf/day. If metering is not practicable due to circumstances such as low flow rate or low pressure venting and flaring, PPA will estimate the volume of vented or flared natural gas. Measuring equipment will conform to industry standards and will not be designed or equipped with a manifold that allows the diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing the measurement equipment.
- VIII.** For maintenance activities involving production equipment and compression, venting will be limited to the depressurization of the subject equipment to ensure safe working conditions. For maintenance of production and compression equipment the associated producing wells will be shut in to eliminate venting. For maintenance of VRUs all gas normally routed to the VRU will be routed to flare to eliminate venting.



## Hydrogen Sulfide Drilling Operations Plan

**Paloma Permian AssetCo, LLC**  
**1100 Louisiana Ste 5100**  
**Houston, TX 77002**  
**713-650-8500**

1. H<sub>2</sub>S Safety Instructions to the following:
  - Characteristics of H<sub>2</sub>S.
  - Physical effects and hazards.
  - Principal and operation of H<sub>2</sub>S detectors, warning system and briefing areas.
  - Evacuation procedures, routes and First Aid.
  - Proper use of safety equipment and life support systems.
  - Essential personnel meeting medical evaluation criteria will receive additional training on the proper use of 30 min pressure demand air packs.
2. H<sub>2</sub>S Detection & Alarm Systems:
  - H<sub>2</sub>S sensor/detectors to be located on the drilling rig floor, in the base of the sub structure/cellar area, on the mud returns pits by the shale shaker. Additional H<sub>2</sub>S monitors may be placed as deemed necessary.
  - An audio alarm system will be installed on the derrick, the floor, and in the doghouse.
3. Windssocks and Wind Streamers:
  - Windssocks at mud pit area should be high enough to be visible.
  - Windssock on the rig floor/top of doghouse should be high enough to be visible.
4. Condition Flags & Signs:
  - Warning sign on access road to location
  - Flags to be displayed on sign at entrance to location
    - i. Green Flag – Normal Safe Operation Condition
    - ii. Yellow Flag – Potential Pressure and Danger
    - iii. Red Flag – Danger (H<sub>2</sub>S present in dangerous concentrations) Only H<sub>2</sub>S trained personnel admitted on location
5. Well Control Equipment:
  - See attached APD

# PALOMA

## P E R M I A N

### 6. Communications:

- While working under masks, chalkboards will be used for communications
- Hand signals will be used where chalk board is inappropriate
- Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at drilling foreman's trailer or living quarters.

### 7. Drilling Stem Testing:

- No Drill Stem Tests or hole coring is planned at this time.

### 8. Drilling contractor supervisor will be required to be familiar with the effects H<sub>2</sub>S has on tubular goods and other mechanical equipment.

### 9. If H<sub>2</sub>S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H<sub>2</sub>S scavenger chemicals if necessary.

### 10. Emergency Contacts:

| <b>Carlsbad, New Mexico:</b>         |              |
|--------------------------------------|--------------|
| Ambulance                            | 911          |
| State Police                         | 575-885-3137 |
| City Police                          | 575-885-2111 |
| Sheriff's Office                     | 575-887-7551 |
| Fire Department                      | 575-887-3798 |
| Local Emergency Planning Committee   | 575-887-6544 |
| New Mexico Oil Conservation Division | 575-887-6544 |

| <b>Santa Fe, New Mexico:</b>                     |              |
|--------------------------------------------------|--------------|
| New Mexico Emergency Response Commission         | 505-476-9600 |
| New Mexico Emergency Response Commission (24 hr) | 505-827-9126 |
| New Mexico State Emergency Operations Center     | 505-476-9635 |

| <b>Federal Contacts:</b>                            |              |
|-----------------------------------------------------|--------------|
| Carlsbad BLM Office                                 | 575-234-5972 |
| National Emergency Response Center (Washington, DC) | 800-424-8802 |

| <b>Medical:</b>                            |              |
|--------------------------------------------|--------------|
| Flight for Life - Lubbock, TX              | 806-743-9911 |
| AeroCare - Lubbock, TX                     | 806-747-8923 |
| Med Flight Air Ambulance - Albuquerque, NM | 505-842-4433 |
| SB Air Med Service - Albuquerque, NM       | 505-842-4949 |