AFMSS

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

Application for Permit to Drill

APD Package Report

Date Printed:

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

APD Package Report Contents

- Form 3160-3

- Operator Certification Report

- Application Report
- Application Attachments
  -- Operator Letter of Designation: 1 file(s)
  -- Well Plat: 1 file(s)

- Drilling Plan Report
- Drilling Plan Attachments
  -- Blowout Prevention Choke Diagram Attachment: 1 file(s)
  -- Blowout Prevention BOP Diagram Attachment: 1 file(s)
  -- Casing Design Assumptions and Worksheet(s): 4 file(s)
  -- Hydrogen sulfide drilling operations plan: 1 file(s)
  -- Proposed horizontal/directional/multi-lateral plan submission: 2 file(s)
  -- Other Facets: 1 file(s)
  -- Other Variances: 1 file(s)

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

- PWD Report
- PWD Attachments
  -- None

- Bond Report
- Bond Attachments
  -- None

Form 3160-3
(October 2024)

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2027

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☐ DRILL ☐ REENTER

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

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

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

8. Lease Name and Well No.

2. Name of Operator

9. API Well No.
30-025-55659

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

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

At surface

At proposed prod. zone

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

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

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

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

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

24. Attachments

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

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

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

Title

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

Title	Office

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

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

APPROVED WITH CONDITIONS

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 12/08/2025

INSTRUCTIONS

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

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

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

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

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

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

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

NOTICES

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

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

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

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

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

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

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

Approval Date: 12/08/2025

Additional Operator Remarks

Location of Well

0. SHL: NENE / 246 FNL / 159 FEL / TWSP: 25S / RANGE: 35E / SECTION: 25 / LAT: 32.1079716 / LONG: -103.3132433 (TVD: 0 feet, MD: 0 feet)

PPP: NENE / 100 FNL / 660 FEL / TWSP: 25S / RANGE: 35E / SECTION: 25 / LAT: 32.1083666 / LONG: -103.3148606 (TVD: 11388 feet, MD: 11735 feet)

BHL: SESE / 100 FSL / 660 FEL / TWSP: 25S / RANGE: 35E / SECTION: 36 / LAT: 32.0798474 / LONG: -103.314852 (TVD: 11388 feet, MD: 21587 feet)

BLM Point of Contact

Name: MARIAH HUGHES
Title: Land Law Examiner
Phone: (575) 234-5972
Email: MHUGHES@BLM.GOV

PECOS DISTRICT

SURFACE USE

CONDITIONS OF APPROVAL

OPERATOR'S NAME:	3R OPERATING LLC
LEASE NO.:	NMNM114998
COUNTY:	Lea County, New Mexico

Wells:

Sioux East

Sioux East 303H

Surface Hole Location: 244 feet FNL and 284 feet FEL, Section 25, T. 25 S., R. 35 E.

Bottom Hole Location: 100 feet FSL and 1980 feet FEL, Section 36, T. 25 S, R 35 E.

Sioux East 304H

Surface Hole Location: 244 feet FNL and 259 feet FEL, Section 25, T. 25 S., R. 35 E.

Bottom Hole Location: 100 feet FSL and 660 feet FEL, Section 36, T. 25 S, R 35 E.

Sioux East 503H

Surface Hole Location: 245 feet FNL and 234 feet FEL, Section 25, T. 25 S., R. 35 E.

Bottom Hole Location: 100 feet FSL and 1980 feet FEL, Section 36, T. 25 S, R 35 E.

Sioux East 504H

Surface Hole Location: 245 feet FNL and 209 feet FEL, Section 25, T. 25 S., R. 35 E.

Bottom Hole Location: 100 feet FSL and 660 feet FEL, Section 36, T. 25 S, R 35 E.

Sioux East 553H

Surface Hole Location: 245 feet FNL and 184 feet FEL, Section 25, T. 25 S., R. 35 E.

Bottom Hole Location: 100 feet FSL and 1980 feet FEL, Section 36, T. 25 S, R 35 E.

Sioux East 554H

Surface Hole Location: 246 feet FNL and 159 feet FEL, Section 25, T. 25 S., R. 35 E.

Bottom Hole Location: 100 feet FSL and 660 feet FEL, Section 36, T. 25 S, R 35 E.

Approval Date: 12/08/2025

TABLE OF CONTENTS

1. GENERAL PROVISIONS

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

1.1. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

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

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

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

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

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

1.2. RANGELAND RESOURCES

1.2.1. **Cattleguards**

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

1.2.2. **Fence Requirement**

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

1.2.3. **Livestock Watering Requirement**

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

1.3. NOXIOUS WEEDS

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

1.3.1 African Rue (Peganum harmala)

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

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

1.4. LIGHT POLLUTION

1.4.1. **Downfacing**

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

1.4.2. **Shielding**

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

1.4.3. **Lighting Color**

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

2. SPECIAL REQUIREMENTS

2.1. WATERSHED

2.1.1. **General Construction**

- Any water erosion that may occur due to the construction of ROW/surface site and during the life of the ROW/surface site will be quickly corrected and proper measures will be taken to prevent future erosion.
    - Erosion control structures such as curled (plastic free and weed free) wood/straw fiber wattles/logs, silt fences, diversion berms, or other soil erosion controls to slow water migration across disturbed areas should be installed during construction and reclamation or as needed.
    - Regular monitoring of any erosion control structures placed in or along the ROW/surface site is recommended, both following precipitation events and regularly during monsoon season (June – September).
- Any spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

2.1.2. **Surface Site and/or Pad**

- The entire surface site/pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. No waterflow from the uphill side(s) of the pad shall be allowed to enter the well pad.
- Topsoil shall not be used to construct the berm. The compacted berm should be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche).
- The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed.
- Any water erosion that may occur due to the construction of the well pad during the life of the well will be immediately corrected and proper measures will be taken to prevent future erosion.

2.1.3. **Tank Battery**

- Tank battery locations will be lined and bermed. Tank battery berms should be large enough to contain 1 ½ times the content of the largest tank or 24-hour production, whichever is greater. Liners should be permanently installed, at least 20 mm thick with a 4 oz. felt backing to prevent tears or punctures.
- Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

2.1.4. **Buried/Surface Line(s)**

- When crossing ephemeral drainages (marked and unmarked), the pipeline(s) will be buried to a minimum depth of **48 inches** from the top of pipe to ground level. In ephemeral flow paths, rivers, and streams excess soil is to be compacted, contoured, and level to ground surface, allowing water to flow in its natural state. Additional seeding may be required in floodplains and drainages to restore energy dissipating vegetation.
- Prior to pipeline installation/construction, a leak detection plan will be developed. The method(s) could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan should incorporate an automatic shut-off system or manual shut-off valves with active monitoring to minimize the effects of an undesirable event.
- Regular monitoring is required to quickly identify leaks for their immediate and proper treatment.

2.1.5. **Access Road(s)**

- The submitter is responsible for maintenance of the road during the proposed ROW term
- When crossing ephemeral drainages, low water crossings or culverts should be installed as appropriate.

  - Low water crossings should be adequately armored with gabions, rock aprons and/or riprap.
  - Culvert pipes shall be used for cross drains where drainage dips or low water crossings are not feasible. The minimum culvert diameter must be 18 inches. Due to flash floods, increased overland flow, and related debris, the BLM strongly recommends the operator increases the culvert diameter to 24 inches or larger. Flared culvert, rock armoring, and gravel are recommended for culvert stability. Culvert location and required diameter are shown on the attached map. If culverts or drainage crossings are needed, they should be designed for a 25-year or greater storm frequency, without development of a static head at the pipe inlet. Any culvert pipe installed shall be of sufficient diameter to pass the anticipated flow of water.
  - As appropriate, rock check dams should be installed above and/or below the drainage crossing to further reduce erosion potential.
- Turnout ditches/drainage leadoffs should be installed along the ROW at every 5-foot change in elevation. Turnout ditches and drainage leadoffs should not be constructed in such a manner as to alter the natural flow of water into or out of naturally occurring drainage features.
- Water bars should be placed within the ROW to divert and dissipate surface runoff

2.1.6. **Electric Line(s)**

- A power pole must not be placed in drainages, playas, wetlands, riparian areas, or floodplains and must span across the features at a distance away that does not promote further erosion.

2.1.7. **Temporary Use Fresh Water Frac Line(s)**

- Once the temporary use exceeds the timeline of 180 days and/or with a 90-day extension status; further analysis will be required if the applicant pursues to turn the temporary pipeline into a permanent pipeline.
- The pipeline is to not obstruct ephemeral drainages or streams, allowing water to flow in its natural state unobstructed.
- Prior to pipeline installation/construction, a leak detection plan will be developed. The method(s) could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan should incorporate an automatic shut-off system or manual shut-off valves with active monitoring to minimize the effects of an undesirable event.
- Regular monitoring is required to quickly identify leaks for their immediate and proper treatment.

2.1.8. **Ephemeral Streams**

- Erosion control structures such as rock armor (constructed of NRCS standard rip rap mix 3 or 4), geotextile fabric, or coco fiber mats will be installed **on all four sides of the proposed pad** including the berm and the cut and/or fill slopes of the pad boundary to reduce erosion potential. Regular monitoring of any erosion control structures is recommended, both following precipitation events and regularly during monsoon season (June – September).
- Erosion control measures will be employed between the below listed points to reduce runoff and sediment transport into the identified ephemeral stream and downstream dirt tank. Along this stretch, excess soil and fill material will be compacted, contoured, and level to ground surface, allowing water to flow in its natural state. Erosion control structures such as (plastic-free and weed-free) wood/straw fiber wattles/logs and/or silt fences will be placed on the downstream side of disturbed areas for sediment control during construction and maintained until soils and vegetation have stabilized.

Water Feature Name	Approximate Start Location	Approximate End Location	Map Reference
Ephemeral Streams and Related Erosional Features, Dirt Tank	103.3204011°W 32.1076564°N	103.3161116°W 32.1075349°N	Sioux East Flowline: Proposed Flowline Easement Section 25, T-25-S, R-35-E, NMPM

- A drainage ditch will be constructed on the eastern side of the access road to protect the road from possible washouts and reduce erosion and sediment transport into downslope playa/dirt tank. A turnout ditch/drainage leadoff will be constructed at the southern-most point of this drainage ditch to disperse and dissipate any surface flow. The drainage ditch and turnout should be lined with gravel approximately 1.5 to 3 inches in diameter to reduce erosion and degradation of the ditch and sediment transport to the playa/dirt tank.

Water Feature Name	Approximate Start Location	Approximate End Location	Map Reference
Ephemeral Streams and Related Erosional Features, Dirt Tank	103.3127645°W 32.1091268°N	103.3127802°W 32.1082725°N	Sioux East Well Pad: Proposed Lease Road Easement Section 25, T-25-S, R-35-E, NMPM

2.3 WILDLIFE

2.3.1 **Lesser Prairie Chicken**

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

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

2.3.1.2 Timing Limitation Exceptions:

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

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

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

2.4 SPECIAL STATUS PLANT SPECIES

2.5 VISUAL RESOURCE MANAGEMENT

2.5.1 **VRM IV**

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

3. CONSTRUCTION REQUIREMENTS

3.1 CONSTRUCTION NOTIFICATION

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

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

3.2 TOPSOIL

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

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

3.3 CLOSED LOOP SYSTEM

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

3.4 FEDERAL MINERAL PIT

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

3.5 WELL PAD & SURFACING

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

3.6 EXCLOSURE FENCING (CELLARS & PITS)

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

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

3.7 ON LEASE ACCESS ROAD

3.7.1 **Road Width**

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

3.7.2 Surfacing

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

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

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

3.7.3 Crowning

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

3.7.4 Ditching

Ditching shall be required on both sides of the road.

3.7.5 Turnouts

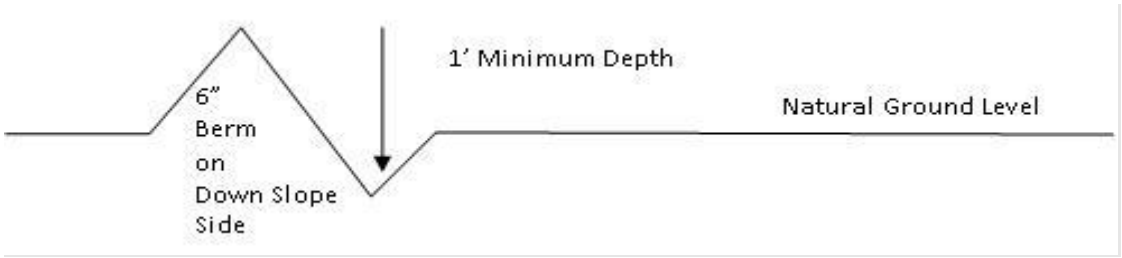
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

3.7.6 Drainage

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

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

Cross Section of a Typical Lead-off Ditch



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

Formula for Spacing Interval of Lead-off Ditches

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

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

3.7.7 **Public Access**

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

Construction Steps

1. Salvage topsoil
2. Construct road
3. Redistribute topsoil
4. Revegetate slopes

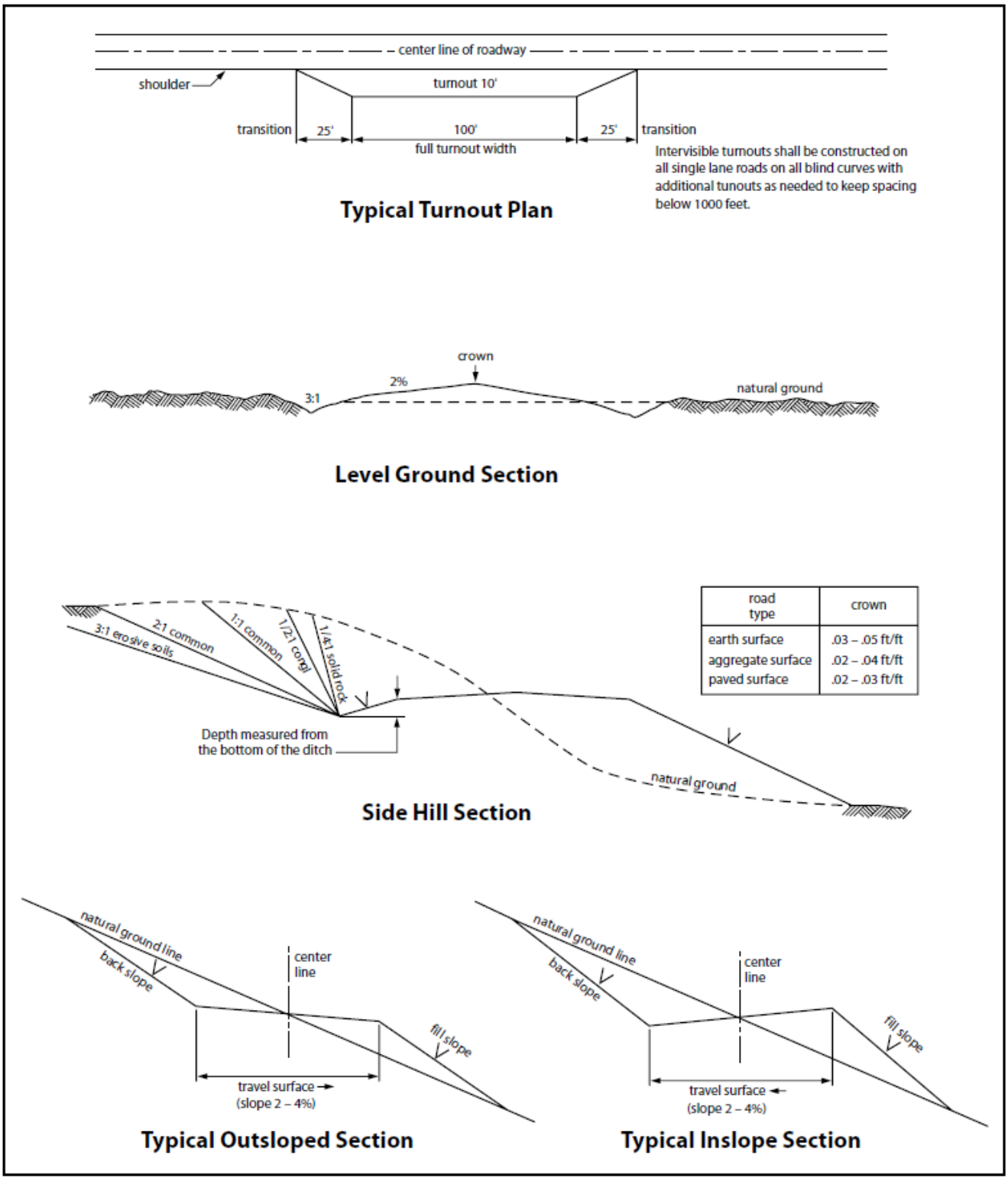


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

4. PIPELINES

- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, passages, or voids are intersected by trenching, and no pipe will be laid in the trench at that point until clearance has been issued by the Authorized Officer.
- A leak detection plan **will be submitted to the BLM Carlsbad Field Office for approval** prior to pipeline installation. The method could incorporate gauges to detect pressure drops, situating values and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.
- Regular monitoring is required to quickly identify leaks for their immediate and proper treatment.
- All spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

4.1 BURIED PIPELINES

A copy of the application (APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request a copy of your permit during construction to ensure compliance with all stipulations.

Operator agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Operator shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this APD.

2. The Operator shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the operator shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the pipeline corridor or on facilities authorized under this APD. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The operator agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, et seq.) on the Pipeline corridor (unless the release or threatened release is wholly unrelated to the operator's activity on the pipeline corridor), or resulting from the activity of the Operator on the pipeline corridor. This agreement applies without regard to whether a release is caused by the operator, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant is discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of operator, regardless of fault. Upon failure of operator to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and

fish and wildlife habitats, at the full expense of the operator. Such action by the Authorized Officer shall not relieve operator of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized pipeline corridor.

6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this pipeline corridor will be 30 feet:

   - Blading of vegetation within the pipeline corridor will be allowed: maximum width of blading operations will not exceed **20** feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation*.)

   - Clearing of brush species within the pipeline corridor will be allowed: maximum width of clearing operations will not exceed **30** feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)

   - The remaining area of the pipeline corridor (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The operator shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately ___6___ inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

9. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this pipeline corridor and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire pipeline corridor shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted, and a 6-inch berm will be left over the ditch line to allow for settling back to grade.

10. The pipeline will be identified by signs at the point of origin and completion of the pipeline corridor and at all road crossings. At a minimum, signs will state the operator's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

11. The operator shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the operator before maintenance begins. The operator will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the operator to construct temporary deterrence structures.

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

13. Escape Ramps - The operator will construct and maintain pipeline/utility trenches [that are not otherwise fenced, screened, or netted] to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them alive at least 100 yards from the trench.
b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30-degree slope and spaced no more than 500 feet apart) shall be placed in the trench. Before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them alive at least 100 yards from the trench.

4.2 SURFACE PIPELINES

A copy of the APD and attachments, including stipulations, survey plat(s) and/or map(s), shall be on location during construction. BLM personnel may request to review a copy of your permit during construction to ensure compliance with all stipulations.

Operator agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. Operator shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this APD.

2. Operator shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, Operator shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC § 2601 et seq. (1982) with regard to any toxic substances that are used, generated by or stored on the pipeline corridoror on facilities authorized under this APD (see 40 CFR, Part 702-799 and in particular, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193). Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. Operator agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Pipeline corridor (unless the release or threatened release is wholly unrelated to activity of the Operator's activity on the Pipeline corridor), or resulting from the activity of the Operator on the pipeline corridor. This provision applies without regard to whether a release is caused by Operator, its agent, or unrelated third parties.

4. Operator shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. Operator shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the pipeline corridor or permit area:

    a. Activities of Operator including, but not limited to: construction, operation, maintenance, and termination of the facility;

    b. Activities of other parties including, but not limited to:
        (1) Land clearing
        (2) Earth-disturbing and earth-moving work
        (3) Blasting
        (4) Vandalism and sabotage

    c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars ($1,000,000)

for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant is discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of Operator, regardless of fault. Upon failure of Operator to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as they deem necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of Operator. Such action by the Authorized Officer shall not relieve Operator of any responsibility as provided herein.

6. All construction and maintenance activity shall be confined to the authorized pipeline corridor width of 30-feet. If the pipeline route follows an existing road or buried pipeline corridor, the surface pipeline shall be installed no farther than 10 feet from the edge of the road or buried pipeline corridor. If existing surface pipelines prevent this distance, the proposed surface pipeline shall be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity shall be confined to existing roads or pipeline corridors.

7. No blading or clearing of any vegetation shall be allowed unless approved in writing by the Authorized Officer.

8. Operator shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline shall be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 36 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The operator shall minimize disturbance to existing fences and other improvements on public lands. The operator is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The operator will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the operator will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the operator to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the pipeline corridor and at all road crossings. At a minimum, signs will state the operator's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The operator shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the operator. The operator will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

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

16. Surface pipelines shall be less than or equal to 4 inches and a working pressure below 125 psi.

4.3 RANGLAND MITIGATION FOR PIPELINES

4.5.1 **Fence Requirement**

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

4.5.2 **Cattleguards**

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

4.5.3 **Livestock Watering Requirement**

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

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

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

5. PRODUCTION (POST DRILLING)

5.1 WELL STRUCTURES & FACILITIES

5.1.1 **Placement of Production Facilities**

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

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

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

5.1.3. Chemical and Fuel Secondary Containment and Exclosure Screening

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

5.1.4. Open-Vent Exhaust Stack Exclosures

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

5.1.5. Containment Structures

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

6. RECLAMATION

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

6.1 ROAD AND SITE RECLAMATION

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

6.2 EROSION CONTROL

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

6.3 INTERIM RECLAMATION

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

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

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

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

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

6.4 FINAL ABANDONMENT & RECLAMATION

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

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

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

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

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (BLM_NM_CFO_Construction_Reclamation@blm.gov).

6.5 SEEDING TECHNIQUES

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

6.6 SOIL SPECIFIC SEED MIXTURE

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

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

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

Seed Mixture 2, for Sandy Site

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

Species	lb/acre
Sand dropseed (Sporobolus cryptandrus)	1.0
Sand love grass (Eragrostis trichodes)	1.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

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

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**3R OPERATING, LLC**
WELL NAME & NO.:	**SIOUX 25 36 FEDERAL COM #554H**
LOCATION:	**25-25S-35E (246' FNL & 159' FEL)**
COUNTY:	Lea County, New Mexico

COA

H_2S	◉ No		○ Yes	
Potash / WIPP	◉ None	○ Secretary	○ R-111-Q	☐ Open Annulus
	Choose an option (including blank option.)			☐ WIPP
Cave / Karst	◉ Low	○ Medium	○ High	○ Critical
Wellhead	○ Conventional	◉ Multibowl	○ Both	○ Diverter
Cementing	☐ Primary Squeeze	☐ Cont. Squeeze	☐ EchoMeter	☐ DV Tool
Special Req	☐ Capitan Reef	☐ Water Disposal	☑ COM	☐ Unit
Waste Prev.	○ Self-Certification	◉ Waste Min. Plan	○ APD Submitted prior to 06/10/2024	
Additional Language	☑ Flex Hose	☐ Casing Clearance	☐ Pilot Hole	☐ Break Testing
	☐ Four-String	☐ Offline Cementing	☐ Fluid-Filled	

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet 43 CFR 3176 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

1. The **13-3/8 inch** surface casing shall be set at approximately **1,100 feet** (a minimum of **25 feet (Lea County)** into the Rustler Anhydrite, above the salt, and below usable fresh water) and cemented to the surface.

    a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
    b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or **500 pounds compressive strength**, whichever is greater. (This is to include the lead cement)

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

2. The minimum required fill of cement behind the **9-5/8 inch** intermediate casing and shall be set at approximately **4,900 feet** is:

- Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst, Capitan Reef, or potash.**

3. The minimum required fill of cement behind the **5-1/2 inch** production casing and shall be set at approximately **21,587 feet** is:

- Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst, Capitan Reef, or potash.**

C. PRESSURE CONTROL

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

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

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

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

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

GENERAL REQUIREMENTS

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

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

Contact Lea County Petroleum Engineering Inspection Staff:
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 689-5981

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

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends of both lead and tail cement, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. If hard band drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-Q potash area, the NMOCD requirements shall be followed.

B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in **43 CFR 3172**.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
    i. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
    ii. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
    iii. Manufacturer representative shall install the test plug for the initial BOP test.
    iv. Whenever any seal subject to test pressure is broken, all the tests in 43 CFR 3172.6(b)(9) must be followed.
    v. If the cement does not circulate and one-inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
    i. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive

strength (including lead cement), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

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

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

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

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

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

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

viii. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per **43 CFR 3172**.

C. DRILLING MUD

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

D. WASTE MATERIAL AND FLUIDS

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

YJ (12/01/2025)

SIOUX 25 36 FED COM 554H

13 3/8	surface csg in a		17 1/2	inch hole.		Design Factors		Surface	
Segment	#/ft	Grade		Coupling	Joint	Collapse	Burst	Length	Weight
"A"	54.50	J 55		STC	8.57	2.15	1.25	1,100	59,950
"B"				STC				0	0
w/8.4#/g mud, 30min Sfc Csg Test psig:	1,431			Tail Cmt	does not	circ to sfc.	Totals:	1,100	59,950

Comparison of Proposed to Minimum Required Cement Volumes

Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
17 1/2	0.6946	1101	1529	764	100	9.20	1111	2M	1.56

Sfc plat (pipe racks S or E) as per O.O.1.III.D.4.i. not found

9 5/8	casing inside the		13 3/8			Design Factors		Int 1	
Segment	#/ft	Grade		Coupling	Body	Collapse	Burst	Length	Weight
"A"	40.00	J 55		BTC	3.21	1.17	0.7	4,900	196,000
"B"								0	0
w/8.4#/g mud, 30min Sfc Csg Test psig:							Totals:	4,900	196,000
The cement volume(s) are intended to achieve a top of					0	ft from surface or a		1100	overlap.

Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
12 1/4	0.3132	1462	2201	1589	39	8.60	3174	5M	0.81

Class 'H' tail cmt yld > 1.20
Burst Frac Gradient(s) for Segment(s): A, B, C, D = 0.81, b, c, d All > 0.70, OK

5 1/2	casing inside the		9 5/8			Design Factors		Prod 1	
Segment	#/ft	Grade		Coupling	Joint	Collapse	Burst	Length	Weight
"A"	23.00	P 110		TALON HTQ	3.07	2.9	2.91	21,587	496,501
"B"								0	0
w/8.4#/g mud, 30min Sfc Csg Test psig:	2,505						Totals:	21,587	496,501
The cement volume(s) are intended to achieve a top of					4700	ft from surface or a		200	overlap.

Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
8 3/4	0.2526	2988	6162	4267	44	9.60			1.43

Class 'C' tail cmt yld > 1.35

#N/A

0			5 1/2			Design Factors		<Choose Casing>	
Segment	#/ft	Grade		Coupling	#N/A	Collapse	Burst	Length	Weight
"A"				0.00				0	0
"B"				0.00				0	0
w/8.4#/g mud, 30min Sfc Csg Test psig:							Totals:	0	0
Cmt vol calc below includes this csg, TOC intended					#N/A	ft from surface or a		#N/A	overlap.

Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
0		#N/A	#N/A	0	#N/A				

#N/A Capitan Reef est top XXXX.

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

Operator Certification Data Report

12/08/2025

Operator

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

NAME: KALEN MELTON **Signed on:** 09/25/2025

Title: PERMITTING SPECIALIST

Street Address: 3909 N CLASSEN BLVD

City: OKLAHOMA CITY **State:** OK **Zip:** 73118

Phone: (405)286-9326

Email address: KMELTON@REAGANSMITH.COM

Field

Representative Name:

Street Address:

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

Phone:

Email address:

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

Application Data
12/08/2025

APD ID: 10400107311
Submission Date: 09/25/2025
Operator Name: 3R OPERATING LLC
Well Name: SIOUX 25 36 FED COM
Well Number: 554H
Well Type: OIL WELL
Well Work Type: Drill

Highlighted data reflects the most recent changes
Show Final Text

Section 1 - General

APD ID: 10400107311
Tie to previous NOS? N
Submission Date: 09/25/2025
BLM Office: Carlsbad
User: KALEN MELTON
Title: PERMITTING SPECIALIST
Federal/Indian APD: FED
Is the first lease penetrated for production Federal or Indian? FED
Lease number: NMNM114998
Lease Acres:
Surface access agreement in place?
Allotted?
Reservation:
Agreement in place? NO
Federal or Indian agreement:
Agreement number:
Agreement name:
Keep application confidential? Y
Permitting Agent? YES
APD Operator: 3R OPERATING LLC
Operator letter of
NM_DOA_Designation_of_Agent_8.19.25_20250919105203.pdf

Operator Info

Operator Organization Name: 3R OPERATING LLC
Operator Address: 20405 STATE HIGHWAY 249 STE 820
Zip: 77070
Operator PO Box:
Operator City: HOUSTON
State: TX
Operator Phone: (432)413-4148
Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO
Master Development Plan name:
Well in Master SUPO? NO
Master SUPO name:
Well in Master Drilling Plan? NO
Master Drilling Plan name:
Well Name: SIOUX 25 36 FED COM
Well Number: 554H
Field/Pool or Exploratory? Field and Pool
Field Name: WC-025 G-08 S253534O
Pool Name: BONE SPRING

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

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

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

Type of Well Pad: MULTIPLE WELL **Multiple Well Pad Name:** SIOUX EAST **Number:** 1

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

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: INFILL

Describe sub-type:

Distance to town: 7 Miles **Distance to nearest well:** 25 FT **Distance to lease line:** 159 FT

Reservoir well spacing assigned acres Measurement: 320 Acres

Well plat: 20251134_SIOUX_25_36_FED_COM_554H_REV._1___CERTIFIED_FORM_C_102_20250911_20250925143415.pdf

Well work start Date: 12/01/2025 **Duration:** 30 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83 **Vertical Datum:** NAVD88

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

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this
SHL Leg #1	246	FNL	159	FEL	25S	35E	25	Aliquot NENE	32.1079716	-103.3132433	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 114998	3066			N
KOP Leg #1	50	FNL	660	FEL	25S	35E	25	Aliquot NENE	32.108504	-103.3148604	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 114998	-7749	10835	10815	N
PPP Leg #1-1	100	FNL	660	FEL	25S	35E	25	Aliquot NENE	32.1083666	-103.3148606	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 114998	-8322	11735	11388	Y

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this
EXIT Leg #1	100	FSL	660	FEL	25S	35E	36	Aliquot SESE	32.0798474	-103.314852	LEA	NEW MEXICO	NEW MEXICO	S	STATE	-8322	21587	11388	Y
BHL Leg #1	100	FSL	660	FEL	25S	35E	36	Aliquot SESE	32.0798474	-103.314852	LEA	NEW MEXICO	NEW MEXICO	S	STATE	-8322	21587	11388	Y

August 19, 2025

Bureau of Land Management
Carlsbad Field Office
620 E Greene St, Carlsbad, NM 88220
Attn: Land Law Examiner

Re: **3R Operating, LLC**
Designation of Agent
Big Mick Unit
Sioux West Unit
Sioux East Unit
Comanche Unit
Eddy & Lea County, New Mexico

Land Law Examiner:

3R Operating, LLC has contracted with Reagan Smith, Inc. to assist in regulatory compliance associated with the above-named oil & gas development projects. Reagan Smith has the authority to act as 3R Operating's agent to maintain regulatory compliance for the above-named projects. This includes the submittal of Applications for Permit to Drill, Communitization Agreements, Designations of Operator, Sundry Notices, Enforcement Actions including Notices of Incompliance, and any other regulatory documents on behalf of 3R Operating, in order to maintain regulatory compliance with the Bureau of Land Management in regard to the above-named projects.

Sincerely,

Brad Grandstaff

Brad Grandstaff
COO
3R Operating, LLC

C-102

Submit Electronically
Via OCD Permitting

State of New Mexico
Energy, Minerals, & Natural Resources Department
OIL CONSERVATION DIVISION

Revised July 9, 2024
PAGE 1 OF 2

Submittal Type: [X] Initial Submittal [ ] Amended Report [ ] As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code	Pool Name
30-025-55659	97088	WC-025 G-08 S253534O; BONE SPRING

Property Code	Property Name	Well Number
337501	SIOUX 25 36 FED COM	554H

OGRID No.	Operator Name	Ground Level Elevation
331569	3R OPERATING, LLC	3066'

Surface Owner: [ ] State [X] Fee [ ] Tribal [ ] Federal
Mineral Owner: [X] State [ ] Fee [ ] Tribal [X] Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
A	25	25S	35E		246' FNL	159' FEL	32.10797165	-103.31324331	LEA

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
P	36	25S	35E		100' FSL	660' FEL	32.07984742	-103.31485195	LEA

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
320.00	defining		Y	C

Order Numbers:
Well setbacks are under Common Ownership: [✓] Yes [ ] No

Offset lease operator(s) notified

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
A	25	25S	35E		50' FNL	660' FEL	32.10850400	-103.31486044	LEA

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
A	25	25S	35E		100' FNL	660' FEL	32.10836656	-103.31486057	LEA

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
P	36	25S	35E		100' FSL	660' FEL	32.07984742	-103.31485195	LEA

Unitized Area or Area of Uniform Interest	Spacing Unit Type:	Ground Floor Elevation
Comm	[X] Horizontal [ ] Vertical	3066'

OPERATOR CERTIFICATIONS

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.

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.

Brad Grandstaff — 09/19/2025
Signature — Date

Brad Grandstaff
Printed Name

bgrandstaff@3ROperating.com
Email Address

SURVEYOR CERTIFICATIONS

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.

Signature and Seal of Professional Surveyor

Certificate Number	Date of Survey
29049	SEPTEMBER 11, 2025

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

ACREAGE DEDICATION PLATS

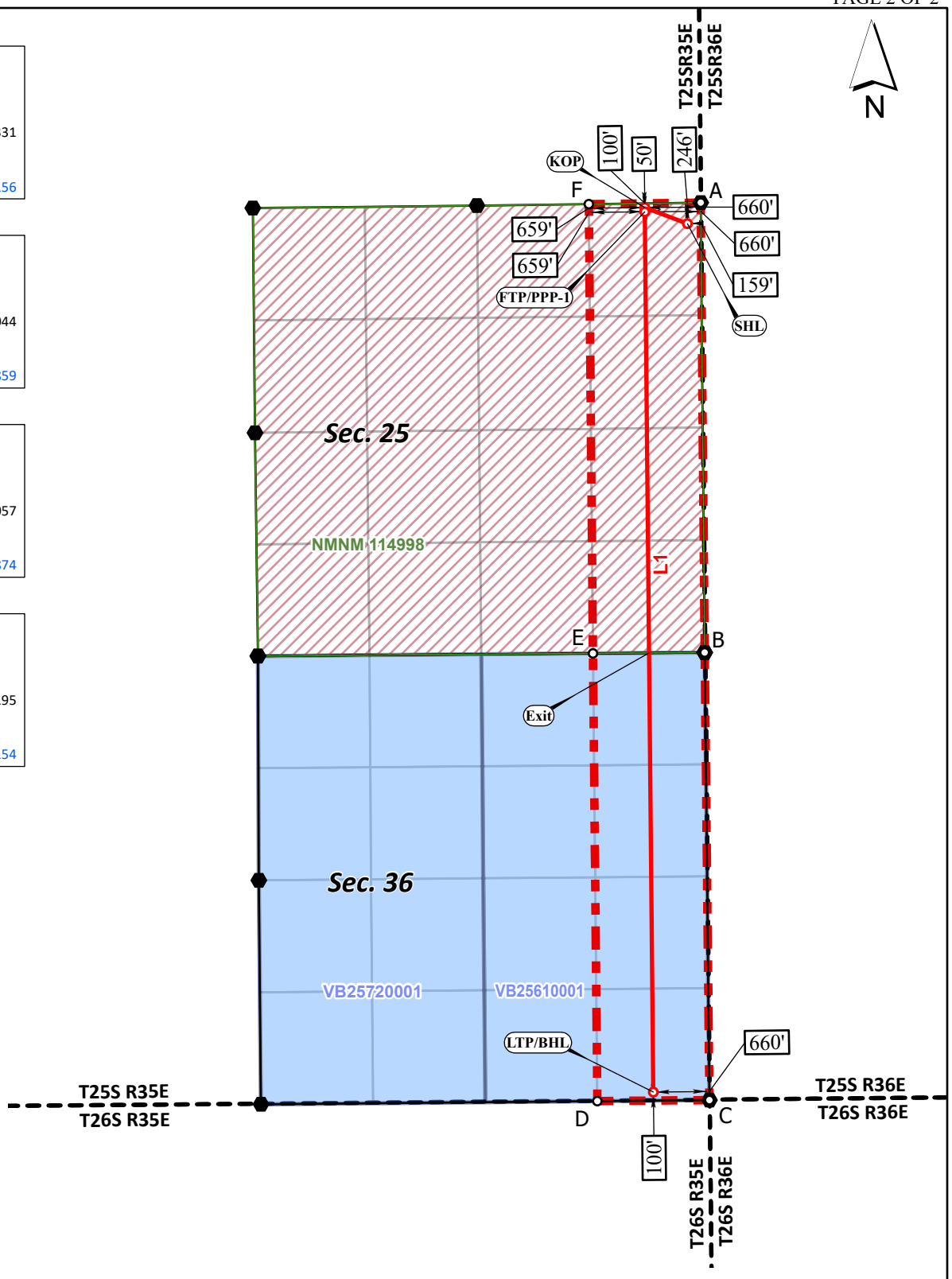
SIOUX 25 36 FED COM 554H

SHL
FNL 246' FEL 159', SECTION 25
NAD 83, SPCS NM EAST
X:857189.42' / Y:404511.07'
LAT:32.10797165 / LON:-103.31324331
NAD 27, SPCS NM EAST
X:816002.10' / Y:404452.82'
LAT:32.10784464 / LON:-103.31278156

KOP
FNL 50' FEL 660', SECTION 25
NAD 83, SPCS NM EAST
X:856686.86' / Y:404700.00'
LAT:32.10850400 / LON:-103.31486044
NAD 27, SPCS NM EAST
X:815499.55' / Y:404641.75'
LAT:32.10837701 / LON:-103.31439859

FTP/PPP-1
FNL 100' FEL 660', SECTION 25
NAD 83, SPCS NM EAST
X:856687.29' / Y:404650.00'
LAT:32.10836656 / LON:-103.31486057
NAD 27, SPCS NM EAST
X:815499.98' / Y:404591.75'
LAT:32.10823957 / LON:-103.31439874

LTP/BHL
FSL 100' FEL 660', SECTION 36
NAD 83, SPCS NM EAST
X:856787.96' / Y:394274.80'
LAT:32.07984742 / LON:-103.31485195
NAD 27, SPCS NM EAST
X:815600.25' / Y:394216.83'
LAT:32.07972030 / LON:-103.31439154



*FTP TO LTP LINE BEARINGS

LINE	BEARING
L1	S 00°33'21" E ~ 10375.69'

CORNER COORDINATES NAD 83, SPCS NM EAST	CORNER COORDINATES NAD 27, SPCS NM EAST
A - X: 857346.37' / Y:404758.68'	A - X: 816159.06' / Y:404700.42'
B - X: 857392.68' / Y:399456.09'	B - X: 816205.16' / Y:399397.97'
C - X: 857449.00' / Y:394180.95'	C - X: 816261.28' / Y:394122.98'
D - X: 856127.53' / Y:394168.65'	D - X: 814939.82' / Y:394110.69'
E - X: 856076.06' / Y:399445.63'	E - X: 814888.56' / Y:399387.53'
F - X: 856027.56' / Y:404741.33'	F - X: 814840.27' / Y:404683.08'

*FTP TO LTP LEASE DISTANCES

TRACT	DISTANCE
NMNM 114998	5199.36'
TOTAL	5199.36'

Drill Line Events | Section Corners | Drill Line | Dimension Lines | Federal Leases | NMSLO | HSU | HSU Corners

All bearings and coordinates refer to New Mexico State Plane Coordinate System, East Zone, U.S. Survey Feet.

Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.99987673 and a Convergence Angle: 0.53882500°

JOB No. 20251134
REV 1 NDS 9/11/2025

AFMSS

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

Drilling Plan Data Report

12/08/2025

APD ID: 10400107311 **Submission Date:** 09/25/2025

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

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

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical	Measured Depth	Lithologies	Mineral Resources	Producing Formatio
16951091	PERMIAN	3066	0	0	SANDSTONE, SHALE	USEABLE WATER	N
16951094	RUSTLER	2033	1033	1033	ANHYDRITE	USEABLE WATER	N
16951095	SALADO	1513	1553	1553	SALT	NONE	N
16951096	DELAWARE	-1897	4963	4970	LIMESTONE, SANDSTONE	NATURAL GAS, OIL	N
16951097	BONE SPRING	-5537	8603	8620	LIMESTONE, SANDSTONE	NATURAL GAS, OIL	N
16951088	BONE SPRING 1ST	-6907	9973	9990	LIMESTONE, SANDSTONE	NATURAL GAS, OIL	N
16951089	BONE SPRING 2ND	-7147	10213	10225	SANDSTONE, SHALE	NATURAL GAS, OIL	N
16951090	BONE SPRING 3RD	-7607	10673	10693	LIMESTONE, SANDSTONE	NATURAL GAS, OIL	Y

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M **Rating Depth:** 12000

Equipment: Ten thousand (10M) psi Blind Rams and Pipe Rams and a five thousand (5M) psi Annular Preventer will be installed on all casing. Per 5M system requirements, two (2) chokes, with at least one (1) being a remotely controlled hydraulic choke, will used. If a full 10M system is required by the BLM, three (3) chokes will be used.

Requesting Variance? YES

Variance request: (1) Variance requested to use a flex hose in place of a rigid line connection from BOP to choke manifold. Please see attachment for typical flex hose. (2) Please see other variance request in "Sec. 8 - Other Info."

Testing Procedure: Operator testing procedures will meet minimum standards for well control equipment testing per CFR 3172.6(b)(9). Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing if BOP stack is not isolated from casing. Annular type preventers shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

Choke Diagram Attachment:

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

CHOKE_HOSE_M14945_20250919111222.pdf

BOP Diagram Attachment:

BOP_and_Choke_Manifold_20250919111300.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	1100	0	1100	3066	1966	1100	J-55	54.5	ST&C	2.3	5.55	DRY	8.57	DRY	14.23
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	4900	0	4900	3347	-1834	4900	J-55	40	BUTT	2.35	1.8	DRY	3.64	DRY	3.21
3	PRODUCTION	8.75	5.5	NEW	API	N	0	21587	0	11388	3347	-8322	21587	P-110	23	OTHER - Talon HTQ	2.55	2.55	DRY	2.76	DRY	2.78

Casing Attachments

Casing ID: 1 **String** SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Drilling_Plan_Sioux_25_36_Fed_Com_554H_10.27.25_20251027124218.pdf

Casing_Program_Sioux_25_36_Fed_Com_554H_20251027124225.pdf

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

Casing Attachments

Casing ID: 2 **String** INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing_Program_Sioux_25_36_Fed_Com_554H_20250925145048.pdf

Casing ID: 3 **String** PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Casing_Program_Sioux_25_36_Fed_Com_554H_20250925145241.pdf

Section 4 - Cement

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	180	140	1.79	13.5	250	100	Class C	4% Gel + 5% Salt +0.2% SA-1 + 0.25pps Pol-E Flake + 0.005gps NOFoam V1A
SURFACE	Tail		180	1100	961	1.33	14.8	1278	100	Class C	1% calcium chloride + 0.005gps NoFoam V1A
INTERMEDIATE	Lead		0	4400	1285	1.53	12.7	1965	50	40% Class C + 60% POZ	5% Salt + 1% SMS + 2% CS-9 + 0.1% R-1300 + 0.25pps Pol-E Flake + 0.005gps

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
											NoFoam V1A
INTERMEDIATE	Tail		4400	4900	177	1.33	14.8	235	50	Class C	1% calcium chloride + 0.005gps NoFoam V1A
PRODUCTION	Lead		0	10335	867	3.34	10.7	2896	15	100% ProLite	5pps Plexcrete STE + 2% SMS + 0.1% RCKCAS-100 + .85% R-1300 + 0.2% FL-24 + .25pps Pol-E Flake + 0.005gps NoFoam V1A
PRODUCTION	Tail		10335	21587	2121	1.54	13.5	3266	15	50% Class H + 50% B POZ	6% Gell + 5% Slat + .2% SMS + .55% FR-5 + .4% FL-24 + 0.005gps NoFoam V1A

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with 43 CFR 3172:

Diagram of the equipment for the circulating system in accordance with 43 CFR 3172:

Describe what will be on location to control well or mitigate other conditions: Mud weight increases at shoe depths are for pressure control. Mud weight increases in the curve and lateral section of the hole are for hole stability, not pressure control. Mud weight assumptions for casing load designs exceed anticipated maximum mud weight for balanced drilling in all hole sections. Expected mud weights in producing formation will be 0.5 to 1.0 lbs/gal greater than formation pressure (i.e. overbalanced drilling). Sufficient materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

Describe the mud monitoring system utilized: The mud system will run as a closed loop system. PVT system will be in place throughout the well, as well as visual checks.

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	1100	WATER-BASED MUD	8.6	9.2							
1100	4900	WATER-BASED MUD	8.6	8.6							
4900	21587	OIL-BASED MUD	9.6	9.6							

Section 6 - Test, Logging, Coring

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

The operator will comply with the BLM's logging requirements as stated in the COAs.

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

GAMMA RAY LOG,SPONTANEOUS POTENTIAL LOG,MEASUREMENT WHILE DRILLING,CEMENT BOND LOG,MUD LOG/GEOLOGICAL LITHOLOGY LOG,

Coring operation description for the well:

None planned

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 5685 **Anticipated Surface Pressure:** 3179

Anticipated Bottom Hole Temperature(F): 180

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

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations

3R_H2S_Plan_Lea_County_20250919113954.pdf

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

3R_Operating_Sioux_25_36_Fed_Com_554H_P1_WP_Rpt_20250925145553.pdf

3R_Operating_Sioux_25_36_Fed_Com_554H_P1_20250925145557.pdf

Other proposed operations facets description:

WMP/NGMP attached in "Other Facets" below. Additionally, a variance is requested to use a multi-bowl wellhead system for this well. Schematic is attached in "Section 8 - Other Information" in AFMSS under "Other Variance Request(s)". Multi-bowl wellhead rating and testing will adhere to any applicable regulations, CFRs, and COAs.

Other proposed operations facets attachment:

Sioux_554H_WMP_NGMP_9.19.25_20250925145609.pdf

Other Variance request(s)?: Y

Other Variance attachment:

Ridgerunner_Multibowl_20251027124303.pdf

BLACK GOLD®

GATES ENGINEERING & SERVICES NORTH AMERICA
7603 Prairie Oak Dr. Suite 190
Houston, TX. 77086

PHONE: +1 (281) 602-4100
FAX: +1 (281) 602-4147
EMAIL: gesna.quality@gates.com
WEB: gates.com/oilandgas

CERTIFICATE OF CONFORMANCE

This is to verify that all Parts and/or Materials included in this shipment have been manufactured and/or processed in Conformance with applicable drawings and specifications, and that Records of Required Tests are on file and subject to examination. The following items were assembled at **Gates Engineering & Services North America** facilities in Houston, TX, USA. This hose assembly was designed and manufactured to meet requirements of API Spec 16C, 3rd Edition.

CUSTOMER:	A-7 AUSTIN INC DBA AUSTIN HOSE
CUSTOMER P.O.#:	00620920 (MENA REF# 01LB10050, 01-012870, HOSE BATCH NO. 120463-07/20)
CUSTOMER P/N:	16C3.035.0CK4116FX-FLTSC/S
PART DESCRIPTION:	3" X 35' GATES API 16C FSL3 TEMP B CHOKE & KILL HOSE ASSEMBLY C/W 4 1/16" 10K FIXED X SWIVEL H2S SUITED FLANGE ENDS WITH BX 155 RING GROOVE SUPPLIED WITH SAFETY CLAMPS & SLINGS ATTACHED
SALES ORDER #:	522832
QUANTITY:	1
SERIAL #:	F-041522-1

SIGNATURE: _____

TITLE: QUALITY ASSURANCE

DATE: 8/15/2022

DRIVEN BY POSSIBILITY™

GATES ENGINEERING & SERVICES FZCO
MENA HEADQUARTERS
JEBEL ALI FREE ZONE, P. O. BOX 61046
DUBAI, UNITED ARAB EMIRATES
T: +971 4 886 1414
F: +971 4 886 1413
GATES.COM

جيتس للهندسة و الخدمات ش م ح
المقر الرئيسي للشرق الأوسط و شمال أفريقيا
جبل علي المنطقة الحرة، ص. ب. ٦١٠٤٦
دبي، الامارات العربية المتحدة
هاتف: ٨٨٦ ١٤١٤ ٤ ٩٧١+
فاكس: ٨٨٦ ١٤١٣ ٤ ٩٧١+
GATES.COM

PRESSURE TEST CERTIFICATE

Certificate #	01-012870	Test Date	15-Apr-2022
Customer Name	GATES E & S NORTH AMERICA INC		
Customer Ref. #	1786392/ 2	Gates Ref. #	01CCLBSOA-10007
Gates Job #	01LB10050		
Product Description	3" X 35' GATES API 16C FSL3 TEMP B CHOKE & KILL HOSE ASSEMBLY C/W 4 1/16" 10K FIXED X SWIVEL H2S SUITED FLANGE ENDS WITH BX 155 RING GROOVE		
Part #	RAB000884-23	Quantity	1
Assembly Code / Serial No.	F-041522-1	Hose Batch No.	120463-07/20
Working Pressure	10000 PSI	Test Pressure	15000.0 PSI
Medium	Water	Duration	1 HOUR
Ref. Specifications			
Observation	No Leakage or Pressure Drop observed under testing condition.		

Gates Engineering & Services certifies that the hose has been assembled, inspected and tested as per Gates Technical Specification. The hose assembly has successfully passed the 60 minutes hydrostatic test as per as per API Spec 16C standard, 3rd edition, March 2021.

Pr. Gauage Sr.#	288223022	Calibrn. Exp.Date	13-Jul-2022
Chart Recorder Sr.#	11.02117.1-01	Calibrn. Exp.Date	13-Jul-2022

Reviewed By		Witnessed By
Clifford G	GATES ENGINEERING & SERVICES FZCO P. O. BOX 61046, JEBEL ALI, DUBAI, UAE	Siva Mahalingam
Supervisor / 15-Apr-2022		Operations / Quality Lead /15-Apr-2022

DRIVEN BY POSSIBILITY™

GATES ENGINEERING & SERVICES FZCO
MENA HEADQUARTERS
JEBEL ALI FREE ZONE, P. O. BOX 61046
DUBAI, UNITED ARAB EMIRATES
T: +971 4 886 1414
F: +971 4 886 1413
GATES.COM

جيتس للهندسة و الخدمات ش م ح
المقر الرئيسي للشرق الأوسط و شمال أفريقيا
جبل علي المنطقة الحرة، ص. ب. ٦١٠٤٦
دبي، الامارات العربية المتحدة
هاتف: ٨٨٦ ١٤١٤ ٤ ٩٧١+
فاكس: ٨٨٦ ١٤١٣ ٤ ٩٧١+
GATES.COM

CERTIFICATE OF CONFORMANCE

Certificate #	01-012870	Date	15-Apr-2022
Customer Name	GATES E & S NORTH AMERICA INC		
Customer Ref. #	1786392/ 2	Gates Ref. #	01CCLBSOA-10007

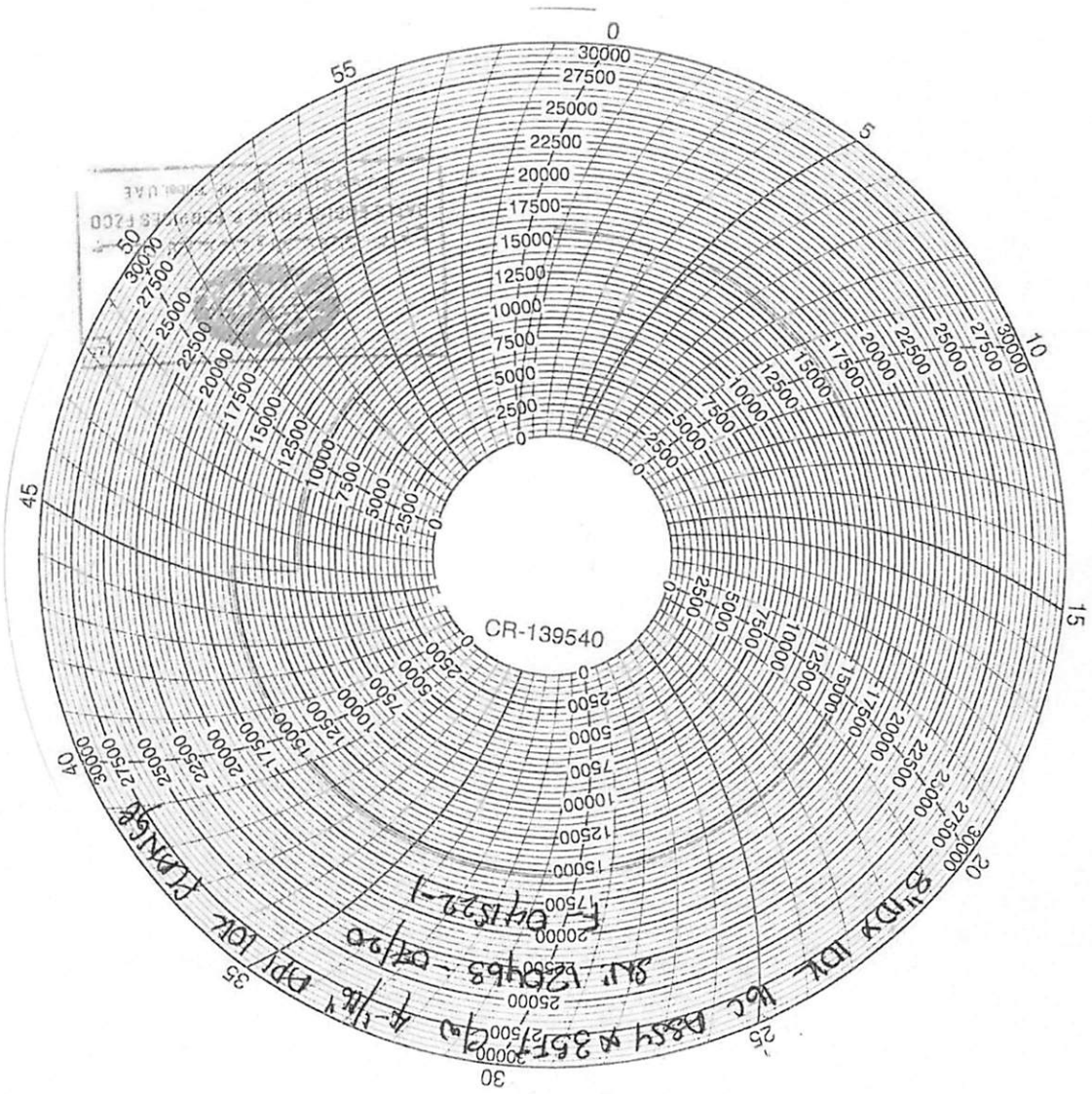
Gates Engineering & Services certifies that the hose has been assembled, inspected and tested as per Gates Technical Specification. The hose assembly has successfully passed the 60 minutes hydrostatic test as per as per API Spec 16C standard, 3rd edition, March 2021.

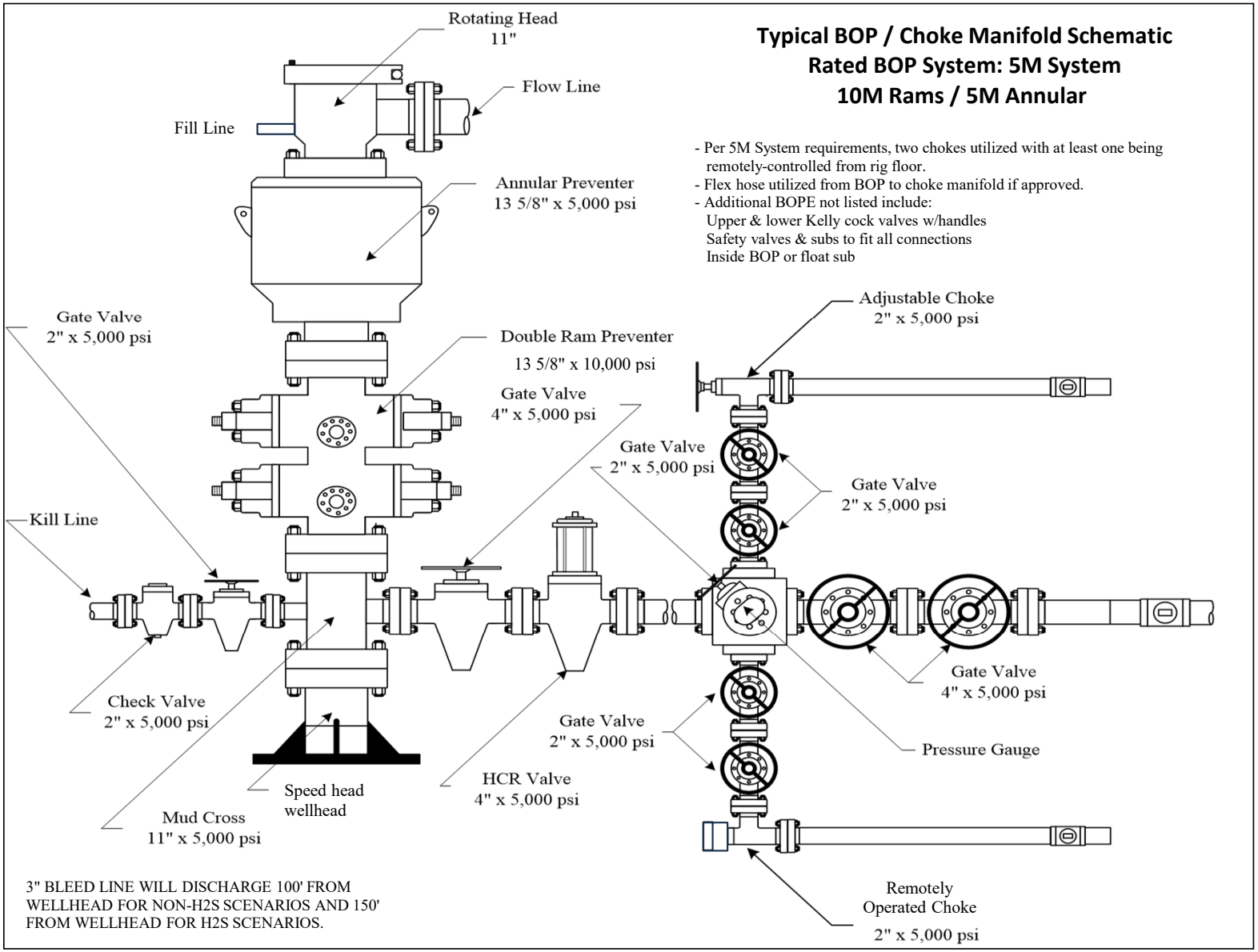
Item Code	Product Description	Quantity
RNB-30E-16C-4F3T2-FG	3" X 35' GATES API 16C FSL3 TEMP B CHOKE & KILL HOSE ASSEMBLY C/W 4 1/16" 10K FIXED X SWIVEL H2S SUITED FLANGE ENDS WITH BX 155 RING GROOVE Hose Batch No. 120463-07/20 Assembly Code / Serial No. F-041522-1 Gates Job # 01LB10050	1

جيتس للهندسة و الخدمات ش م ح
GATES ENGINEERING & SERVICES FZCO
P. O. BOX 61046, JEBEL ALI, DUBAI, UAE

15-Apr-2022
Date

Sajid Rasheed
QHSE Manager


CR-139540



Drilling Plan

Operator

3R Operating, LLC

Project Name

Sioux 25 36 Fed Com 554H

SHL: 246' FNL & 159' FEL of Section 25-25S-35E, Lea County, NM
BHL: 100' FSL & 660' FEL of Section 36-25S-35E, Lea County, NM

Prepared By

Austin Tramell

Please address any questions, inquiries, or deficiency statements to
Austin Tramell, address below:

3R Operating, LLC
20405 State Hwy 249 STE 820
Houston, TX 77070
832-810-1037

1.0 Estimated Formation Tops

Formation	Depth	Primary Lithology	Primary Mineral Resource
Permian	Surface	SHALE, SANDSTONE	USEABLE WATER
Rustler	1,033	ANHYDRITE	USEABLE WATER
Salado	1,553	SALT	NONE
Delaware	4,963	LIMESTONE, SANDSTONE	NATURAL GAS, OIL
Bone Spring	8,603	LIMESTONE, SANDSTONE	NATURAL GAS, OIL
1st Bone Spring Sand	9,973	LIMESTONE, SANDSTONE	NATURAL GAS, OIL
2nd Bone Spring Sand	10,213	SHALE, SANDSTONE	NATURAL GAS, OIL
3rd Bone Spring Carb	10,673	LIMESTONE, SANDSTONE	NATURAL GAS, OIL

Total Depth and Target Formation

Total Vertical Depth (ft): 11,388
Measured Depth (ft): 21,587
Formation: Bone Spring

2.0 Estimated Depths of Oil & Gas

Substance	Depth (ft)
Top of Hydrocarbons	4,963
Bottom of Hydrocarbons	TD

3.0 Pressure Control Equipment

Ten thousand (10M) psi working pressure Blind Rams & Pipe Rams and a five thousand (5M) psi Annular Preventer will be installed on all casing. Two (2) chokes, with at least one (1) being a remotely controlled hydraulic choke, will used. If a full 10M system is required by the BLM, three (3) chokes will be used.

A variance to the requirement of a rigid steel line connecting the BOP to the choke manifold is requested. Specifications for the flex hose are provided with the BOP schematic in the exhibit section.

A variance is requested to use a multi-bowl wellhead system for this well. Schematic is attached in "Section 8 - Other Information" in AFMSS under "Other Variance Request(s)". Multi-bowl wellhead rating and testing will adhere to any applicable regulations, CFRs, and COAs.

Operator testing procedures will meet minimum standards for well control equipment testing per CFR § 3172.6(b)(9). Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing if BOP stack is not isolated from casing. Annular type preventers shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

Floor safety valves that are fully open and sized to fit drill pipe and collars will be available on the rig floor in the open position when the Kelly is not in use.

4.0 Proposed Casing and Design Analysis

4.1 Proposed Casing Program

Interval	Length (ft)	Size (in)	Weight/ft (lbs.)	Grade	Thread	Condition	Hole size (in)
Surface	1,100	13 3/8"	54.5	J-55	STC	New	17.5"
Inter.	4,900	9 5/8"	40	J-55	BTC	New	12.25"
Prod.	21,587	5 1/2"	23	P110	Talon HTQ	New	8.75"

4.2 Casing Specifications

Interval	Total Vertical Depth (TVD)	Total Measured Depth (MD)	Weight/ft (lbs.)	Grade	Collapse (psi)	Internal Yield (psi)	Body Yield Strength (psi)	Joint Strength (psi)
Surface	1,100	1,100	54.5	J-55	1,130	2,730	853,000	514,000
Inter.	4,900	4,900	40	J-55	2,570	3,950	630,000	714,000
Prod.	11,388	21,587	23	P110	14,520	14,520	729,000	724,000

5.0 Proposed Cement Program

Surface Casing Cement

Lead / Tail	TOC (MD)	Bottom of CMT (MD)	Density (lbs/gal)	Yield (ft3/sk)	Excess (%)	Volume (ft3)	# of sks CMT
Sur. Lead	0	180	13.50	1.79	100	250	140
Sur. Tail	180	1,100	14.80	1.33	100	1278	961

Lead Cmt Type: Class C
Lead Additives: 4% Gel + 5% Salt +0.2% SA-1 + 0.25pps Pol-E Flake + 0.005gps NOFoam V1A
Tail Cmt Type: Class C
Tail Additives: 1% calcium chloride + 0.005gps NoFoam V1A

Intermediate Casing Cement

Lead / Tail	TOC (MD)	Bottom of CMT (MD)	Density (lbs/gal)	Yield (ft3/sk)	Excess (%)	Volume (ft3)	# of sks CMT
Int. Lead	0	4,400	12.70	1.53	50	1,965	1,285
Int. Tail	4,400	4,900	14.80	1.33	50	235	177

Lead Cmt Type: 40% Class C + 60% POZ
Lead Additives: 5% Salt + 1% SMS + 2% CS-9 + 0.1% R-1300 + 0.25pps Pol-E Flake + 0.005gps NoFoam V1A
Tail Cmt Type: Class C
Tail Additives: 1% calcium chloride + 0.005gps NoFoam V1A

Production Casing Cement

Lead / Tail	TOC (MD)	Bottom of CMT (MD)	Density (lbs/gal)	Yield (ft3/sk)	Excess (%)	Volume (ft3)	# of sks CMT
Prod. Lead	0'	10,335	10.70	3.34	15	2,896	867
Prod. Tail	10,335	21,587	13.50	1.54	15	3,266	2,121

Lead Cmt Type: 100% ProLite

Lead Additives: 5pps Plexcrete STE + 2% SMS + 0.1% RCKCAS-100 + .85% R-1300 + 0.2% FL-24 + .25pps Pol-E Flake + 0.005gps NoFoam V1A

Tail Cmt Type: 50% Class H + 50% B POZ

Tail Additives: 6% Gell + 5% Slat + .2% SMS + .55% FR-5 + .4% FL-24 + 0.005gps NoFoam V1A

***Operator reserves the right to change cement designs as hole conditions may warrant**

6.0 Proposed Mud Program

Interval	Top (MD)	Bottom (MD)	Type	Max Mud Weight Pressure Control Design	Max Mud Weight Hole Control Design	Viscosity (cP)	Formation Fracture Gradient	Fluid Loss
Surface	0'	1,100	FW	9.20	8.60	32-36	0.75	NC
Inter.	1,100	4,900	FW	8.60	8.60	28-30	0.75	NC
Prod.	4,900	21,587	OBM	9.60	9.60	50-70	0.75	8-10 cc

Mud weight increases at shoe depths are for pressure control. Mud weight increases in the curve and lateral section of the hole are for hole stability, not pressure control. Mud weight assumptions for casing load designs exceed anticipated maximum mud weight for balanced drilling in all hole sections. Expected mud weights in producing formation will be 0.5 to
1.0 lbs/gal greater than formation pressure (i.e. overbalanced drilling).

The mud system will run as a closed loop system with PVT monitoring. All drill cuttings and liquid mud will be hauled to an approved site for disposal or soil farmed upon receiving appropriate approval.

An industry accepted medium will be stored on location in the event that there is a loss of circulation in the well bore.

7.0 Drilling Design Analysis

7.1 Casing Desgin Analysis

*see separate Safety Factor attachment

Interval	Burst Safety Factor	Collapse Safety Factor	Pipe Body Tensile Safety Factor	Joint Tension Safety Factor
Surface	5.55	2.30	14.23	8.57
Inter.	1.80	2.35	3.21	3.64
Prod.	2.55	2.55	2.78	2.76

7.2 Casing Design Assumptions

7.2.1 Surface Casing Design Assumptions

Burst Design Assumptions:

Calculations assume complete evacuation behind pipe.

Collapse Design Assumptions:

Calculations assume complete evacuation behind pipe.

Tension Design Assumptions:

Calculations assume string held in suspension to TVD.

7.2.2 Intermediate Casing Design Assumptions

Burst Design Assumptions:

Calculations assume complete evacuation behind pipe.

Collapse Design Assumptions:

Calculations assume complete evacuation behind pipe.

Tension Design Assumptions:

Calculations assume string held in suspension to TVD.

7.2.3 Production Casing Design Assumptions

Burst Design Assumptions:

Calculations assume complete evacuation behind pipe. Safety factor calculated using offset pressure gradient variance factor of a maximum of 0.22psi/ft.

Collapse Design Assumptions:

Calculations assume complete evacuation behind pipe. Safety factor calculated using offset pressure gradient variance factor of a maximum of 0.22psi/ft.

Tension Design Assumptions:

Calculations assume string held in suspension to TVD.

8.0 Completion Program and Casing Design

Hydraulic fracturing will occur through the production casing. The burst design calculation assumes TOC at 10,445 ft., therefore, the backside of the production casing is not evacuated. The maximum pumping pressure is 9500 psi with a maximum proppant fluid weight of 9.5 lbs/gal.

Upon request, operator will provide proof of cement bonding by bond log. Operator is responsible for log interpretation and certification prior to frac treatment.

Upon request, operator will provide estimated fracture lengths, flowback storage, volumes of fluids and amount of sand to be used, and number of stages of frac procedure. Furthermore, a report of the annulus pressures before and after each stage of treatment may be requested by the BLM. The report may include chemical additives (other than proprietary), dissolved solids in frac fluid, and depth of perforations.

9.0 Drilling Evaluation Program

Required Testing, Logging, and Coring procedures noted below:
*Mud Logging/Gamma Ray/MWD – (MWD on horizontal wells only).
*Open hole logs (GR/SP/DIL/LDT/CNL/ML) from TD (horizontal well - vertical portion of hole) to the top of the uppermost potential hydrocarbon intervals
*Open hole logs (GR/SP/DIL) from the top of the uppermost hydrocarbon interval to the base of the surface casing and (GR) log from base of surface casing to surface.
*Cased hole CBL on production casing.

Note: The above referenced logging requirements are mandatory unless:
1)The well is located off unit, or
2)The operator can provide the BLM adequate geologic information in which they based the location and drilling of the well, or
3)The operator can provide the BLM logging data from a well that is within a 1-mile radius from the proposed surface hole location. The logging data can be no more than 30 years old and must be at least to TD of the proposed well.

10.0 Downhole Conditions

Zones of Possible Lost Circulation:	N/A	
Zones of Possible Abnormal Pressure:	N/A	
Maximum Bottom Hole Temperature:	180	degrees F
Maximum Bottom Hole Pressure:	5,685	psi
Anticipated Surface Downhoe Pressure:	3,180	psi

Casing Program: **RRR - 13/8" x 9 5/8" x 5 1/2"**

Open Hole Size (Inches)	Casing Depth; From (ft)	Casing Setting Depth (ft) MD	Casing Setting Depth (ft) TVD	Casing Size (inches)	Casing Weight (lb/ft)	Casing Grade	Thread	Condition	Anticipated Mud Weight (ppg)	Burst (psi)	Burst SF (1.125)	Collapse (psi)	Collapse SF (1.125)	Tension Joint (klbs)	Air Weight (lbs)	Tension Joint SF (1.8)	Tension Body (klbs)	Air Weight (lbs)	Tension Body SF (1.8)
Surface																			
17.5"	0'	1,100'	1,100'	13 3/8"	54.5	J-55	STC	New	8.6	2,730	5.55	1,130	2.30	514,000	59,950	8.57	853,000	59,950	14.23
Intermediate																			
12.25"	0'	4,900'	4,900'	9 5/8"	40	J-55	BTC	New	8.6	3,950	1.80	2,570	2.35	714,000	196,000	3.64	630,000	196,000	3.21
Production																			
8.75"	0'	21,587'	11,388'	5 1/2"	23	P110	Talon HTQ	New	9.6	14,520	2.55	14,520	2.55	724,000	261,924	2.76	729,000	261,924	2.78

Casing Design Criteria and Casing Loading Assumptions:

Surface

Tension	A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of:	8.6 ppg
Collapse	A 1.125 design factor with full internal evacuation and collapse force equal to a mud gradient of:	8.6 ppg
Burst	A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of:	8.6 ppg

Intermediate

Tension	A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of:	8.6 ppg
Collapse	A 1.125 design factor with 1/2 TVD internal evacuation and collapse force equal to a mud gradient of:	8.6 ppg
Burst	A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of:	8.6 ppg

Production

Tension	A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of:	9.6 ppg
Collapse	A 1.125 design factor with full internal evacuation and collapse force equal to a mud gradient of:	9.6 ppg
Burst	A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of:	9.6 ppg

KOP	10,835

Casing Program: **RRR - 13/8" x 9 5/8" x 5 1/2"**

Open Hole Size (Inches)	Casing Depth; From (ft)	Casing Setting Depth (ft) MD	Casing Setting Depth (ft) TVD	Casing Size (inches)	Casing Weight (lb/ft)	Casing Grade	Thread	Condition	Anticipated Mud Weight (ppg)	Burst (psi)	Burst SF (1.125)	Collapse (psi)	Collapse SF (1.125)	Tension Joint (klbs)	Air Weight (lbs)	Tension Joint SF (1.8)	Tension Body (klbs)	Air Weight (lbs)	Tension Body SF (1.8)
Surface																			
17.5"	0'	1,100'	1,100'	13 3/8"	54.5	J-55	STC	New	8.6	2,730	5.55	1,130	2.30	514,000	59,950	8.57	853,000	59,950	14.23
Intermediate																			
12.25"	0'	4,900'	4,900'	9 5/8"	40	J-55	BTC	New	8.6	3,950	1.80	2,570	2.35	714,000	196,000	3.64	630,000	196,000	3.21
Production																			
8.75"	0'	21,587'	11,388'	5 1/2"	23	P110	Talon HTQ	New	9.6	14,520	2.55	14,520	2.55	724,000	261,924	2.76	729,000	261,924	2.78

Casing Design Criteria and Casing Loading Assumptions:

Surface

Tension	A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of:	8.6 ppg
Collapse	A 1.125 design factor with full internal evacuation and collapse force equal to a mud gradient of:	8.6 ppg
Burst	A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of:	8.6 ppg

Intermediate

Tension	A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of:	8.6 ppg
Collapse	A 1.125 design factor with 1/2 TVD internal evacuation and collapse force equal to a mud gradient of:	8.6 ppg
Burst	A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of:	8.6 ppg

Production

Tension	A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of:	9.6 ppg
Collapse	A 1.125 design factor with full internal evacuation and collapse force equal to a mud gradient of:	9.6 ppg
Burst	A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of:	9.6 ppg

KOP	10,835

Casing Program: **RRR - 13/8" x 9 5/8" x 5 1/2"**

Open Hole Size (Inches)	Casing Depth; From (ft)	Casing Setting Depth (ft) MD	Casing Setting Depth (ft) TVD	Casing Size (inches)	Casing Weight (lb/ft)	Casing Grade	Thread	Condition	Anticipated Mud Weight (ppg)	Burst (psi)	Burst SF (1.125)	Collapse (psi)	Collapse SF (1.125)	Tension Joint (klbs)	Air Weight (lbs)	Tension Joint SF (1.8)	Tension Body (klbs)	Air Weight (lbs)	Tension Body SF (1.8)
Surface																			
17.5"	0'	1,100'	1,100'	13 3/8"	54.5	J-55	STC	New	8.6	2,730	5.55	1,130	2.30	514,000	59,950	8.57	853,000	59,950	14.23
Intermediate																			
12.25"	0'	4,900'	4,900'	9 5/8"	40	J-55	BTC	New	8.6	3,950	1.80	2,570	2.35	714,000	196,000	3.64	630,000	196,000	3.21
Production																			
8.75"	0'	21,587'	11,388'	5 1/2"	23	P110	Talon HTQ	New	9.6	14,520	2.55	14,520	2.55	724,000	261,924	2.76	729,000	261,924	2.78

Casing Design Criteria and Casing Loading Assumptions:

Surface

Tension	A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of:	8.6 ppg
Collapse	A 1.125 design factor with full internal evacuation and collapse force equal to a mud gradient of:	8.6 ppg
Burst	A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of:	8.6 ppg

Intermediate

Tension	A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of:	8.6 ppg
Collapse	A 1.125 design factor with 1/2 TVD internal evacuation and collapse force equal to a mud gradient of:	8.6 ppg
Burst	A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of:	8.6 ppg

Production

Tension	A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of:	9.6 ppg
Collapse	A 1.125 design factor with full internal evacuation and collapse force equal to a mud gradient of:	9.6 ppg
Burst	A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of:	9.6 ppg

KOP	10,835

3R Operating, LLC
Ridge Runner Resources, LLC

1004 N . Big Spring St., Suite 325

Midland, TX 79701

H2S Contingency Plan

Lea County, NM

Escape

Crews shall escape upwind of escaping gas in the event of an emergency release of gas. Escape can be facilitated from the location entrance road. Crew should then block entrance to the location from the lease road so as not to allow anyone traversing into a hazardous area. The blockade should be at a safe distance outside of the ROE. There are NO homes or buildings in or near the ROE.

Assumed 100 ppm ROE = 3000'
100 ppm H2S concentration shall trigger activation of this plan

Emergency Procedures

In the event of a release of gas containing H2S, the first responder(s) must:

- « Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- « Evacuate any public places encompassed by the 100 ppm ROE.
- « Be equipped with H2S monitors and air packs in order to control the release.
- « Use the "buddy system" to ensure no injuries occur during the response.
- « Take precautions to avoid personal injury during this operation.
- « Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- « Have received training

  in the: Detection of

  H2S, and

  Measures for protection against the gas,

  Equipment used for protection and emergency response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (S02). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally, the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas.

Characteristics of H2S and SO,

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H2S	1.189 Air=1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO2	2.21 Air=1	2 ppm	N/A	1000 ppm

Contacting Authorities

3 Bear Field Services personnel must liaise with local and state agencies to ensure **a** proper response to a major release. Additionally, the OCD must be notified of the release as soon **as** possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to sit e. The following call list of essential and potential responders has been prepared for use during a release. 3 Bear Field Services, LLC response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMERP).

Hydrogen Sulfide Drilling Operations Plan

1. All Company and Contract personnel admitted on location must be trained by a qualified H2S safety instructor to the following:
   A. Characteristics of H2S
   B. Physical effects and hazards
   C. Principal and operation of H2S detectors, warning system and briefing areas.
   D. Evacuation procedure, routes and first aid.
   E. Proper use of safety equipment & life support systems
   F. Essential personnel meeting Medical Evaluation criteria will receive additional training on the proper use of 30-minute pressure demand air packs.

2. H2S Detection and Alarm Systems:
   a. H2S sensors/detectors to be located on the drilling rig floor, in the base of the sub structure/cellar area, on the mud pits in the shale shaker area. Additional H2S detectors may play placed as deemed necessary.
   b. An audio alarm system will be installed on the derrick floor and in the top doghouse.

3. Windsock and/or wind streamers:
   a. Windsock at mudpit area should be high enough to be visible.
   b. Windsock on the rig floor and/ or top doghouse should be high enough to be visible.

4. Condition Flags and Signs
   a. Warning sign on access road to location.
   b. Flags to be displayed on sign at entrance to location. Green flag indicates normal safe condition. Yellow flag indicates potential pressure and danger. Red flag indicates danger (H2S present in dangerous concentration). Only H2S trained and certified personnel

admitted to location.

5. Well control equipment:
   a. See exhibit BOP and Choke Diagrams

6. Communication:
   a. While working under masks chalkboards will be used for communication.
   b. Hand signals will be used where chalk board is inappropriate.
   c. 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 most drilling foreman's trailer or living quarters.

7. Drill stem Testing:
   No DSTs are planned at this time.

8. Drilling contractor supervisor will be required to be familiar with the effects H2S has on tubular goods and other mechanical equipment.
9. If H25 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 H2S scavengers if necessary.

Emergency Assistance Telephone List

Ridge Runner Resources, LLC		
Ridge Runner Resources, LLC	Office:	(432)686-2973
CEO-Brian Cassens	Office:	(817)953-0480
Drilling Superintendent-Russell Simons	Cell:	(830)285-7501
Production Superintendent-Paul Martinez	Cell:	(325)206-1722

Public Safety:			**911 or**
Lea County Sheriff's Department		Number:	(575)396-3611
Lea County Emergency Management-Lorenzo Velasquez		Number:	(575)391-2983
Lea County Fire Marshal			
Lorenzo Velasquez, Director		Number:	(575)391-2983
Jeff Broom, Deputy Fire Marshal		Number:	(575)391-2988
Fire Department:			
Knowles Fire Department		Number:	(505)392-2810
City of Hobbs Fire Department		Number:	(505)397-9308
Jal Volunteer Fire Department		Number:	(505)395-2221
Lovington Fire Department		Number:	(575)396-2359
Maljamar Fire Department		Number:	(505)676-4100
Tatum Volunteer Fire Department		Number:	(505)398-3473
Eunice Fire Department		Number:	(575)394-3258
Hospital: Lea Regional Medical Center		Number:	(575)492-5000
AirMed: Medevac		Number:	(888)303-9112
Dept. of Public Safety		Number:	(505)827-9000
New Mexico OCD-Dist. 1-Hobbs-	Office	Number:	(575)393-6161
	Emergency	Number:	(575)370-3186
Lea County Road Department		Number:	(575)391-2940
NMDOT		Number:	(505)827-5100
Bureau Of Land Management Pecos			
District Office		Number:	(575)627-0272
Carlsbad Field Office		Number:	(575)234 5972
Hobbs Field Station		Number:	(575)393-3612

BLM HOBBS PET ON CALL NUMBER **575-689-5981**

3R Operating, LLC

Lea County, NM (NAD 83)
Sioux 25-36
Sioux 25-36 Fed Com 554H

OH

Plan: Plan 1

Standard Planning Report

11 September, 2025

Legacy Directional Drilling

Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Fed Com 554H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3066 + 26.5' KB @ 3092.50usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3066 + 26.5' KB @ 3092.50usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Fed Com 554H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1		

Project Lea County, NM (NAD 83)

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

Site Sioux 25-36

Site Position:		**Northing:**	404,514.28 usft	**Latitude:**	32.108068
From:	Map	**Easting:**	853,818.27 usft	**Longitude:**	-103.324130
Position Uncertainty:	0.00 usft	**Slot Radius:**	13-3/16 "		

Well Sioux 25-36 Fed Com 554H

Well Position	**+N/-S**	0.00 usft	**Northing:**	404,511.07 usft	**Latitude:**	32.107972
	+E/-W	0.00 usft	**Easting:**	857,189.42 usft	**Longitude:**	-103.313244
Position Uncertainty		0.00 usft	**Wellhead Elevation:**	usft	**Ground Level:**	3,066.00 usft
Grid Convergence:		0.54 °				

Wellbore OH

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2025	9/11/2025	6.10	59.68	46,955.32518754

Design Plan 1

Audit Notes:

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

Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	179.44

Plan Survey Tool Program **Date** 9/11/2025

	Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	21,587.40	Plan 1 (OH)	MWD	
				OWSG MWD - Standard	

Plan Sections

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,782.24	4.23	290.60	1,781.98	3.67	-9.76	1.50	1.50	0.00	290.60	
8,807.94	4.23	290.60	8,788.51	186.18	-495.24	0.00	0.00	0.00	0.00	
9,019.62	0.00	0.00	9,000.00	188.93	-502.56	2.00	-2.00	0.00	180.00	
10,834.66	0.00	0.00	10,815.04	188.93	-502.56	0.00	0.00	0.00	0.00	
11,734.66	90.00	179.44	11,388.00	-384.00	-497.00	10.00	10.00	0.00	179.44	
21,587.40	90.00	179.44	11,388.00	-10,236.27	-401.46	0.00	0.00	0.00	0.00	LTP/BHL - Sioux 25-3

Legacy Directional Drilling

Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Fed Com 554H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3066 + 26.5' KB @ 3092.50usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3066 + 26.5' KB @ 3092.50usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Fed Com 554H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	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	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,013.00	0.00	0.00	1,013.00	0.00	0.00	0.00	0.00	0.00	0.00
Rustler									
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
Start Nudge Build 1.50									
1,533.00	0.50	290.60	1,533.00	0.05	-0.13	-0.05	1.50	1.50	0.00
Salado									
1,600.00	1.50	290.60	1,599.99	0.46	-1.23	-0.47	1.50	1.50	0.00
1,700.00	3.00	290.60	1,699.91	1.84	-4.90	-1.89	1.50	1.50	0.00
1,782.24	4.23	290.60	1,781.98	3.67	-9.76	-3.76	1.50	1.50	0.00
4.23° at 1782.24 MD									
1,800.00	4.23	290.60	1,799.69	4.13	-10.98	-4.24	0.00	0.00	0.00
1,900.00	4.23	290.60	1,899.42	6.73	-17.89	-6.90	0.00	0.00	0.00
2,000.00	4.23	290.60	1,999.15	9.32	-24.80	-9.57	0.00	0.00	0.00
2,100.00	4.23	290.60	2,098.88	11.92	-31.71	-12.23	0.00	0.00	0.00
2,200.00	4.23	290.60	2,198.60	14.52	-38.62	-14.90	0.00	0.00	0.00
2,300.00	4.23	290.60	2,298.33	17.12	-45.53	-17.56	0.00	0.00	0.00
2,400.00	4.23	290.60	2,398.06	19.72	-52.44	-20.23	0.00	0.00	0.00
2,500.00	4.23	290.60	2,497.78	22.31	-59.35	-22.89	0.00	0.00	0.00
2,600.00	4.23	290.60	2,597.51	24.91	-66.26	-25.56	0.00	0.00	0.00
2,700.00	4.23	290.60	2,697.24	27.51	-73.17	-28.22	0.00	0.00	0.00
2,800.00	4.23	290.60	2,796.97	30.11	-80.08	-30.89	0.00	0.00	0.00
2,900.00	4.23	290.60	2,896.69	32.70	-87.00	-33.55	0.00	0.00	0.00
3,000.00	4.23	290.60	2,996.42	35.30	-93.91	-36.22	0.00	0.00	0.00
3,100.00	4.23	290.60	3,096.15	37.90	-100.82	-38.88	0.00	0.00	0.00
3,200.00	4.23	290.60	3,195.87	40.50	-107.73	-41.55	0.00	0.00	0.00
3,300.00	4.23	290.60	3,295.60	43.10	-114.64	-44.21	0.00	0.00	0.00
3,400.00	4.23	290.60	3,395.33	45.69	-121.55	-46.88	0.00	0.00	0.00
3,500.00	4.23	290.60	3,495.06	48.29	-128.46	-49.54	0.00	0.00	0.00
3,600.00	4.23	290.60	3,594.78	50.89	-135.37	-52.21	0.00	0.00	0.00
3,700.00	4.23	290.60	3,694.51	53.49	-142.28	-54.87	0.00	0.00	0.00
3,800.00	4.23	290.60	3,794.24	56.08	-149.19	-57.54	0.00	0.00	0.00
3,900.00	4.23	290.60	3,893.96	58.68	-156.10	-60.21	0.00	0.00	0.00
4,000.00	4.23	290.60	3,993.69	61.28	-163.01	-62.87	0.00	0.00	0.00
4,100.00	4.23	290.60	4,093.42	63.88	-169.92	-65.54	0.00	0.00	0.00
4,200.00	4.23	290.60	4,193.15	66.48	-176.83	-68.20	0.00	0.00	0.00
4,300.00	4.23	290.60	4,292.87	69.07	-183.74	-70.87	0.00	0.00	0.00
4,400.00	4.23	290.60	4,392.60	71.67	-190.65	-73.53	0.00	0.00	0.00
4,500.00	4.23	290.60	4,492.33	74.27	-197.56	-76.20	0.00	0.00	0.00

Legacy Directional Drilling

Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Fed Com 554H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3066 + 26.5' KB @ 3092.50usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3066 + 26.5' KB @ 3092.50usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Fed Com 554H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	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)
4,600.00	4.23	290.60	4,592.05	76.87	-204.47	-78.86	0.00	0.00	0.00
4,700.00	4.23	290.60	4,691.78	79.46	-211.38	-81.53	0.00	0.00	0.00
4,800.00	4.23	290.60	4,791.51	82.06	-218.29	-84.19	0.00	0.00	0.00
4,900.00	4.23	290.60	4,891.24	84.66	-225.20	-86.86	0.00	0.00	0.00
4,951.91	4.23	290.60	4,943.00	86.01	-228.78	-88.24	0.00	0.00	0.00
Delaware									
5,000.00	4.23	290.60	4,990.96	87.26	-232.11	-89.52	0.00	0.00	0.00
5,100.00	4.23	290.60	5,090.69	89.86	-239.02	-92.19	0.00	0.00	0.00
5,200.00	4.23	290.60	5,190.42	92.45	-245.93	-94.85	0.00	0.00	0.00
5,300.00	4.23	290.60	5,290.14	95.05	-252.84	-97.52	0.00	0.00	0.00
5,400.00	4.23	290.60	5,389.87	97.65	-259.75	-100.18	0.00	0.00	0.00
5,500.00	4.23	290.60	5,489.60	100.25	-266.66	-102.85	0.00	0.00	0.00
5,600.00	4.23	290.60	5,589.33	102.84	-273.57	-105.51	0.00	0.00	0.00
5,700.00	4.23	290.60	5,689.05	105.44	-280.48	-108.18	0.00	0.00	0.00
5,800.00	4.23	290.60	5,788.78	108.04	-287.39	-110.84	0.00	0.00	0.00
5,900.00	4.23	290.60	5,888.51	110.64	-294.30	-113.51	0.00	0.00	0.00
6,000.00	4.23	290.60	5,988.23	113.24	-301.21	-116.17	0.00	0.00	0.00
6,100.00	4.23	290.60	6,087.96	115.83	-308.12	-118.84	0.00	0.00	0.00
6,200.00	4.23	290.60	6,187.69	118.43	-315.03	-121.50	0.00	0.00	0.00
6,300.00	4.23	290.60	6,287.42	121.03	-321.94	-124.17	0.00	0.00	0.00
6,400.00	4.23	290.60	6,387.14	123.63	-328.85	-126.83	0.00	0.00	0.00
6,500.00	4.23	290.60	6,486.87	126.22	-335.76	-129.50	0.00	0.00	0.00
6,600.00	4.23	290.60	6,586.60	128.82	-342.67	-132.17	0.00	0.00	0.00
6,700.00	4.23	290.60	6,686.32	131.42	-349.58	-134.83	0.00	0.00	0.00
6,800.00	4.23	290.60	6,786.05	134.02	-356.49	-137.50	0.00	0.00	0.00
6,900.00	4.23	290.60	6,885.78	136.62	-363.40	-140.16	0.00	0.00	0.00
7,000.00	4.23	290.60	6,985.51	139.21	-370.31	-142.83	0.00	0.00	0.00
7,100.00	4.23	290.60	7,085.23	141.81	-377.22	-145.49	0.00	0.00	0.00
7,200.00	4.23	290.60	7,184.96	144.41	-384.13	-148.16	0.00	0.00	0.00
7,300.00	4.23	290.60	7,284.69	147.01	-391.04	-150.82	0.00	0.00	0.00
7,400.00	4.23	290.60	7,384.41	149.60	-397.95	-153.49	0.00	0.00	0.00
7,500.00	4.23	290.60	7,484.14	152.20	-404.86	-156.15	0.00	0.00	0.00
7,600.00	4.23	290.60	7,583.87	154.80	-411.77	-158.82	0.00	0.00	0.00
7,700.00	4.23	290.60	7,683.60	157.40	-418.68	-161.48	0.00	0.00	0.00
7,800.00	4.23	290.60	7,783.32	160.00	-425.59	-164.15	0.00	0.00	0.00
7,900.00	4.23	290.60	7,883.05	162.59	-432.50	-166.81	0.00	0.00	0.00
8,000.00	4.23	290.60	7,982.78	165.19	-439.41	-169.48	0.00	0.00	0.00
8,100.00	4.23	290.60	8,082.50	167.79	-446.32	-172.14	0.00	0.00	0.00
8,200.00	4.23	290.60	8,182.23	170.39	-453.23	-174.81	0.00	0.00	0.00
8,300.00	4.23	290.60	8,281.96	172.98	-460.14	-177.47	0.00	0.00	0.00
8,400.00	4.23	290.60	8,381.69	175.58	-467.05	-180.14	0.00	0.00	0.00
8,500.00	4.23	290.60	8,481.41	178.18	-473.96	-182.80	0.00	0.00	0.00
8,600.00	4.23	290.60	8,581.14	180.78	-480.87	-185.47	0.00	0.00	0.00
8,601.87	4.23	290.60	8,583.00	180.83	-481.00	-185.52	0.00	0.00	0.00
Bone Spring									
8,700.00	4.23	290.60	8,680.87	183.38	-487.78	-188.13	0.00	0.00	0.00
8,807.94	4.23	290.60	8,788.51	186.18	-495.24	-191.01	0.00	0.00	0.00
Start Drop -2.00									
8,900.00	2.39	290.60	8,880.41	188.05	-500.22	-192.93	2.00	-2.00	0.00
9,000.00	0.39	290.60	8,980.38	188.91	-502.50	-193.81	2.00	-2.00	0.00
9,019.62	0.00	0.00	9,000.00	188.93	-502.56	-193.83	2.00	-2.00	0.00
Vertical at 9019.62 MD									
9,100.00	0.00	0.00	9,080.38	188.93	-502.56	-193.83	0.00	0.00	0.00

Legacy Directional Drilling

Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Fed Com 554H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3066 + 26.5' KB @ 3092.50usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3066 + 26.5' KB @ 3092.50usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Fed Com 554H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	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)
9,200.00	0.00	0.00	9,180.38	188.93	-502.56	-193.83	0.00	0.00	0.00
9,300.00	0.00	0.00	9,280.38	188.93	-502.56	-193.83	0.00	0.00	0.00
9,400.00	0.00	0.00	9,380.38	188.93	-502.56	-193.83	0.00	0.00	0.00
9,500.00	0.00	0.00	9,480.38	188.93	-502.56	-193.83	0.00	0.00	0.00
9,600.00	0.00	0.00	9,580.38	188.93	-502.56	-193.83	0.00	0.00	0.00
9,700.00	0.00	0.00	9,680.38	188.93	-502.56	-193.83	0.00	0.00	0.00
9,800.00	0.00	0.00	9,780.38	188.93	-502.56	-193.83	0.00	0.00	0.00
9,900.00	0.00	0.00	9,880.38	188.93	-502.56	-193.83	0.00	0.00	0.00
9,972.62	0.00	0.00	9,953.00	188.93	-502.56	-193.83	0.00	0.00	0.00
1st Bone Spring Sand									
10,000.00	0.00	0.00	9,980.38	188.93	-502.56	-193.83	0.00	0.00	0.00
10,100.00	0.00	0.00	10,080.38	188.93	-502.56	-193.83	0.00	0.00	0.00
10,142.62	0.00	0.00	10,123.00	188.93	-502.56	-193.83	0.00	0.00	0.00
2nd Bone Spring Carb									
10,200.00	0.00	0.00	10,180.38	188.93	-502.56	-193.83	0.00	0.00	0.00
10,300.00	0.00	0.00	10,280.38	188.93	-502.56	-193.83	0.00	0.00	0.00
10,397.62	0.00	0.00	10,378.00	188.93	-502.56	-193.83	0.00	0.00	0.00
2nd Bone Spring Sand									
10,400.00	0.00	0.00	10,380.38	188.93	-502.56	-193.83	0.00	0.00	0.00
10,500.00	0.00	0.00	10,480.38	188.93	-502.56	-193.83	0.00	0.00	0.00
10,600.00	0.00	0.00	10,580.38	188.93	-502.56	-193.83	0.00	0.00	0.00
10,692.62	0.00	0.00	10,673.00	188.93	-502.56	-193.83	0.00	0.00	0.00
3rd Bone Spring Carb*									
10,700.00	0.00	0.00	10,680.38	188.93	-502.56	-193.83	0.00	0.00	0.00
10,800.00	0.00	0.00	10,780.38	188.93	-502.56	-193.83	0.00	0.00	0.00
10,834.66	0.00	0.00	10,815.04	188.93	-502.56	-193.83	0.00	0.00	0.00
KOP Start Build 10.00									
10,850.00	1.53	179.44	10,830.38	188.72	-502.56	-193.63	10.00	10.00	0.00
10,900.00	6.53	179.44	10,880.24	185.21	-502.52	-190.11	10.00	10.00	0.00
10,950.00	11.53	179.44	10,929.60	177.36	-502.45	-182.26	10.00	10.00	0.00
11,000.00	16.53	179.44	10,978.10	165.24	-502.33	-170.14	10.00	10.00	0.00
11,050.00	21.53	179.44	11,025.35	148.94	-502.17	-153.84	10.00	10.00	0.00
11,100.00	26.53	179.44	11,071.00	128.58	-501.97	-133.48	10.00	10.00	0.00
11,150.00	31.53	179.44	11,114.70	104.33	-501.74	-109.23	10.00	10.00	0.00
11,200.00	36.53	179.44	11,156.12	76.35	-501.47	-81.25	10.00	10.00	0.00
11,250.00	41.53	179.44	11,194.95	44.88	-501.16	-49.77	10.00	10.00	0.00
11,300.00	46.53	179.44	11,230.88	10.13	-500.83	-15.03	10.00	10.00	0.00
11,350.00	51.53	179.44	11,263.65	-27.61	-500.46	22.71	10.00	10.00	0.00
11,400.00	56.53	179.44	11,293.01	-68.06	-500.07	63.17	10.00	10.00	0.00
11,450.00	61.53	179.44	11,318.73	-110.92	-499.65	106.03	10.00	10.00	0.00
11,500.00	66.53	179.44	11,340.61	-155.85	-499.22	150.97	10.00	10.00	0.00
11,550.00	71.53	179.44	11,358.50	-202.53	-498.76	197.64	10.00	10.00	0.00
11,600.00	76.53	179.44	11,372.25	-250.58	-498.30	245.70	10.00	10.00	0.00
11,650.00	81.53	179.44	11,381.76	-299.65	-497.82	294.77	10.00	10.00	0.00
11,700.00	86.53	179.44	11,386.95	-349.36	-497.34	344.48	10.00	10.00	0.00
11,734.66	90.00	179.44	11,388.00	-384.00	-497.00	379.12	10.00	10.00	0.00
LP 90° at 11734.66 MD - Target CL									
11,800.00	90.00	179.44	11,388.00	-449.34	-496.37	444.46	0.00	0.00	0.00
11,900.00	90.00	179.44	11,388.00	-549.33	-495.40	544.46	0.00	0.00	0.00
12,000.00	90.00	179.44	11,388.00	-649.33	-494.43	644.46	0.00	0.00	0.00
12,100.00	90.00	179.44	11,388.00	-749.32	-493.46	744.46	0.00	0.00	0.00
12,200.00	90.00	179.44	11,388.00	-849.32	-492.49	844.46	0.00	0.00	0.00
12,300.00	90.00	179.44	11,388.00	-949.31	-491.52	944.46	0.00	0.00	0.00

Legacy Directional Drilling

Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Fed Com 554H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3066 + 26.5' KB @ 3092.50usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3066 + 26.5' KB @ 3092.50usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Fed Com 554H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	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)
12,400.00	90.00	179.44	11,388.00	-1,049.31	-490.55	1,044.46	0.00	0.00	0.00
12,500.00	90.00	179.44	11,388.00	-1,149.30	-489.58	1,144.46	0.00	0.00	0.00
12,600.00	90.00	179.44	11,388.00	-1,249.30	-488.61	1,244.46	0.00	0.00	0.00
12,700.00	90.00	179.44	11,388.00	-1,349.29	-487.64	1,344.46	0.00	0.00	0.00
12,800.00	90.00	179.44	11,388.00	-1,449.29	-486.67	1,444.46	0.00	0.00	0.00
12,900.00	90.00	179.44	11,388.00	-1,549.28	-485.70	1,544.46	0.00	0.00	0.00
13,000.00	90.00	179.44	11,388.00	-1,649.28	-484.73	1,644.46	0.00	0.00	0.00
13,100.00	90.00	179.44	11,388.00	-1,749.27	-483.76	1,744.46	0.00	0.00	0.00
13,200.00	90.00	179.44	11,388.00	-1,849.27	-482.79	1,844.46	0.00	0.00	0.00
13,300.00	90.00	179.44	11,388.00	-1,949.27	-481.82	1,944.46	0.00	0.00	0.00
13,400.00	90.00	179.44	11,388.00	-2,049.26	-480.85	2,044.46	0.00	0.00	0.00
13,500.00	90.00	179.44	11,388.00	-2,149.26	-479.89	2,144.46	0.00	0.00	0.00
13,600.00	90.00	179.44	11,388.00	-2,249.25	-478.92	2,244.46	0.00	0.00	0.00
13,700.00	90.00	179.44	11,388.00	-2,349.25	-477.95	2,344.46	0.00	0.00	0.00
13,800.00	90.00	179.44	11,388.00	-2,449.24	-476.98	2,444.46	0.00	0.00	0.00
13,900.00	90.00	179.44	11,388.00	-2,549.24	-476.01	2,544.46	0.00	0.00	0.00
14,000.00	90.00	179.44	11,388.00	-2,649.23	-475.04	2,644.46	0.00	0.00	0.00
14,100.00	90.00	179.44	11,388.00	-2,749.23	-474.07	2,744.46	0.00	0.00	0.00
14,200.00	90.00	179.44	11,388.00	-2,849.22	-473.10	2,844.46	0.00	0.00	0.00
14,300.00	90.00	179.44	11,388.00	-2,949.22	-472.13	2,944.46	0.00	0.00	0.00
14,400.00	90.00	179.44	11,388.00	-3,049.21	-471.16	3,044.46	0.00	0.00	0.00
14,500.00	90.00	179.44	11,388.00	-3,149.21	-470.19	3,144.46	0.00	0.00	0.00
14,600.00	90.00	179.44	11,388.00	-3,249.20	-469.22	3,244.46	0.00	0.00	0.00
14,700.00	90.00	179.44	11,388.00	-3,349.20	-468.25	3,344.46	0.00	0.00	0.00
14,800.00	90.00	179.44	11,388.00	-3,449.19	-467.28	3,444.46	0.00	0.00	0.00
14,900.00	90.00	179.44	11,388.00	-3,549.19	-466.31	3,544.46	0.00	0.00	0.00
15,000.00	90.00	179.44	11,388.00	-3,649.19	-465.34	3,644.46	0.00	0.00	0.00
15,100.00	90.00	179.44	11,388.00	-3,749.18	-464.37	3,744.46	0.00	0.00	0.00
15,200.00	90.00	179.44	11,388.00	-3,849.18	-463.40	3,844.46	0.00	0.00	0.00
15,300.00	90.00	179.44	11,388.00	-3,949.17	-462.43	3,944.46	0.00	0.00	0.00
15,400.00	90.00	179.44	11,388.00	-4,049.17	-461.46	4,044.46	0.00	0.00	0.00
15,500.00	90.00	179.44	11,388.00	-4,149.16	-460.49	4,144.46	0.00	0.00	0.00
15,600.00	90.00	179.44	11,388.00	-4,249.16	-459.52	4,244.46	0.00	0.00	0.00
15,700.00	90.00	179.44	11,388.00	-4,349.15	-458.55	4,344.46	0.00	0.00	0.00
15,800.00	90.00	179.44	11,388.00	-4,449.15	-457.58	4,444.46	0.00	0.00	0.00
15,900.00	90.00	179.44	11,388.00	-4,549.14	-456.61	4,544.46	0.00	0.00	0.00
16,000.00	90.00	179.44	11,388.00	-4,649.14	-455.64	4,644.46	0.00	0.00	0.00
16,100.00	90.00	179.44	11,388.00	-4,749.13	-454.67	4,744.46	0.00	0.00	0.00
16,200.00	90.00	179.44	11,388.00	-4,849.13	-453.70	4,844.46	0.00	0.00	0.00
16,300.00	90.00	179.44	11,388.00	-4,949.12	-452.73	4,944.46	0.00	0.00	0.00
16,400.00	90.00	179.44	11,388.00	-5,049.12	-451.76	5,044.46	0.00	0.00	0.00
16,500.00	90.00	179.44	11,388.00	-5,149.11	-450.79	5,144.46	0.00	0.00	0.00
16,600.00	90.00	179.44	11,388.00	-5,249.11	-449.82	5,244.46	0.00	0.00	0.00
16,700.00	90.00	179.44	11,388.00	-5,349.11	-448.85	5,344.46	0.00	0.00	0.00
16,800.00	90.00	179.44	11,388.00	-5,449.10	-447.88	5,444.46	0.00	0.00	0.00
16,900.00	90.00	179.44	11,388.00	-5,549.10	-446.91	5,544.46	0.00	0.00	0.00
17,000.00	90.00	179.44	11,388.00	-5,649.09	-445.94	5,644.46	0.00	0.00	0.00
17,100.00	90.00	179.44	11,388.00	-5,749.09	-444.98	5,744.46	0.00	0.00	0.00
17,200.00	90.00	179.44	11,388.00	-5,849.08	-444.01	5,844.46	0.00	0.00	0.00
17,300.00	90.00	179.44	11,388.00	-5,949.08	-443.04	5,944.46	0.00	0.00	0.00
17,400.00	90.00	179.44	11,388.00	-6,049.07	-442.07	6,044.46	0.00	0.00	0.00
17,500.00	90.00	179.44	11,388.00	-6,149.07	-441.10	6,144.46	0.00	0.00	0.00
17,600.00	90.00	179.44	11,388.00	-6,249.06	-440.13	6,244.46	0.00	0.00	0.00
17,700.00	90.00	179.44	11,388.00	-6,349.06	-439.16	6,344.46	0.00	0.00	0.00

Legacy Directional Drilling

Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Fed Com 554H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3066 + 26.5' KB @ 3092.50usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3066 + 26.5' KB @ 3092.50usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Fed Com 554H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	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)
17,800.00	90.00	179.44	11,388.00	-6,449.05	-438.19	6,444.46	0.00	0.00	0.00
17,900.00	90.00	179.44	11,388.00	-6,549.05	-437.22	6,544.46	0.00	0.00	0.00
18,000.00	90.00	179.44	11,388.00	-6,649.04	-436.25	6,644.46	0.00	0.00	0.00
18,100.00	90.00	179.44	11,388.00	-6,749.04	-435.28	6,744.46	0.00	0.00	0.00
18,200.00	90.00	179.44	11,388.00	-6,849.03	-434.31	6,844.46	0.00	0.00	0.00
18,300.00	90.00	179.44	11,388.00	-6,949.03	-433.34	6,944.46	0.00	0.00	0.00
18,400.00	90.00	179.44	11,388.00	-7,049.03	-432.37	7,044.46	0.00	0.00	0.00
18,500.00	90.00	179.44	11,388.00	-7,149.02	-431.40	7,144.46	0.00	0.00	0.00
18,600.00	90.00	179.44	11,388.00	-7,249.02	-430.43	7,244.46	0.00	0.00	0.00
18,700.00	90.00	179.44	11,388.00	-7,349.01	-429.46	7,344.46	0.00	0.00	0.00
18,800.00	90.00	179.44	11,388.00	-7,449.01	-428.49	7,444.46	0.00	0.00	0.00
18,900.00	90.00	179.44	11,388.00	-7,549.00	-427.52	7,544.46	0.00	0.00	0.00
19,000.00	90.00	179.44	11,388.00	-7,649.00	-426.55	7,644.46	0.00	0.00	0.00
19,100.00	90.00	179.44	11,388.00	-7,748.99	-425.58	7,744.46	0.00	0.00	0.00
19,200.00	90.00	179.44	11,388.00	-7,848.99	-424.61	7,844.46	0.00	0.00	0.00
19,300.00	90.00	179.44	11,388.00	-7,948.98	-423.64	7,944.46	0.00	0.00	0.00
19,400.00	90.00	179.44	11,388.00	-8,048.98	-422.67	8,044.46	0.00	0.00	0.00
19,500.00	90.00	179.44	11,388.00	-8,148.97	-421.70	8,144.46	0.00	0.00	0.00
19,600.00	90.00	179.44	11,388.00	-8,248.97	-420.73	8,244.46	0.00	0.00	0.00
19,700.00	90.00	179.44	11,388.00	-8,348.96	-419.76	8,344.46	0.00	0.00	0.00
19,800.00	90.00	179.44	11,388.00	-8,448.96	-418.79	8,444.46	0.00	0.00	0.00
19,900.00	90.00	179.44	11,388.00	-8,548.95	-417.82	8,544.46	0.00	0.00	0.00
20,000.00	90.00	179.44	11,388.00	-8,648.95	-416.85	8,644.46	0.00	0.00	0.00
20,100.00	90.00	179.44	11,388.00	-8,748.95	-415.88	8,744.46	0.00	0.00	0.00
20,200.00	90.00	179.44	11,388.00	-8,848.94	-414.91	8,844.46	0.00	0.00	0.00
20,300.00	90.00	179.44	11,388.00	-8,948.94	-413.94	8,944.46	0.00	0.00	0.00
20,400.00	90.00	179.44	11,388.00	-9,048.93	-412.97	9,044.46	0.00	0.00	0.00
20,500.00	90.00	179.44	11,388.00	-9,148.93	-412.00	9,144.46	0.00	0.00	0.00
20,600.00	90.00	179.44	11,388.00	-9,248.92	-411.03	9,244.46	0.00	0.00	0.00
20,700.00	90.00	179.44	11,388.00	-9,348.92	-410.07	9,344.46	0.00	0.00	0.00
20,800.00	90.00	179.44	11,388.00	-9,448.91	-409.10	9,444.46	0.00	0.00	0.00
20,900.00	90.00	179.44	11,388.00	-9,548.91	-408.13	9,544.46	0.00	0.00	0.00
21,000.00	90.00	179.44	11,388.00	-9,648.90	-407.16	9,644.46	0.00	0.00	0.00
21,100.00	90.00	179.44	11,388.00	-9,748.90	-406.19	9,744.46	0.00	0.00	0.00
21,200.00	90.00	179.44	11,388.00	-9,848.89	-405.22	9,844.46	0.00	0.00	0.00
21,300.00	90.00	179.44	11,388.00	-9,948.89	-404.25	9,944.46	0.00	0.00	0.00
21,400.00	90.00	179.44	11,388.00	-10,048.88	-403.28	10,044.46	0.00	0.00	0.00
21,500.00	90.00	179.44	11,388.00	-10,148.88	-402.31	10,144.46	0.00	0.00	0.00
21,587.40	90.00	179.44	11,388.00	-10,236.27	-401.46	10,231.86	0.00	0.00	0.00
LTP/BHL at 21587.39									

Legacy Directional Drilling
Planning Report

Database:	EDM_WA	**Local Co-ordinate Reference:**	Well Sioux 25-36 Fed Com 554H
Company:	3R Operating, LLC	**TVD Reference:**	GL 3066 + 26.5' KB @ 3092.50usft
Project:	Lea County, NM (NAD 83)	**MD Reference:**	GL 3066 + 26.5' KB @ 3092.50usft
Site:	Sioux 25-36	**North Reference:**	Grid
Well:	Sioux 25-36 Fed Com 554H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	Plan 1		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
KOP - Sioux 25-36 Fed (- plan misses target center by 536.90usft at 0.00usft MD (0.00 TVD, 0.00 N, 0.00 E) - Point	0.00	0.00	0.00	188.93	-502.56	404,700.00	856,686.86	32.108504	-103.314861
LTP/BHL - Sioux 25-36 F - plan hits target center - Point	0.00	0.00	11,388.00	-10,236.27	-401.46	394,274.80	856,787.96	32.079848	-103.314852
FTP/PPP1 - Sioux 25-3(- plan misses target center by 202.86usft at 11305.75usft MD (11234.82 TVD, 5.94 N, -500.79 E) - Point	0.00	0.00	11,388.00	138.93	-502.13	404,650.00	856,687.29	32.108367	-103.314861

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,013.00	1,013.00	Rustler			
1,533.00	1,533.00	Salado			
4,951.91	4,943.00	Delaware			
8,601.87	8,583.00	Bone Spring			
9,972.62	9,953.00	1st Bone Spring Sand			
10,142.62	10,123.00	2nd Bone Spring Carb			
10,397.62	10,378.00	2nd Bone Spring Sand			
10,692.62	10,673.00	3rd Bone Spring Carb*			
11,734.66	11,388.00	Target CL			

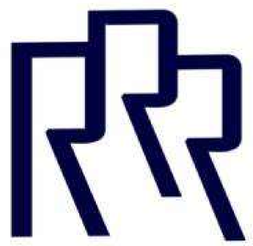
Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
1,500.00	1,500.00	0.00	0.00	Start Nudge Build 1.50
1,782.24	1,781.98	3.67	-9.76	4.23° at 1782.24 MD
8,807.94	8,788.51	186.18	-495.24	Start Drop -2.00
9,019.62	9,000.00	188.93	-502.56	Vertical at 9019.62 MD
10,834.66	10,815.04	188.93	-502.56	KOP Start Build 10.00
11,734.66	11,388.00	-384.00	-497.00	LP 90° at 11734.66 MD
21,587.40	11,388.00	-10,236.27	-401.46	LTP/BHL at 21587.39

3R Operating, LLC

Company: 3R Operating, LLC
Field: Lea County, NM (NAD 83)
Location: Sioux 25-36
Well: Sioux 25-36 Fed Com 554H
OH
Plan: Plan 1
GL 3066 + 26.5' KB @ 3092.50usft

RIG: TBD



Azimuths to Grid North
True North: -0.54°
Magnetic North: 5.56°

Magnetic Field
Strength: 46955.3nT
Dip Angle: 59.68°
Date: 9/11/2025
Model: IGRF2025

To convert a Magnetic Direction to a Grid Direction, Add 5.56°

LEGACY DIRECTIONAL

PROJECT DETAILS: Lea County, NM (NAD 83)

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

WELL DETAILS: Sioux 25-36 Fed Com 554H

GL 3066 + 26.5' KB @ 3092.50usft 3066.00

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.00	0.00	404511.07	857189.42	32.107972	-103.313243	

DESIGN TARGET DETAILS

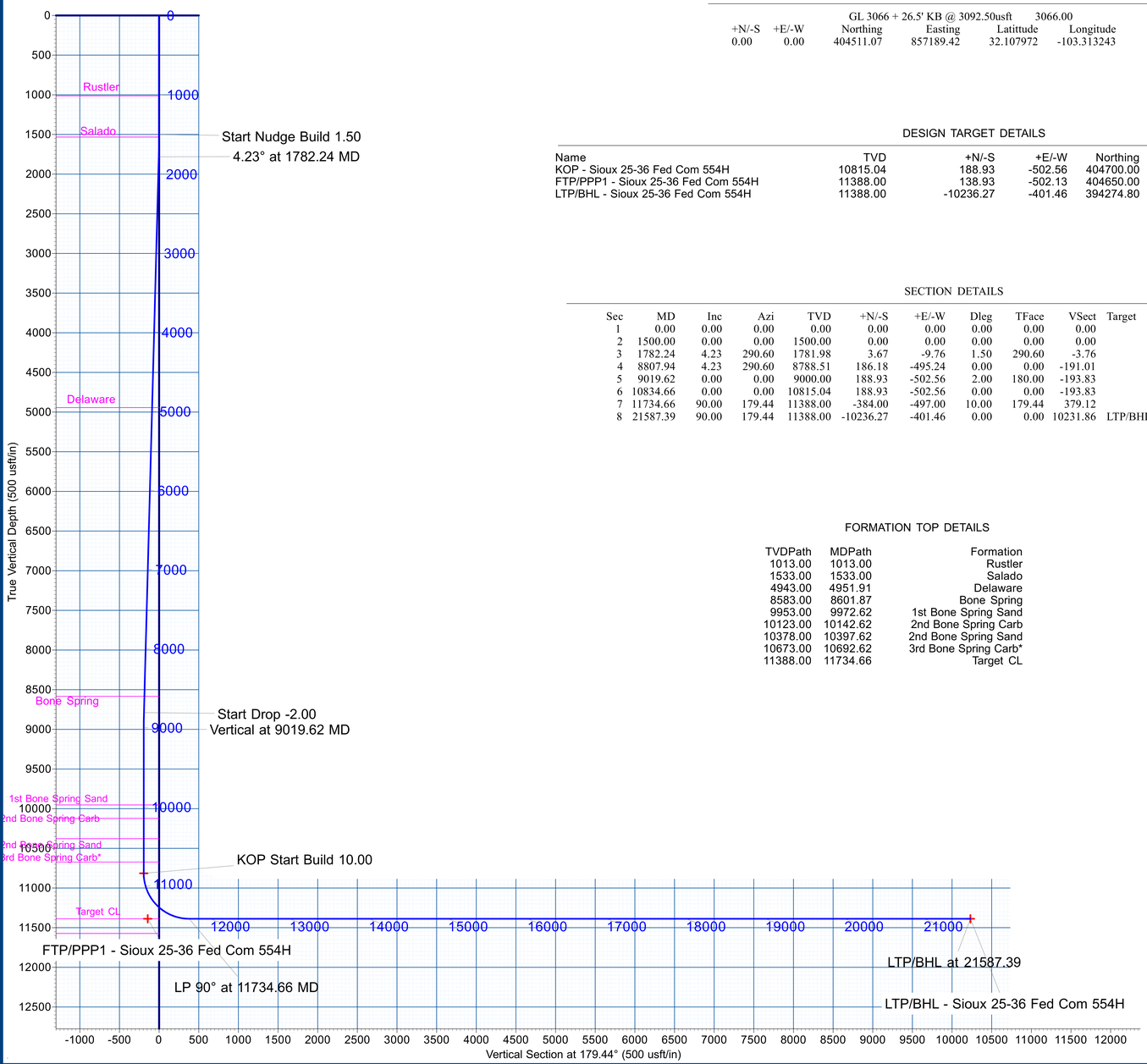
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
KOP - Sioux 25-36 Fed Com 554H	10815.04	188.93	-502.56	404700.00	856686.86	32.108504	-103.314860
FTP/PPP1 - Sioux 25-36 Fed Com 554H	11388.00	138.93	-502.13	404650.00	856687.29	32.108367	-103.314861
LTP/BHL - Sioux 25-36 Fed Com 554H	11388.00	-10236.27	-401.46	394274.80	856787.96	32.079847	-103.314852

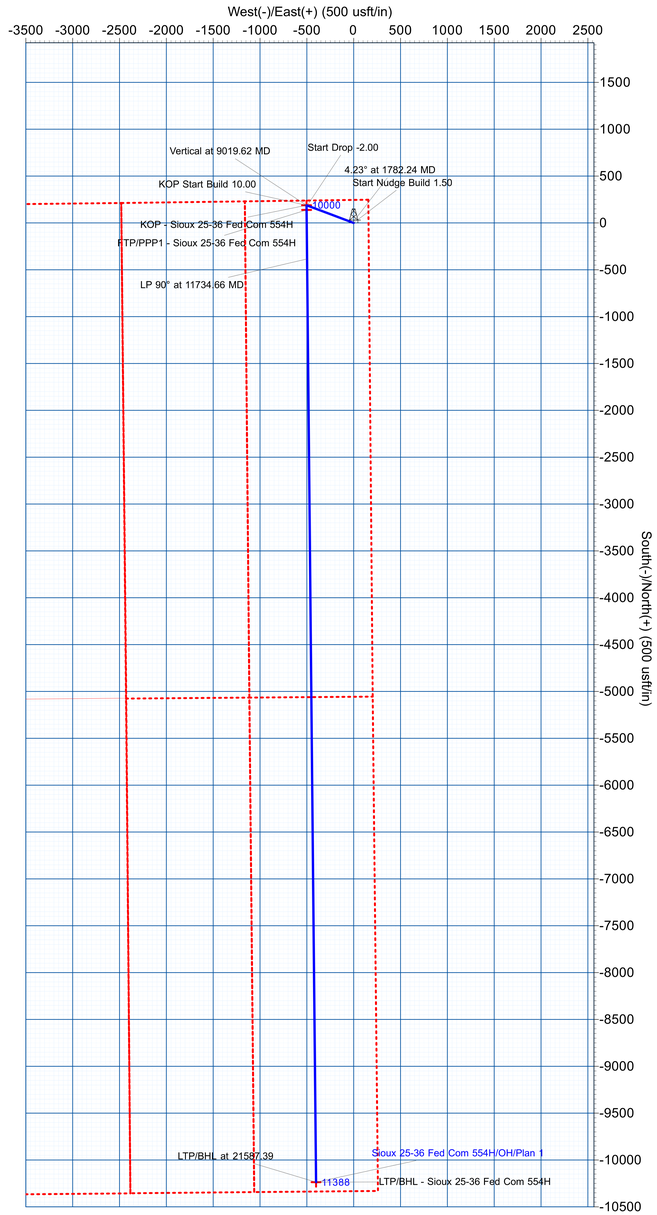
SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	1500.00	0.00	0.00	1500.00	0.00	0.00	0.00	0.00	0.00	
3	1782.24	4.23	290.60	1781.98	3.67	-9.76	1.50	290.60	-3.76	
4	8807.94	4.23	290.60	8788.51	186.18	-495.24	0.00	0.00	-191.01	
5	9019.62	0.00	0.00	9000.00	188.93	-502.56	2.00	180.00	-193.83	
6	10834.66	0.00	0.00	10815.04	188.93	-502.56	0.00	0.00	-193.83	
7	11734.66	90.00	179.44	11388.00	-384.00	-497.00	10.00	179.44	379.12	
8	21587.39	90.00	179.44	11388.00	-10236.27	-401.46	0.00	0.00	10231.86	LTP/BHL - Sioux 25-36 Fed Com 554H

FORMATION TOP DETAILS

TVDPath	MDPath	Formation
1013.00	1013.00	Rustler
1533.00	1533.00	Salado
4943.00	4951.91	Delaware
8583.00	8601.87	Bone Spring
9953.00	9972.62	1st Bone Spring Sand
10123.00	10142.62	2nd Bone Spring Carb
10378.00	10397.62	2nd Bone Spring Sand
10673.00	10692.62	3rd Bone Spring Carb*
11388.00	11734.66	Target CL





Plan: Plan 1 (Sioux 25-36 Fed Com 554H/OH)
Created By: Jenise Kirkpatrick Date: 16:44, September 11 2025

September 25, 2025

Attn: Engineering Dept.
Bureau of Land Management
Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220

RE: 43 CFR § 3162.3-1 (j): Waste Minimization Plan
3R Operating, LLC
Application for Permit to Drill
Sioux 25 36 Fed Com 554H
NE/4-NE/4 Section 25-25S-35E
Lea County, NM

To Whom It May Concern,

3R Operating, LLC has submitted a Federal Application for Permit to Drill (APD) for the proposed "Sioux 25 36 Fed Com 554H" oil well. As required by the Waste Minimization Plan and in compliance with 43 CFR § 3162.3-1 (j)(1)-(4), 3R Operating provides the following information:

43 CFR § 3162.3-1 (j)(1) & (2): Anticipated Initial Oil & Gas Production and Decline

Oil	Gas
Estimated 1st month of oil production: ***See attachment***	Estimated 1st month of gas production: ***See attachment***
Estimated 36th month of oil production: ***See attachment***	Estimated 36th month of gas production: ***See attachment***

43 CFR § 3162.3-1 (j)(3): Gas Sales Certification

3R Operating, LLC hereby certifies that the operator will have a valid, executed gas sales contract to sell to a purchaser 100 percent of the produced oil-well gas, less gas anticipated for use on-lease pursuant to 43 CFR subpart 3178.

43 CFR § 3162.3-1 (j)(4): Other Information

See attachment *(NM OCD Natural Gas Management Plan)*

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

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

Section 1 – Plan Description
Effective May 25, 2021

I. Operator: 3R Operating, LLC **OGRID:** 331569 **Date:** 09 / 19 / 25

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
See attachment						

IV. Central Delivery Point Name: Sioux 25-36 Production 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
See attachment						

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:	Kalen Melton
Printed Name:	Kalen Melton
Title:	Permitting Agent
E-mail Address:	kmelton@reagansmith.com
Date:	9/19/25
Phone:	405-286-9326

OIL CONSERVATION DIVISION

(Only applicable when submitted as a standalone form)

Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

XIV. Confidentiality

Uniqueness and variability of the formation encountered for this well is such that the Operator requests confidentiality in order to protect its proprietary data. After the responsible agency has conducted its review, the Operator requests the following information be REDACTED from the approved and posted permit(s), including anticipated production volumes and the Operator's planned development schedule. This information is expected to remain private between the submitting operator and the reviewing agency only.

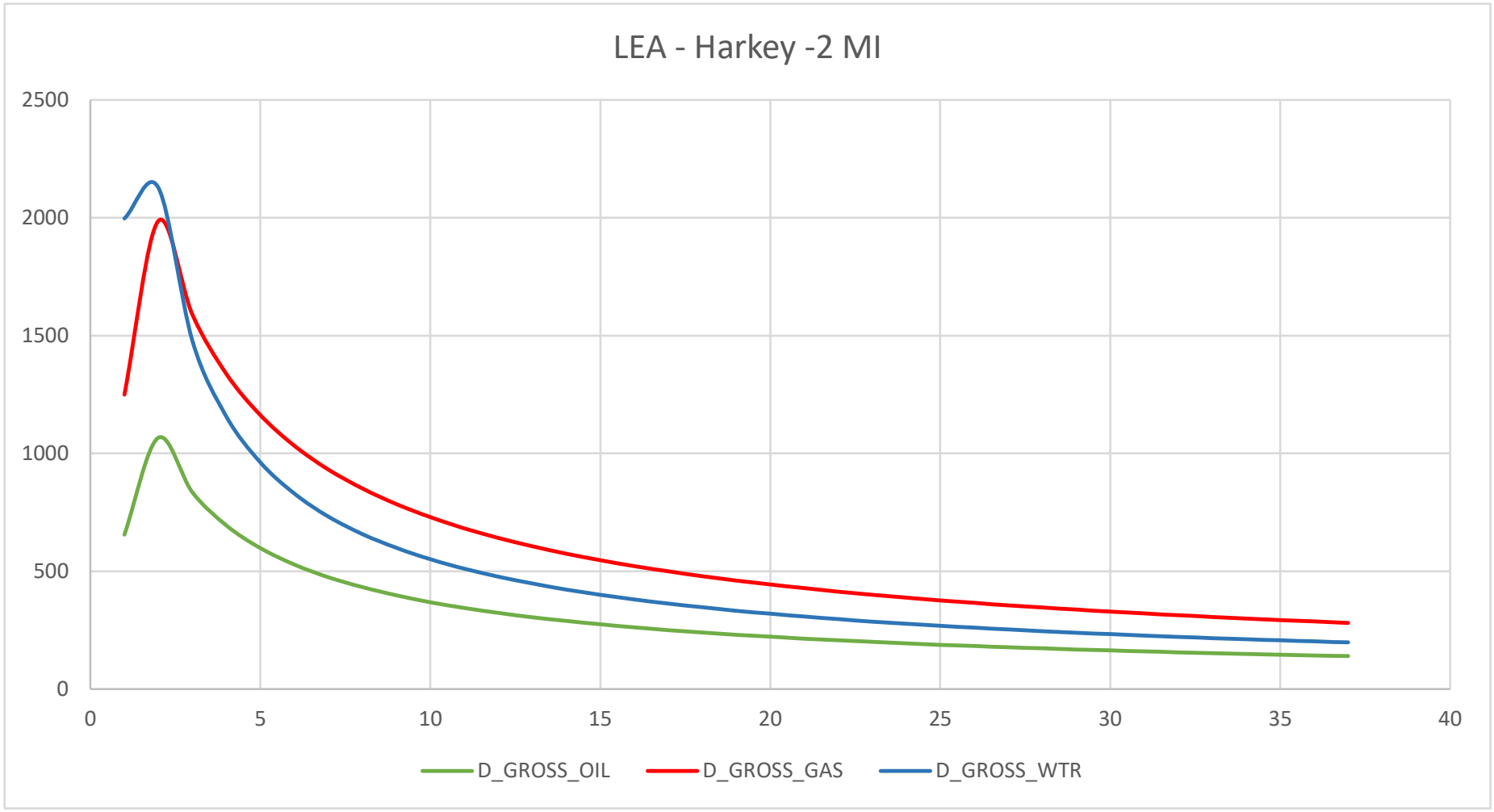
III. Wells

Well Name	API	ULSTR	Footages	Anticipated Initial (High) Oil Production BBL/D	Anticipated Initial (High) Gas Production MCF/D	Anticipated (High) Produced Water BBL/D
SIOUX 25 36 FED COM 554H	**Pending**	**A-25-25S-35E**	**246' FNL & 159' FEL**	**1066**	**1986**	**2129**

Well Name	Anticipated Oil Prod. after 3 years BBL/D (for Federal APD)	Anticipated Gas Prod. after 3 years MCF/D (for Federal APD)	
SIOUX 25 36 FED COM 554H	**143**	**287**	***See provided decline curve on next page for estimated production volumes over 36 months.***

V. Anticipated Schedule

Well Name	API	Spud date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
SIOUX 25 36 FED COM 554H	**Pending**	**1/30/2026**	**2/27/2026**	**3/4/2026**	**5/3/2026**	**5/10/2026**


LEA - Harkey -2 MI
2500
2000
1500
1000
500
0
0
5
10
15
20
25
30
35
40
D_GROSS_OIL
D_GROSS_GAS
D_GROSS_WTR

VI. Separation Equipment

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 modeling software to ensure adequate capacity for anticipated production volumes and conditions. Production composition and the volumes will be utilized as inputs to a process model which predicts relative amounts of gas, oil and water throughout the process. The high-volume case will be used to size equipment, piping and instrumentation.

Each well has a dedicated 3-phase separator and gas from that separator is taken directly to gas sales. Facility piping and pipeline will be sized to allow peak volumes to flow with minimal pressure loss and deliver to the midstream gatherer at an acceptable pressure. Water will be conveyed directly to tankage. Oil from 3-phase separators will be conveyed to a heated separator for enhanced liquid-liquid separation and degassing. Vapors from the heater treater are routed to flare. Oil and water storage tanks vapor outlets utilize a closed vent vapor system to ensure all working & breathing and flashing losses are routed to the flare which is sized to accommodate peak expected production volume. Flash volumes are estimated using the high-volume case.

VII. Operational Practices

The operator will ensure pipeline connectivity before producing hydrocarbons and will operate a closed vent vapor capture system that is designed to capture all associated and evolved gas during normal operation. Venting will only occur during maintenance activities or equipment failure. The operator may utilize the following from Section 3 for its operations to minimize flaring:

A. The operator 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. The operator 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, the operator will flare the natural gas for up to 60 days or until the natural gas meets the pipeline quality specifications, whichever is sooner. The operator 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.(l) 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. The operator will comply with the performance standards requirements and provisions listed in 19.15.27.8 E.(l) 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. The operator 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. The operator will install equipment to measure the volume of natural gas flared from existing process piping, or a flowline piped from equipment such as high-

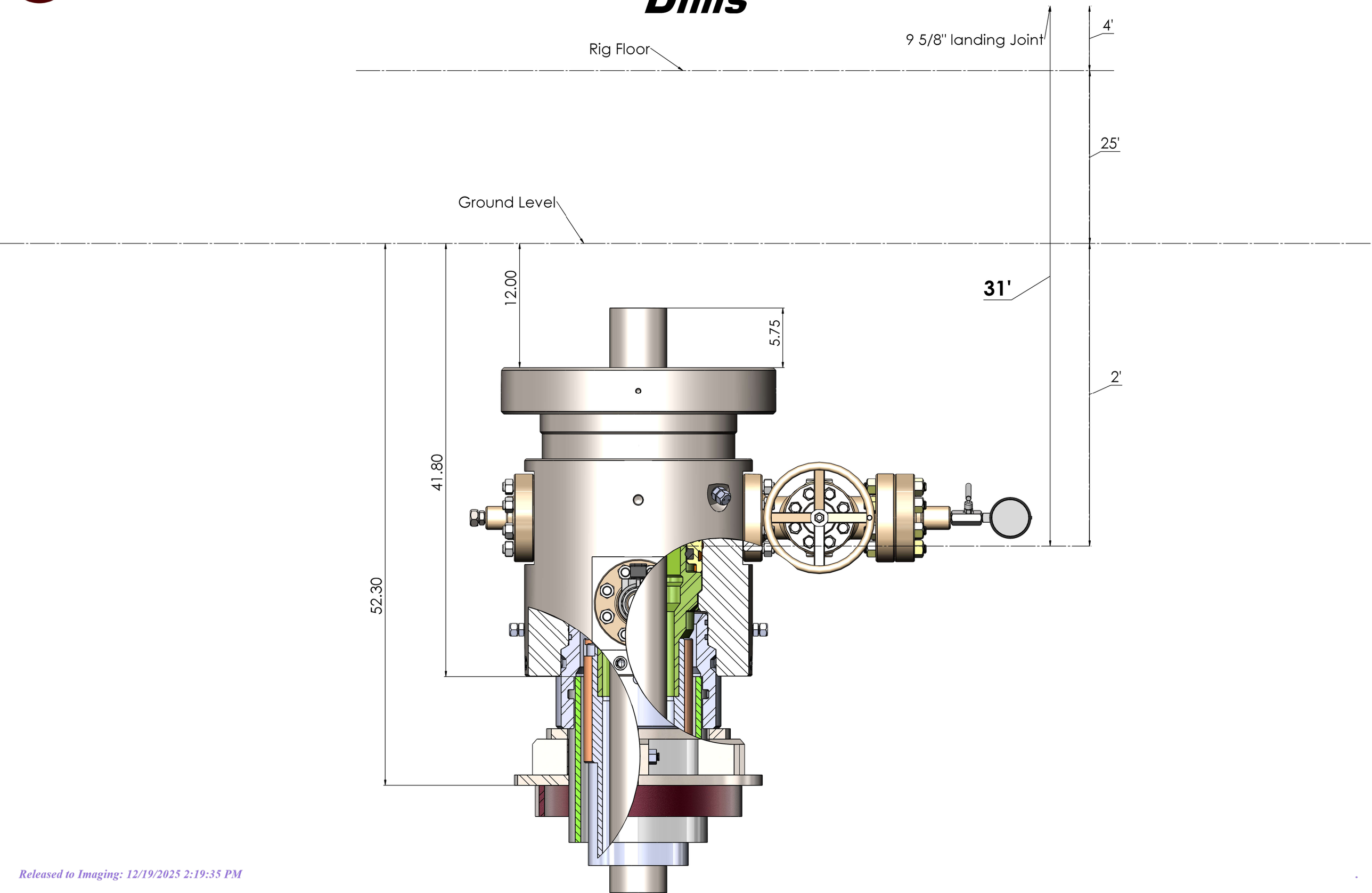
pressure separators, heater treaters, or vapor recovery units associated with a well or facility associated with a well authorized by an APD issued after May 25, 2021, that has an average daily production greater than 60 Mcf/day. If metering is not practicable due to circumstances such as low flow rate or low pressure venting and flaring, the operator 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. Best Management Practices

The operator utilizes automated engineering controls included in facility design to minimize venting and flaring. Additionally, operator's SOP support the minimization of flare and venting.

If the main gas outlet becomes unavailable and pressure increases on the outlet sales line, produced gas will be routed directly to the facility flare. The facility control system will alert personnel to the need for maintenance and appropriate response to the temporary flaring event. The facility design includes a closed vent vapor capture system to route flash from the heater treater and tanks to the flare. For maintenance activities, the operator will utilize the facility flare to blowdown equipment and piping whenever practical to minimize venting.

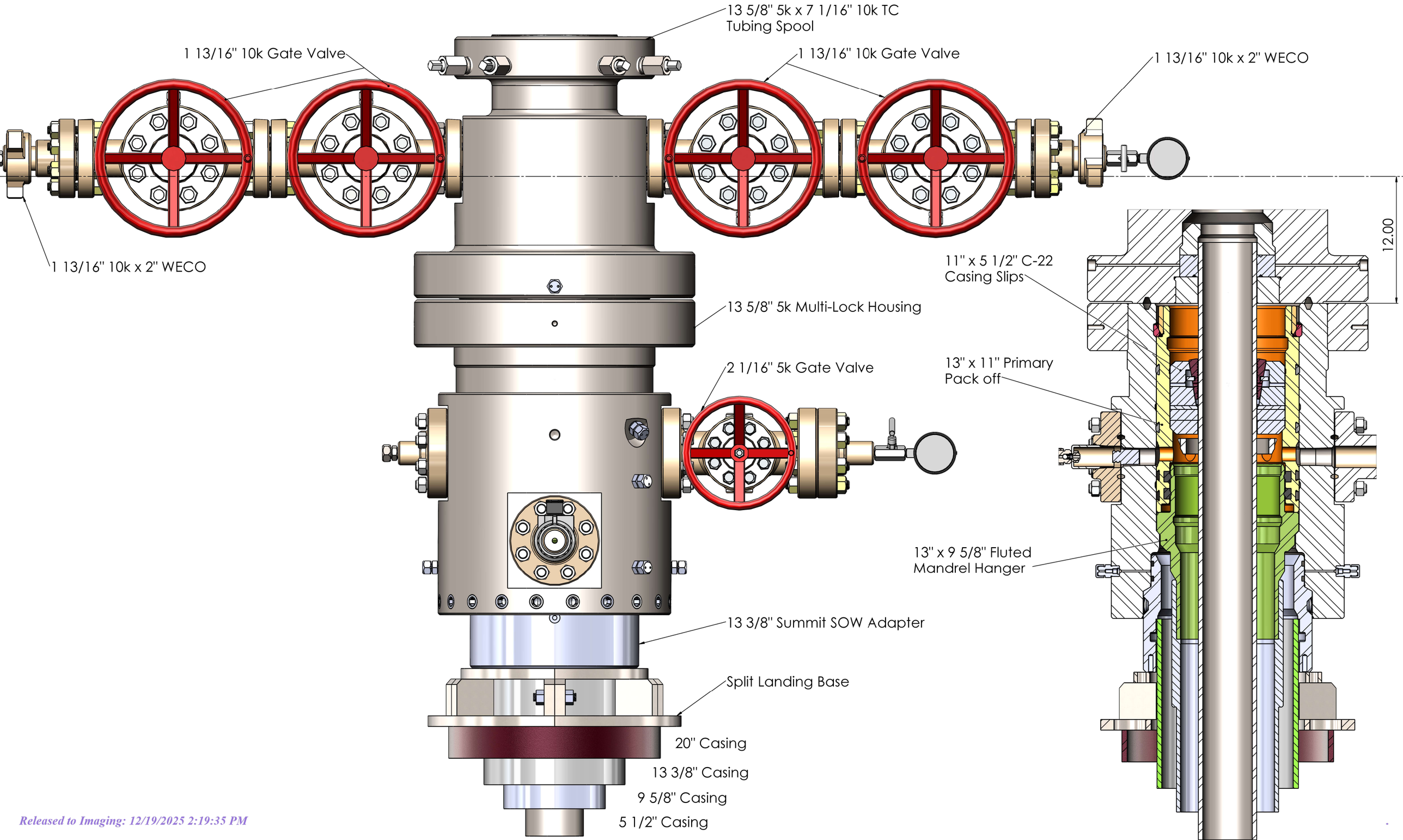
13 5/8" 5k Multi-Lock Dims



13 5/8" 5k Multi-Lock

ATLAS

3R Operating, LLC



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

SUPO Data Report
12/08/2025

APD ID: 10400107311
Submission Date: 09/25/2025
Operator Name: 3R OPERATING LLC
Well Name: SIOUX 25 36 FED COM
Well Number: 554H
Well Type: OIL WELL
Well Work Type: Drill

Highlighted data reflects the most recent changes
Show Final Text

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

20251134_SIOUX_25_36_FED_COM_EAST_REV._1_VICINITY_MAP_20250911_20250919120232.pdf
20251134_SIOUX_EAST_WELL_PAD_REV._0_ROADS_MAP_20250828_20250919120238.pdf

Existing Road Purpose: ACCESS,FLUID TRANSPORT
Row(s) Exist? NO

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

20251134_SIOUX_EAST_WELL_PAD_NM_LE_0004.00060_REV._0___CERTIFIED_20250911_20250919120253.pdf

20251134_SIOUX_EAST_WELL_PAD_NM_LE_0004.00160_REV._0___CERTIFIED_20250911_20250919120306.pdf

New road type: COLLECTOR

Length: 308 Feet **Width (ft.):** 30

Max slope (%): 1 **Max grade (%):** 1

Army Corp of Engineers (ACOE) permit required? N

ACOE Permit Number(s):

New road travel width: 20

New road access erosion control: The proposed lease road traverses mostly level terrain. The largest grade along the lease road may be approximately 1%. Existing bar ditches or any man-made ditch is not considered in determining max slope of preconstruction contours. Fencing, gates, and/or cattle guards may be installed as necessary per agreement with landowner or surface managing agency. To accommodate the

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

natural drainage of the landscape, culverts or water diversions will be installed as necessary to allow proper drainage of the landscape and mitigate erosion.

New road access plan or profile prepared? N

New road access plan

Access road engineering design? N

Access road engineering design

Turnout? N

Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: Caliche

Access onsite topsoil source depth: 6

Offsite topsoil source description:

Onsite topsoil removal process: Bulldozer/Road Grader

Access other construction information:

Access miscellaneous information:

Number of access turnouts:

Access turnout map:

Drainage Control

New road drainage crossing: CULVERT

Drainage Control comments: The lease road will be new construction and provide all-weather access to this property. The lease road will be maintained with a motor grader in a prudent manner as an all-weather road. Maintenance activity shall include, but not be limited to, resurfacing, reshaping, compacting, and crowning said road as necessary. Any ruts, rills, and eroded areas will be filled/repaired as necessary. Crown/ditch will be surfaced with caliche.

Road Drainage Control Structures (DCS) description: To accommodate the natural drainage of the landscape, culverts or water diversions will be installed as necessary to allow proper drainage of the landscape and mitigate erosion.

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Existing Well map Attachment:

SIOUX_EAST_ONE_MILE_RADIUS_20250919120440.pdf

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Production Facilities description: Production will be transported offsite to an existing Central Tank Battery (CTB) approx. 1700' west of the proposed Sioux East Pad. Please see attachment for proposed production flowline plats, which includes a route 1820' in length with a 30' wide easement (1.25 acres).
Production Facilities map:

20251134_SIOUX_EAST_FLOWLINE_NM_LE_0006.000000_REV._0___CERTIFIED_20250911_20250919120501.pdf

Section 5 - Location and Types of Water Supply

Water Source Table

Water source type: PERENNIAL SURFACE

Water source use type: DUST CONTROL
SURFACE CASING
INTERMEDIATE/PRODUCTION CASING
STIMULATION

Source latitude: 32.107755 **Source longitude:** -103.325978

Source datum: NAD83

City:

Water source permit type: PRIVATE CONTRACT

Water source transport method: PIPELINE

Source land ownership: PRIVATE

Source transportation land ownership: PRIVATE

Water source volume (barrels): 180000 **Source volume (acre-feet):** 23.20075734

Source volume (gal): 7560000

Water source and transportation

WTP_Sioux_20250919121325.pdf

Water source comments: Existing frac pond. Temporary aboveground water line.

New water well? N

New Water Well Info

Well latitude: **Well Longitude:** **Well datum:**

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

Well target aquifer:

Est. depth to top of aquifer(ft): **Est thickness of aquifer:**

Aquifer comments:

Aquifer documentation:

Well depth (ft): **Well casing type:**

Well casing outside diameter (in.): **Well casing inside diameter (in.):**

New water well casing? **Used casing source:**

Drilling method: **Drill material:**

Grout material: **Grout depth:**

Casing length (ft.): **Casing top depth (ft.):**

Well Production type: **Completion Method:**

Water well additional information:

State appropriation permit:

Additional information attachment:

Section 6 - Construction Materials

Using any construction materials: YES

Construction Materials description: Location will be graded and leveled with existing soil at proposed site. Construction material will be obtained via private contract for the construction of the well pad and lease road. Source of materials is existing pit located on private surface (approx. 32.111955, -103.311989) in Lots 3 & 4 of Sec. 19-25S-36E.

Construction Materials source location

Section 7 - Methods for Handling

Waste type: COMPLETIONS/STIMULATION

Waste content description: Water associated with completion of the well.

Amount of waste: 1000 barrels

Waste disposal frequency : Weekly

Safe containment description: Completion water will be held in permanent above ground storage tanks on the well pad. The tank(s) will be contained by appropriate secondary containment.
Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL
Disposal type description:

Disposal location description: Third party vendor will be charged with disposal of waste (R360 Environmental Solutions). Waste will be hauled to an approved commercial disposal facility.

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

Waste type: DRILLING

Waste content description: Drilling mud and cuttings

Amount of waste: 3800 barrels

Waste disposal frequency : One Time Only

Safe containment description: Drilling mud and cuttings will be contained in a closed system. During drilling activities trenches will surround all pumps, motors, and rig such that runoff will be directed to a sump area on the well site and pumped into a haul off tank.
Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL
Disposal type description:

Disposal location description: Third party vendor will be charged with disposal of waste (R360 Environmental Solutions). Waste will be hauled to an approved commercial disposal facility.

Waste type: SEWAGE

Waste content description: Sewage associated with active drilling and completions operations.

Amount of waste: 1000 gallons

Waste disposal frequency : Weekly

Safe containment description: All sewage will be held in onsite portable restrooms.

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL
Disposal type description:

Disposal location description: Third party vendor will be charged with disposal of waste (R360 Environmental Solutions). Waste will be hauled to an approved commercial disposal facility.

Waste type: PRODUCED WATER

Waste content description: Water produced from the target formation.

Amount of waste: 1000 barrels

Waste disposal frequency : Daily

Safe containment description: Water produced form target formation will be held in permanent above ground storage tanks on the well pad. The tank(s) will be contained by appropriate secondary containment.
Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL
Disposal type description:

Disposal location description: TBD - Disposal will occur at a regional wastewater disposal facility designed and approved to dispose of oilfield wastewater.

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

Waste type: GARBAGE

Waste content description: Garbage produced during drilling and completions.

Amount of waste: 1000 pounds

Waste disposal frequency : Weekly

Safe containment description: All garbage will be contained either in trash cans or dumpsters onsite.

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL

Disposal type description:

Disposal location description: Third party vendor will be charged with disposal of waste (R360 Environmental Solutions). Waste will be hauled to an approved commercial disposal facility.

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit? NO

Reserve pit length (ft.) **Reserve pit width (ft.)**

Reserve pit depth (ft.) **Reserve pit volume (cu. yd.)**

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? N

Description of cuttings location

Cuttings area length (ft.) **Cuttings area width (ft.)**

Cuttings area depth (ft.) **Cuttings area volume (cu. yd.)**

Is at least 50% of the cuttings area in cut?

Cuttings area liner

Cuttings area liner specifications and installation description

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

Section 8 - Ancillary

Are you requesting any Ancillary Facilities?: N

Ancillary Facilities

Comments:

Section 9 - Well Site

Well Site Layout Diagram:

Rig_Layout_20250919121621.pdf

SIOUX_EAST_WELL_PAD_20250919121638.pdf

Comments:

Section 10 - Plans for Surface

Type of disturbance: New Surface Disturbance **Multiple Well Pad Name:** SIOUX EAST

Multiple Well Pad Number: 1

Recontouring

20251134_SIOUX_EAST_WELL_PAD_REV._0___CERTIFIED_CUT_AND_FILL_20250911_20250919121700.pdf

Drainage/Erosion control construction: To mitigate erosion and protect the natural drainage areas, erosion control methods (e.g. cut and fill ratios of 2:1 or 3:1) will be implemented during the construction and production phases of this project. The slopes of the well pad may be reseeded or replanted per agreement with the landowner. Erosion mitigation such as water diversions, silt fences, and hay bales will be located as necessary around the well pad.

Drainage/Erosion control reclamation: To mitigate erosion and protect the natural drainage areas, erosion control methods (e.g. cut and fill ratios of 2:1 or 3:1) will be implemented during the construction and production phases of this project. The slopes of the well pad may be reseeded or replanted per agreement with the landowner. Erosion mitigation such as water diversions, silt fences, and hay bales will be located as necessary around the well pad.

Well pad proposed disturbance (acres): 5.78	**Well pad interim reclamation (acres):** 0	**Well pad long term disturbance (acres):** 5.78
Road proposed disturbance (acres): 0.22	**Road interim reclamation (acres):** 0	**Road long term disturbance (acres):** 0.22
Powerline proposed disturbance (acres): 0	**Powerline interim reclamation (acres):** 0	**Powerline long term disturbance (acres):** 0
Pipeline proposed disturbance (acres): 1.25	**Pipeline interim reclamation (acres):** 0	**Pipeline long term disturbance (acres):** 1.25
Other proposed disturbance (acres): 0.28	**Other interim reclamation (acres):** 0	**Other long term disturbance (acres):** 0.28
Total proposed disturbance: 7.53	**Total interim reclamation:** 0	**Total long term disturbance:** 7.53

Disturbance Comments:

Reconstruction method: The operator does not intend to downsize this well location at this time due to plans of future oil and gas development. In the event that it later becomes necessary to downsize or reclaim

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

the well pad, the following methods will be implemented. The operator will restore topsoil to its original condition. The operator will backfill, level, and restore site to original contours with segregation of spoiled materials as needed. The operator will rehabilitate all disturbed areas. All areas of reclamation will be rehabilitated as per agreement with private surface owner or surface managing agency. Upon abandonment of the well, all waste will be hauled away and disposed of in an approved manner. All equipment and salvageable material will be removed from the drill site. All debris generated from the drilling and operating of the well, which is unsuited for burial at an approved landfill, will be disposed of according to applicable regulations. Cleaning operations will commence with completion of drilling activity and should be completed in approximately 10 days. The drill site will be restored as near as practicable to its reconstruction condition and topography. All surface drainage patterns, which may be affected by the proposed action, will be shaped and restored to preconstruction conditions. The soil will be graded and tilled to prepare its surface for seedbed in accordance with the applicable regulatory and conservation agencies. Erosion control techniques will be implemented when necessary. If applicable, construction of all pipelines will be in accordance with standard pipeline industry practices to assure prudent and safe operations and use of the land and in accordance with the conditions and stipulations of the BLM. The right-of-ways will be graded as necessary to provide a suitable work surface.

Topsoil redistribution: The operator does not intend to downsize this well location at this time due to plans of future oil and gas development. In the event that it later becomes necessary to downsize or reclaim the well pad, topsoil will be redistributed after the well pad has been returned to original contours, or as close as practical.

Soil treatment: No soil treatment will be needed.

Existing Vegetation at the well pad: The project area is located within the Chihuahuan Basins & Playas Level IV Ecoregion and situated in semi-arid scrubland with sparse grass presence and large portions of bare ground. Topography is level to gently sloping. Land use within and surrounding the project area is primarily limited to oil & gas development. Dominant species include creosote bush and honey mesquite.

Existing Vegetation at the well pad

Existing Vegetation Community at the road: The project area is located within the Chihuahuan Basins & Playas Level IV Ecoregion and situated in semi-arid scrubland with sparse grass presence and large portions of bare ground. Topography is level to gently sloping. Land use within and surrounding the project area is primarily limited to oil & gas development. Dominant species include creosote bush and honey mesquite.

Existing Vegetation Community at the road

Existing Vegetation Community at the pipeline: The project area is located within the Chihuahuan Basins & Playas Level IV Ecoregion and situated in semi-arid scrubland with sparse grass presence and large portions of bare ground. Topography is level to gently sloping. Land use within and surrounding the project area is primarily limited to oil & gas development. Dominant species include creosote bush and honey mesquite.

Existing Vegetation Community at the pipeline

Existing Vegetation Community at other disturbances: TOPSOIL STOCKPILE - The project area is located within the Chihuahuan Basins & Playas Level IV Ecoregion and situated in semi-arid scrubland with sparse grass presence and large portions of bare ground. Topography is level to gently sloping. Land use within and surrounding the project area is primarily limited to oil & gas development. Dominant species include creosote bush and honey mesquite.rbs.

Existing Vegetation Community at other disturbances

Non native seed used?

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project?

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation?

Seed harvest description:

Seed harvest description attachment:

Seed

Seed Table

Seed Summary

Total pounds/Acre:

Seed Type	Pounds/Acre

Seed reclamation

Operator Contact/Responsible Official

First Name: **Last Name:**

Phone: **Email:**

Seedbed prep:

Seed BMP:

Seed method:

Existing invasive species? N

Existing invasive species treatment description:

Existing invasive species treatment

Weed treatment plan description: Weeds will be mowed regularly to prevent them from becoming the dominant species within the project area.
Weed treatment plan

Monitoring plan description: The project location will be periodically monitored by the operator's staff that are responsible for infrastructure maintenance.
Monitoring plan

Success standards: Develop sufficient plant and root coverage to minimize erosion and maximize sediment control.

Pit closure description: N/A

Pit closure attachment:

Section 11 - Surface

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

Disturbance type: WELL PAD

Describe:

Surface Owner: PRIVATE OWNERSHIP

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland: **USFS Ranger District:**

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: AGREEMENT

Surface Access Agreement Need description: A surface access agreement will be finalized with the surface owner prior to construction.

Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Disturbance type: NEW ACCESS ROAD

Describe:

Surface Owner: PRIVATE OWNERSHIP

Other surface owner description:

BIA Local Office:

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland: **USFS Ranger District:**

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: AGREEMENT

Surface Access Agreement Need description: A surface access agreement will be finalized with the surface owner prior to construction.

Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Disturbance type: PIPELINE

Describe:

Surface Owner: PRIVATE OWNERSHIP

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland: **USFS Ranger District:**

Surface use plan certification: NO

Surface use plan certification document:

Surface access agreement or bond: AGREEMENT

Surface Access Agreement Need description: A surface access agreement will be finalized with the surface owner prior to construction.

Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Section 12 - Other

Right of Way needed? N **Use APD as ROW?**

ROW Type(s):

ROW

SUPO Additional Information:

Use a previously conducted onsite? Y

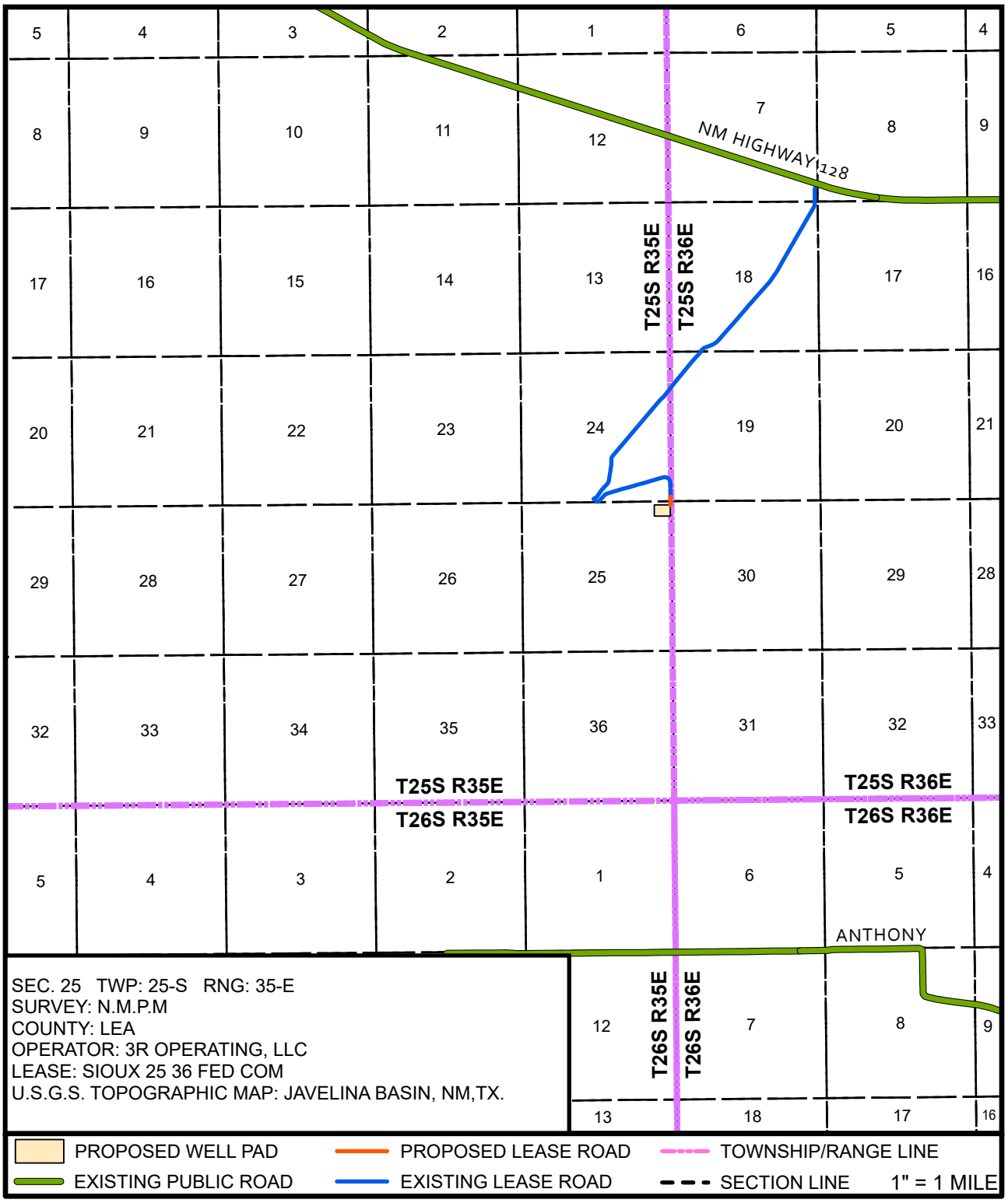
Previous Onsite information: An onsite meeting for the proposed project was completed with the BLM NRS and BLM Hydrologist on 8/14/25.

Other SUPO

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

VICINITY MAP



APPROXIMATELY 7.1 MILES WEST FROM JAL, NM.

FROM THE INTERSECTION OF US HWY 128 AND NM HWY 18 IN JAL, NM, HEAD WEST ON US HWY 128 FOR 6.6 MILES, TO A CALICHE ROAD. TURN LEFT ONTO A CALICHE ROAD, HEADING SOUTHWEST ON THE MAIN ROAD FOR 2.65 MILES. TURN LEFT ONTO EXISTING LEASE ROAD AND CONTINUE FOR 0.7 OF A MILE TO THE PROPOSED LEASE ROAD HEADED SOUTH IN THE CURVE. CONTINUE SOUTH FOR 308 FEET TO THE NORTHEAST CORNER OF THE PROPOSED SIOUX EAST WELL PAD LOCATION

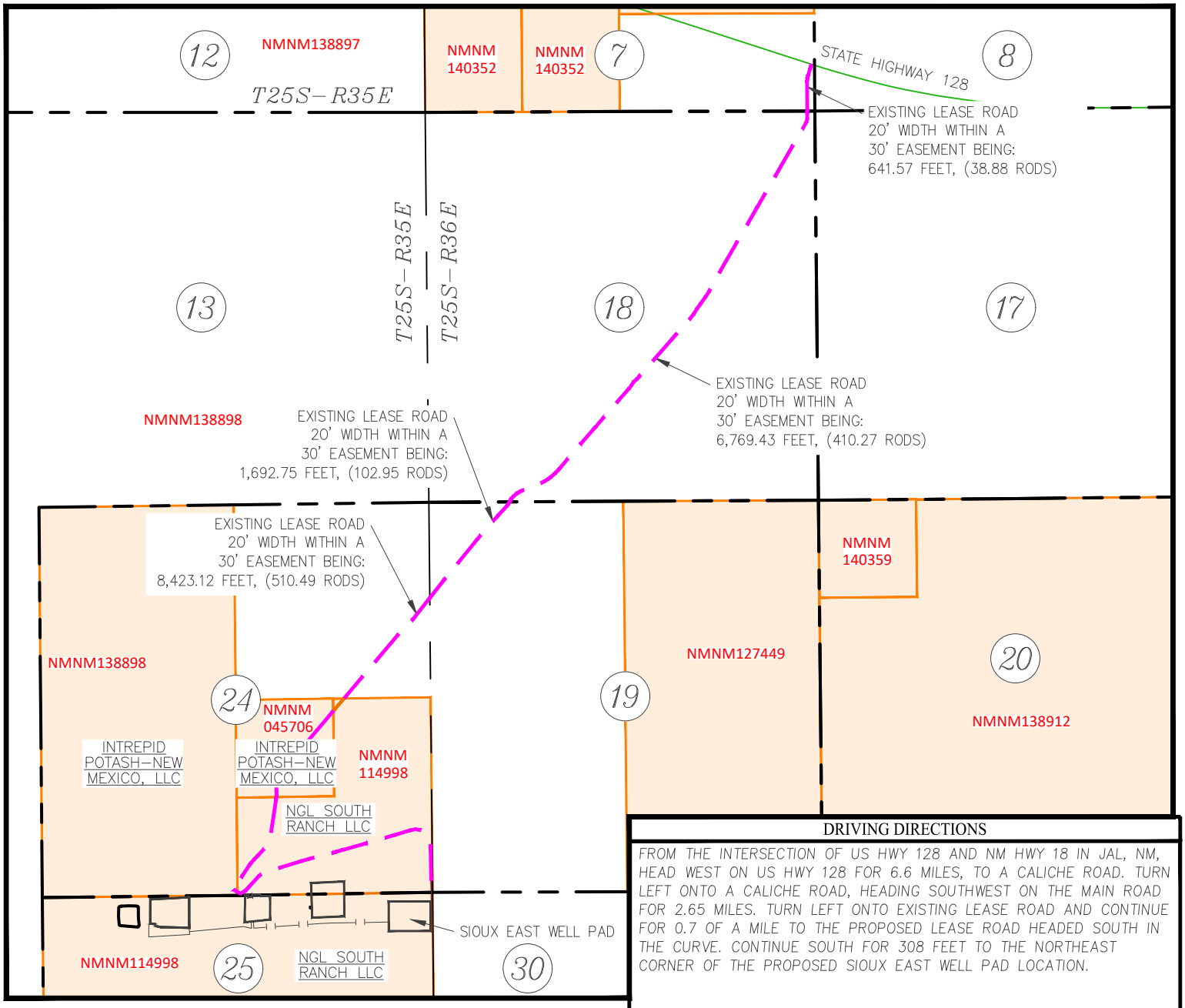
PREPARED BY:
DELTA FIELD SERVICES, LLC
510 TRENTON STREET,
WEST MONROE, LA 71291
318-323-6900 OFFICE
JOB No. 20251134

EXISTING ROADS MAP

SIOUX EAST WELL PAD
SEC. 7, 18, & 19, TWP. 25-S, RGE. 36-E AND SEC. 24, TWP. 25-S, RGE. 25-E
SURVEY: N.M.P.M.
COUNTY: LEA
OPERATOR: 3R OPERATING, LLC
U.S.G.S. TOPOGRAPHIC MAP: JAVELINA BASIN, N.M., T.X.

RIDGE RUNNER RESOURCES II

1,000' 0' 1,000' 2,000'
SCALE: 1" = 2,000'



DRIVING DIRECTIONS

FROM THE INTERSECTION OF US HWY 128 AND NM HWY 18 IN JAL, NM, HEAD WEST ON US HWY 128 FOR 6.6 MILES, TO A CALICHE ROAD. TURN LEFT ONTO A CALICHE ROAD, HEADING SOUTHWEST ON THE MAIN ROAD FOR 2.65 MILES. TURN LEFT ONTO EXISTING LEASE ROAD AND CONTINUE FOR 0.7 OF A MILE TO THE PROPOSED LEASE ROAD HEADED SOUTH IN THE CURVE. CONTINUE SOUTH FOR 308 FEET TO THE NORTHEAST CORNER OF THE PROPOSED SIOUX EAST WELL PAD LOCATION.

LEGEND

- PROPOSED PAD
- PROPOSED LEASE ROAD
- PUBLIC ROAD
- EXISTING LEASE ROAD - FEDERAL SURVEY
- EXISTING LEASE ROAD - STATE SURVEY
- EXISTING LEASE ROAD - FEE SURVEY
- FEDERAL LEASE
- STATE LEASE

NOTES

THIS IS NOT A BOUNDARY SURVEY, APPARENT PROPERTY CORNERS AND PROPERTY LINES ARE SHOWN FOR INFORMATION ONLY.

JOB NUMBER			
20251134	REV.	DATE	BY

SHEET 1 OF 2
DRAWN BY: NDS
DATE DRAWN: 08/21/2025
CHECKED BY: MWS

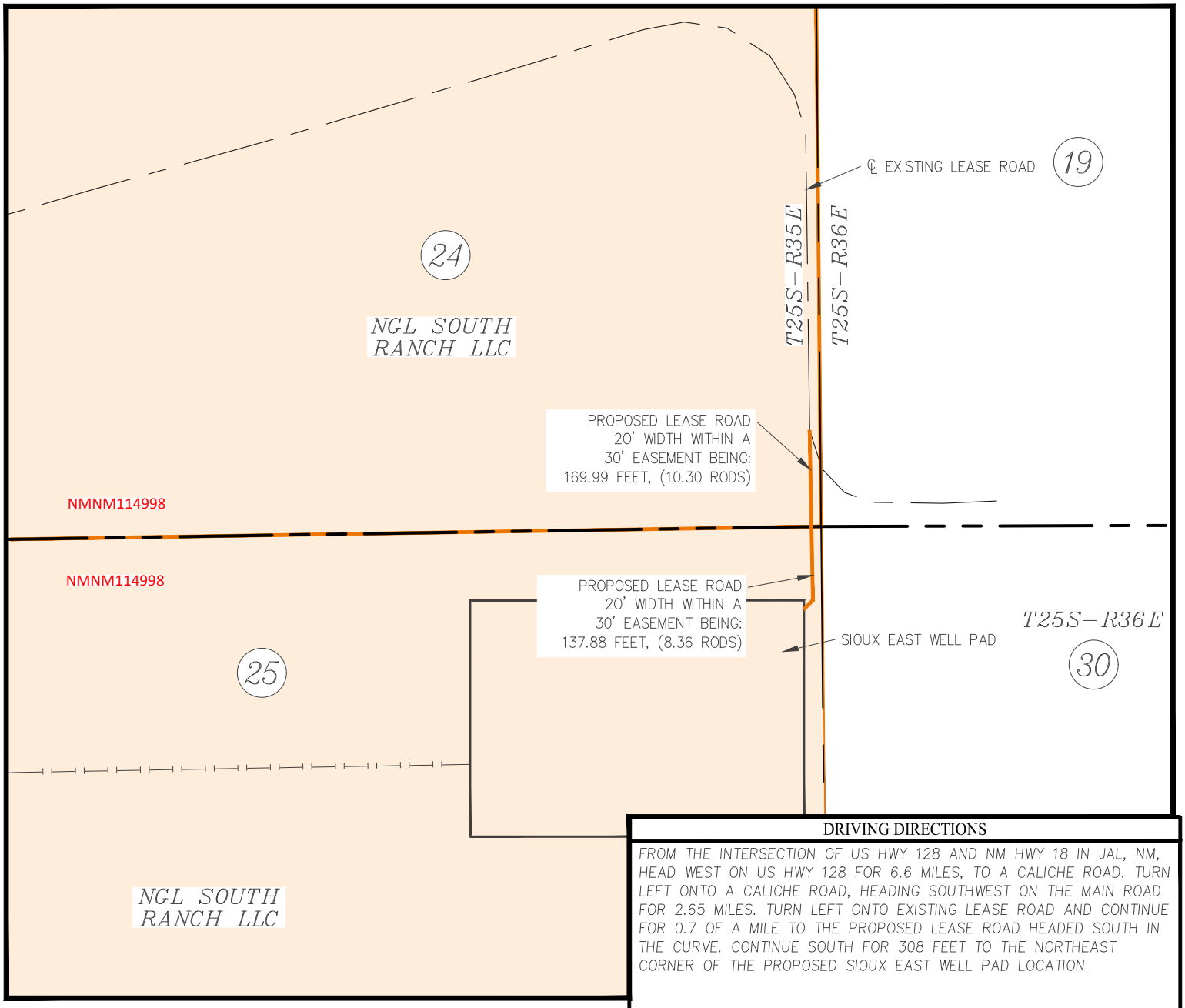
DELTA FIELD SERVICES
510 TRENTON STREET
WEST MONROE, LA 71291
(318) 323-6900

PROPOSED ROADS MAP

SIOUX EAST WELL PAD
SEC. 24 & 25 TWP. 25-S RGE. 35-E
SURVEY: N.M.P.M.
COUNTY: LEA
OPERATOR: 3R OPERATING, LLC
U.S.G.S. TOPOGRAPHIC MAP: JAVELINA BASIN, N.M., T.X.

RIDGE RUNNER RESOURCES II

125' 0' 125' 250'
SCALE: 1" = 250'



DRIVING DIRECTIONS

FROM THE INTERSECTION OF US HWY 128 AND NM HWY 18 IN JAL, NM, HEAD WEST ON US HWY 128 FOR 6.6 MILES, TO A CALICHE ROAD. TURN LEFT ONTO A CALICHE ROAD, HEADING SOUTHWEST ON THE MAIN ROAD FOR 2.65 MILES. TURN LEFT ONTO EXISTING LEASE ROAD AND CONTINUE FOR 0.7 OF A MILE TO THE PROPOSED LEASE ROAD HEADED SOUTH IN THE CURVE. CONTINUE SOUTH FOR 308 FEET TO THE NORTHEAST CORNER OF THE PROPOSED SIOUX EAST WELL PAD LOCATION.

LEGEND

- PROPOSED PAD
- EXISTING LEASE ROAD
- PUBLIC ROAD
- PROPOSED LEASE ROAD - FEDERAL SURVEY
- PROPOSED LEASE ROAD - STATE SURVEY
- PROPOSED LEASE ROAD - FEE SURVEY
- FEDERAL LEASE
- STATE LEASE

NOTES

THIS IS NOT A BOUNDARY SURVEY, APPARENT PROPERTY CORNERS AND PROPERTY LINES ARE SHOWN FOR INFORMATION ONLY.

JOB NUMBER			
20251134	REV.	DATE	BY

SHEET 2 OF 2
DRAWN BY: NDS
DATE DRAWN: 08/21/2025
CHECKED BY: MWS

DELTA FIELD SERVICES
510 TRENTON STREET
WEST MONROE, LA 71291
(318) 323-6900

EXHIBIT "A"

NM-LE-0004.00060
LEA COUNTY, NEW MEXICO
3R OPERATING, LLC SHEET 1 OF 2
SIOUX EAST WELL PAD
PROPOSED LEASE ROAD EASEMENT

FIELD NOTES DESCRIBING

The centerline of a 30 foot wide proposed lease road easement, being 0.12 acre of land. Said easement being located in Section 24, Township 25 South, Range 35 East, New Mexico Principal Meridian, Lea County, New Mexico.

Being more particularly described as lying 15 feet on each side of the following described centerline, unless otherwise shown (see Detail "A" sheet 2 of 2):

BEGINNING (POINT OF BEGINNING) at a point from which a 2 inch iron pipe with GLO cap found for the Southwest corner of said Section 24 bears S 87°27'40" W a distance of 5,267.89 feet.

THENCE S 00°46'06" E a distance of 169.99 feet to the *POINT OF TERMINATION* from which a 1 inch iron pipe with a GLO cap found for the South quarter corner of said Section 24 bears S 89°14'46" W a distance of 2,622.85 feet.

The length of the herein described proposed lease road easement crossing said Section 24, being 169.99 feet (10.30 rods), containing 0.12 acre of land.

The edges of the permanent easement are parallel with the centerline of the easement until reaching the boundaries of the subject tract of land, unless otherwise shown.

All bearings and coordinates refer to NAD 83, New Mexico State Plane Coordinate System, East Zone, U.S. Survey Feet. All bearings, distances, coordinates, and areas are based on grid measurements utilizing a combined scale factor of 0.99987673 and a convergence angle of 0.53882500°.

Title information furnished by 3R Operating, LLC.

Reference accompanying Certificate of Survey prepared in conjunction with this legal description for easement.

STATE OF NEW MEXICO
COUNTY OF LEA

I, Lloyd P. Short, New Mexico Professional Surveyor No. 21653, do hereby certify that this easement survey plat and the actual survey on the ground upon which it is based were performed by me or under my direct supervision; that I am responsible for this survey; that this survey meets the minimum standards for surveying in New Mexico; and that it is true and correct to the best of my knowledge and belief. I further certify that this survey is not a land division or subdivision as defined in the New Mexico Subdivision Act and that this instrument is an easement survey plat crossing an existing tract or tracts.

SEPTEMBER 11, 2025

LLOYD P. SHORT NEW MEXICO 21653 PROFESSIONAL SURVEYOR

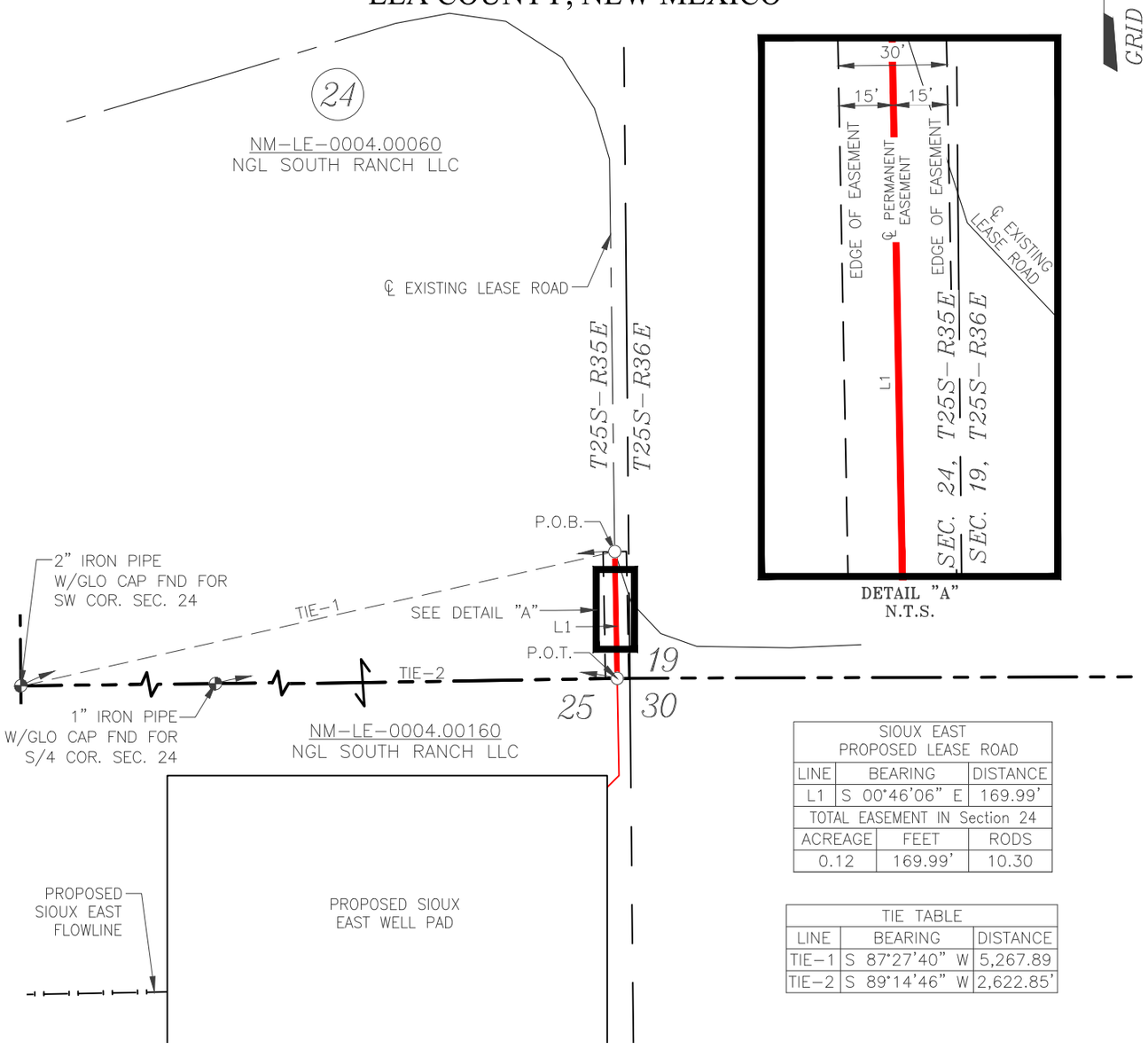
DELTA FIELD SERVICES	510 TRENTON ST. WEST MONROE, LA 71291 (318) 323-6900	This field note description is to accompany a plat evenly dated. Modification in any way of the foregoing description terminates liability of Surveyor.	JOB #:20251134 REV. DATE BY

TRACT No. NM-LE-0004.00060
JOB No. 20251134

SIOUX EAST WELL PAD
PROPOSED LEASE ROAD EASEMENT
SECTION 24, T-25-S, R-35-E, N.M.P.M.,
LEA COUNTY, NEW MEXICO

100' 0' 100' 200'
SCALE: 1" = 200'

N GRID NORTH



DETAIL "A"
N.T.S.

SIOUX EAST PROPOSED LEASE ROAD		
LINE	BEARING	DISTANCE
L1	S 00°46'06" E	169.99'
TOTAL EASEMENT IN Section 24		
ACREAGE	FEET	RODS
0.12	169.99'	10.30

TIE TABLE		
LINE	BEARING	DISTANCE
TIE-1	S 87°27'40" W	5,267.89
TIE-2	S 89°14'46" W	2,622.85'

EASEMENT DESCRIPTION

THE LENGTH OF THE HEREIN DESCRIBED 30 FOOT WIDE PROPOSED LEASE ROAD EASEMENT CROSSING SAID SECTION 24:
BEING 169.99 FEET (10.30 RODS) AND CONTAINS 0.12 ACRE OF LAND;
SECTION 24, TOWNSHIP 25 SOUTH, RANGE 35 EAST, NEW MEXICO PRINCIPAL MERIDIAN,
LEA COUNTY, NEW MEXICO.

RIDGE RUNNER RESOURCES II

CENTERLINE EASEMENT TOTALS AS SHOWN IN PLAN ABOVE

PERMANENT EASEMENT ACREAGE	0.12
CENTERLINE FOOTAGE	169.99'
CENTERLINE RODS	10.30

LEGEND

- PERMANENT EASEMENT
- W W W — EXISTING WATER LINE
- CENTERLINE OF LEASE ROAD
- x x x — FENCE
- PAD LINE
- G G G — EXISTING GAS PIPELINE
- PROPOSED CENTERLINE
- EXISTING PIPELINES
- OHP OHP — OVERHEAD POWERLINE
- SURVEY/SECTION LINE
- TOWNSHIP/RANGE LINE
- FOUND MONUMENT

STAMP

LLOYD P. SHORT
NEW MEXICO
21653
PROFESSIONAL SURVEYOR

SEPTEMBER 11, 2025

CERTIFICATION

I, LLOYD P. SHORT, NEW MEXICO PROFESSIONAL SURVEYOR NO. 21653, DO HEREBY CERTIFY THAT THIS EASEMENT SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY THAT THIS SURVEY IS NOT A LAND DIVISION OR SUBDIVISION AS DEFINED IN THE NEW MEXICO SUBDIVISION ACT AND THAT THIS INSTRUMENT IS AN EASEMENT SURVEY PLAT CROSSING AN EXISTING TRACT OR TRACTS.

NOTES

BASIS OF BEARING

ALL BEARINGS AND COORDINATES REFER TO NAD 83, NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET. ALL BEARINGS, DISTANCES, COORDINATES AND AREAS ARE GRID MEASUREMENTS UTILIZING A COMBINED SCALE FACTOR OF 0.99987673 AND A CONVERGENCE ANGLE OF 0.53882500'.

PLAT FOR A PROPOSED LEASE ROAD EASEMENT
CROSSING THE PROPERTY OF

NGL SOUTH RANCH LLC

LEA COUNTY, NEW MEXICO

DATE SURVEYED: 8/14/2025

REV.	DATE	DESCRIPTION	BY	CHKD

SHEET 2 OF 2
DRAWN BY: ERR
DATE DRAWN: 8/22/25
CHECKED BY: MWS

DELTA FIELD SERVICES
510 TRENTON STREET
WEST MONROE, LA 71291
(318) 323-6900

EXHIBIT "A"

NM-LE-0004.00160
LEA COUNTY, NEW MEXICO
3R OPERATING, LLC SHEET 1 OF 2
SIOUX EAST WELL PAD
PROPOSED LEASE ROAD EASEMENT

FIELD NOTES DESCRIBING

The centerline of a 30 foot wide proposed lease road easement, being 0.10 acre of land. Said easement being located in Section 25, Township 25 South, Range 35 East, New Mexico Principal Meridian, Lea County, New Mexico.

Being more particularly described as lying 15 feet on each side of the following described centerline, unless otherwise shown (see Detail "A" sheet 2 of 2):

BEGINNING (POINT OF BEGINNING) at a point from which a 1 inch iron pipe with GLO cap found for the North quarter corner of said Section 25 bears S 89°14'46" W a distance of 2,622.85 feet.

THENCE crossing said Section 25 the following courses and distances:

S 00°30'01" E a distance of 119.56 feet and S 45°09'35" W a distance of 18.32 feet to the *POINT OF TERMINATION* from which a 1 inch iron pipe with GLO cap found for the West quarter corner of said Section 25 bears S 63°43'30" E a distance of 5,828.96 feet.

The total length of the herein described proposed lease road easement crossing said Section 25, being 137.88 feet (8.36 rods), containing 0.10 acre of land.

The edges of the permanent easement are parallel with the centerline of the easement until reaching the boundaries of the subject tract of land, unless otherwise shown.

All bearings and coordinates refer to NAD 83, New Mexico State Plane Coordinate System, East Zone, U.S. Survey Feet. All bearings, distances, coordinates, and areas are based on grid measurements utilizing a combined scale factor of 0.99987673 and a convergence angle of 0.53882500°.

Title information furnished by 3R Operating, LLC.

Reference accompanying Certificate of Survey prepared in conjunction with this legal description for easement.

STATE OF NEW MEXICO
COUNTY OF LEA

I, Lloyd P. Short, New Mexico Professional Surveyor No. 21653, do hereby certify that this easement survey plat and the actual survey on the ground upon which it is based were performed by me or under my direct supervision; that I am responsible for this survey; that this survey meets the minimum standards for surveying in New Mexico; and that it is true and correct to the best of my knowledge and belief. I further certify that this survey is not a land division or subdivision as defined in the New Mexico Subdivision Act and that this instrument is an easement survey plat crossing an existing tract or tracts.

SEPTEMBER 11, 2025

LLOYD P. SHORT NEW MEXICO 21653 PROFESSIONAL SURVEYOR

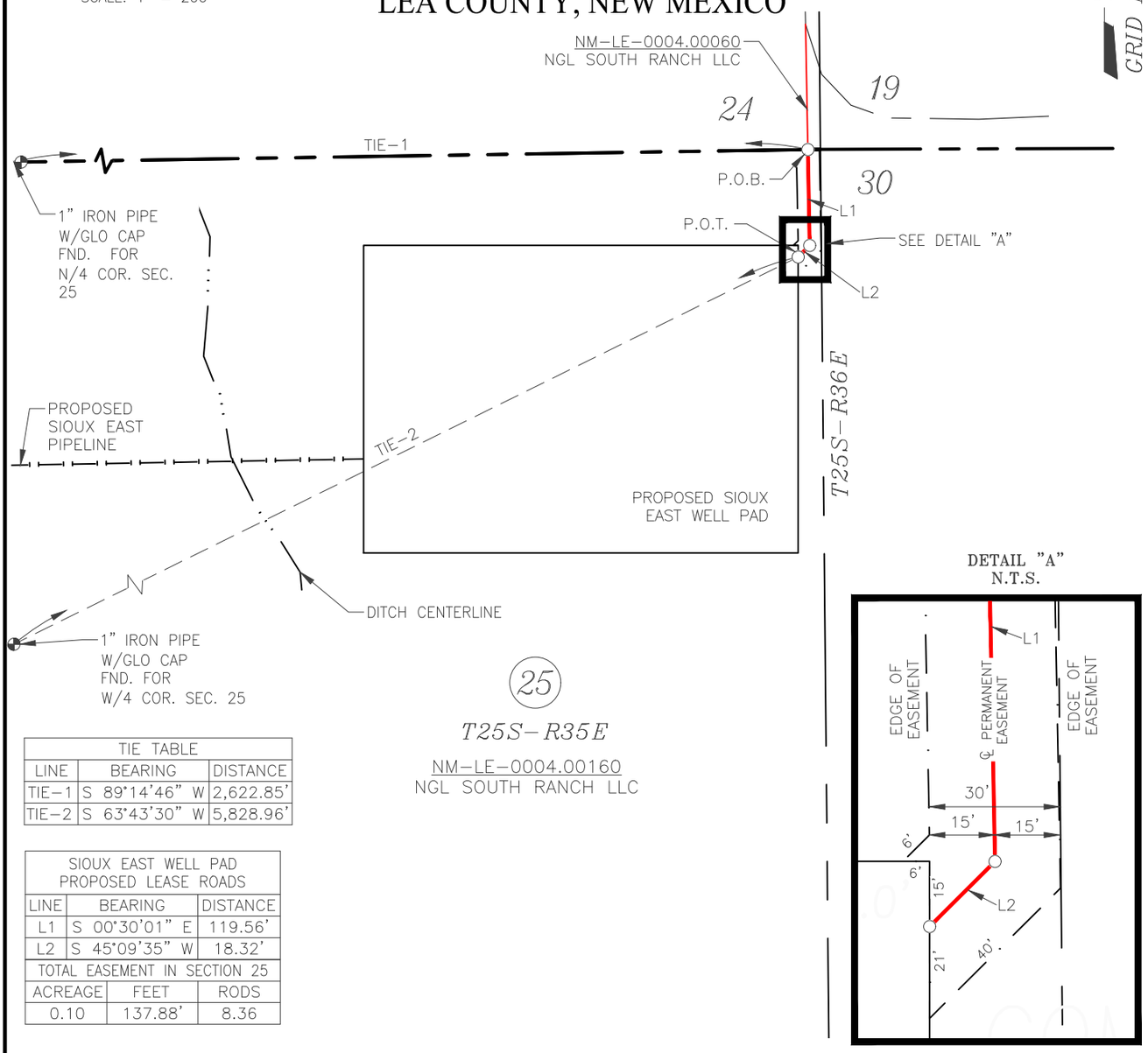
DELTA FIELD SERVICES	510 TRENTON ST. WEST MONROE, LA 71291 (318) 323-6900	This field note description is to accompany a plat evenly dated. Modification in any way of the foregoing description terminates liability of Surveyor.	JOB #: 20251134 REV. DATE BY

TRACT No.	NM–LE–0004.00160
JOB No.	20251134

SIOUX EAST WELL PAD
PROPOSED LEASE ROAD EASEMENT
SECTION 25, T-25-S, R-35-E, N.M.P.M.,
LEA COUNTY, NEW MEXICO

100' 0' 100' 200'
SCALE: 1" = 200'

N GRID NORTH



DETAIL "A"
N.T.S.

TIE TABLE		
LINE	BEARING	DISTANCE
TIE–1	S 89°14'46" W	2,622.85'
TIE–2	S 63°43'30" W	5,828.96'

SIOUX EAST WELL PAD PROPOSED LEASE ROADS		
LINE	BEARING	DISTANCE
L1	S 00°30'01" E	119.56'
L2	S 45°09'35" W	18.32'
TOTAL EASEMENT IN SECTION 25		
ACREAGE	FEET	RODS
0.10	137.88'	8.36

EASEMENT DESCRIPTION

THE LENGTH OF THE HEREIN DESCRIBED 30 FOOT WIDE PROPOSED LEASE ROAD EASEMENT CROSSING SAID SECTION 25:
BEING 137.88 FEET (8.36 RODS) AND CONTAINS 0.10 ACRE OF LAND;
SECTION 25, TOWNSHIP 25 SOUTH, RANGE 35 EAST, NEW MEXICO PRINCIPAL MERIDIAN,
LEA COUNTY, NEW MEXICO.

RIDGE RUNNER RESOURCES II

CENTERLINE EASEMENT TOTALS AS SHOWN IN PLAN ABOVE

PERMANENT EASEMENT ACREAGE	0.10
CENTERLINE FOOTAGE	137.88'
CENTERLINE RODS	8.36

LEGEND

- PERMANENT EASEMENT
- W W W — EXISTING WATER LINE
- CENTERLINE OF LEASE ROAD
- x x x — FENCE
- PAD LINE
- G G G — EXISTING GAS PIPELINE
- PROPOSED CENTERLINE
- EXISTING PIPELINES
- OHP OHP — OVERHEAD POWERLINE
- SURVEY/SECTION LINE
- TOWNSHIP/RANGE LINE
- FOUND MONUMENT

STAMP

LLOYD P. SHORT
NEW MEXICO
21653
PROFESSIONAL SURVEYOR

SEPTEMBER 11, 2025

CERTIFICATION

I, LLOYD P. SHORT, NEW MEXICO PROFESSIONAL SURVEYOR NO. 21653, DO HEREBY CERTIFY THAT THIS EASEMENT SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY THAT THIS SURVEY IS NOT A LAND DIVISION OR SUBDIVISION AS DEFINED IN THE NEW MEXICO SUBDIVISION ACT AND THAT THIS INSTRUMENT IS AN EASEMENT SURVEY PLAT CROSSING AN EXISTING TRACT OR TRACTS.

PLAT FOR A PROPOSED LEASE ROAD EASEMENT
CROSSING THE PROPERTY OF

NLG SOUTH RANCH LLC

LEA COUNTY, NEW MEXICO

DATE SURVEYED: 8/14/2025

NOTES

BASIS OF BEARING

ALL BEARINGS AND COORDINATES REFER TO NAD 83, NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET. ALL BEARINGS, DISTANCES, COORDINATES AND AREAS ARE GRID MEASUREMENTS UTILIZING A COMBINED SCALE FACTOR OF 0.99987673 AND A CONVERGENCE ANGLE OF 0.53882500'.

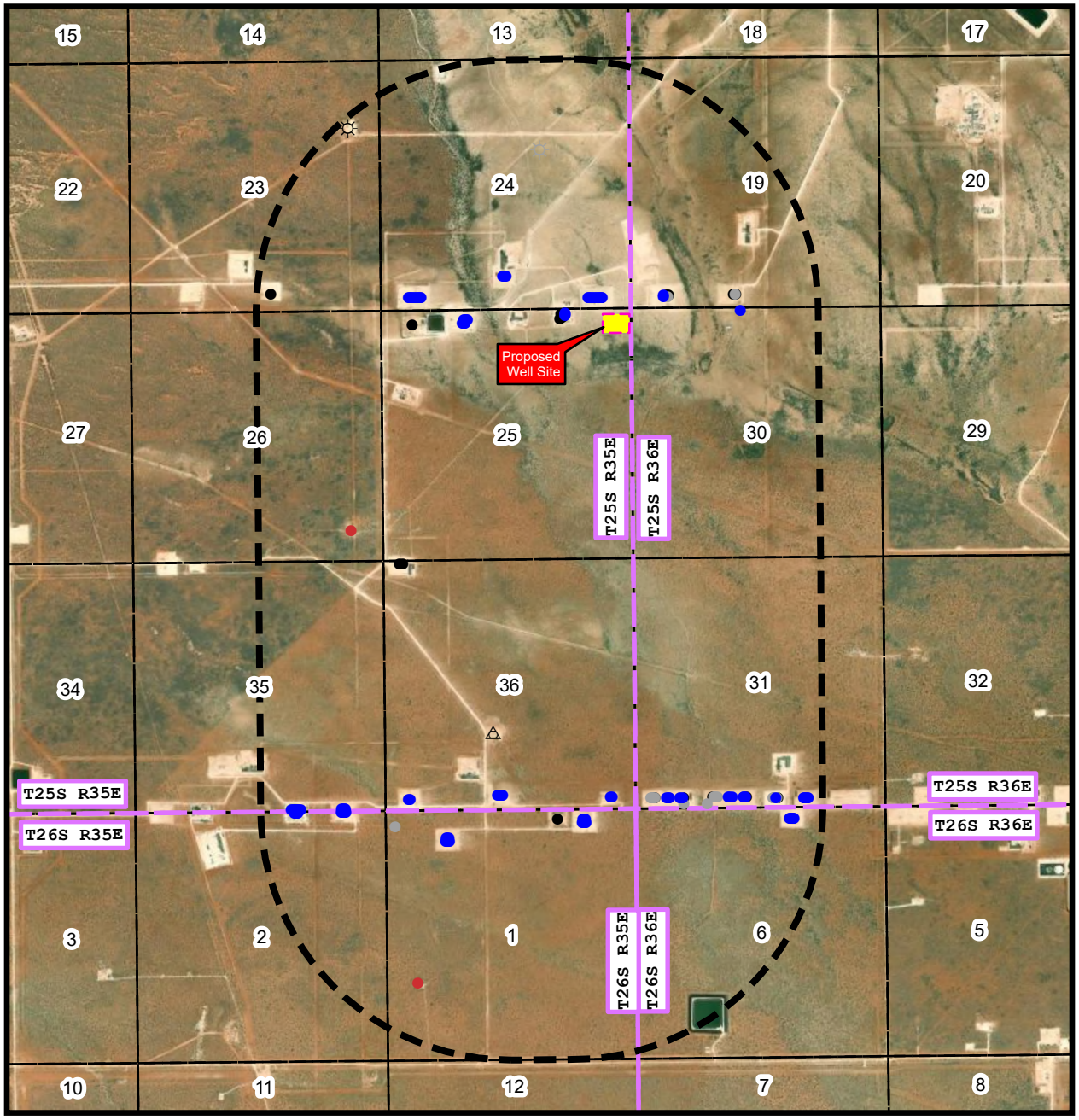
REV.	DATE	DESCRIPTION	BY	CHKD

SHEET 2 OF 2
DRAWN BY: JMW
DATE DRAWN: 8/21/2025
CHECKED BY: MWS

DELTA FIELD SERVICES
510 TRENTON STREET
WEST MONROE, LA 71291
(318) 323–6900

ONE-MILE RADIUS MAP

SIOUX EAST WELL PAD
SEC. 25 TWP: 25-S RNG: 35-E
SURVEY: N.M.P.M
OPERATOR: 3R OPERATING, LLC
COUNTY: LEA
U.S.G.S. TOPOGRAPHIC MAP: JAVELINA BASIN, NM,TX.



REV 1 ANC 9/11/2025

1" = 3,464 FEET

- 1 MILE RADIUS
- PAD
- TWNRNG
- SECTIONS

- Gas, Active (1)
- Gas, Cancelled (1)
- Oil, Active (24)
- Oil, Cancelled (20)
- Oil, New (107)
- Oil, Plugged (2)
- Salt Water Injection, Active (1)

SHEET 1 OF 6

PREPARED BY:
DELTA FIELD SERVICES, LLC.
510 TRENTON ST, WEST MONROE, LA 71291
318-323-6900 OFFICE
JOB No. 20251134

EXHIBIT "A"

NM-LE-0006.00000
LEA COUNTY, NEW MEXICO
3R OPERATING, LLC SHEET 1 OF 2
SIOUX EAST FLOWLINE
PROPOSED FLOWLINE EASEMENT

FIELD NOTES DESCRIBING

The centerline of a 30 foot wide proposed flowline easement, being 1.25 acres of land. Said easement being located in Section 25, Township 25 South, Range 35 East, New Mexico Principal Meridian, Lea County, New Mexico.

Being more particularly described as lying 15 feet on each side of the following described centerline, unless otherwise shown (see Detail "A" sheet 2 of 2):

BEGINNING (POINT OF BEGINNING) at a point from which a 1 inch iron pipe with GLO cap found for the North quarter corner of said Section 25 bears N 79°35'52" E a distance of 2,079.85 feet.

THENCE crossing said Section 25 the following courses and distances:

S 89°13'30" W a distance of 1,764.90 feet, and N 00°00'58" E a distance of 55.47 feet to the *POINT OF TERMINATION* from which a 2 inch iron pipe with GLO cap found for the Northwest corner of said Section 25 bears N 83°50'55" W a distance of 2,940.24 feet.

The total length of the herein described proposed flowline easement crossing said Section 25, being 1,820.37 feet (110.33 rods), containing 1.25 acres of land.

The edges of the permanent easement are parallel with the centerline of the easement until reaching the boundaries of the subject tract of land, unless otherwise shown.

The described pipeline shall be buried at all road crossings.

All bearings and coordinates refer to NAD 83, New Mexico State Plane Coordinate System, East Zone, U.S. Survey Feet. All bearings, distances, coordinates, and areas are based on grid measurements utilizing a combined scale factor of 0.99987673 and a convergence angle of 0.53882500°.

Title information furnished by 3R Operating, LLC.

Reference accompanying Certificate of Survey prepared in conjunction with this legal description for easement.

STATE OF NEW MEXICO
COUNTY OF LEA

I, John M. Russell, New Mexico Professional Surveyor No. 29049, do hereby certify that this easement survey plat and the actual survey on the ground upon which it is based were performed by me or under my direct supervision; that I am responsible for this survey; that this survey meets the minimum standards for surveying in New Mexico; and that it is true and correct to the best of my knowledge and belief. I further certify that this survey is not a land division or subdivision as defined in the New Mexico Subdivision Act and that this instrument is an easement survey plat crossing an existing tract or tracts.

SEPTEMBER 11, 2025

JOHN M RUSSELL
NEW MEXICO
29049
PROFESSIONAL SURVEYOR

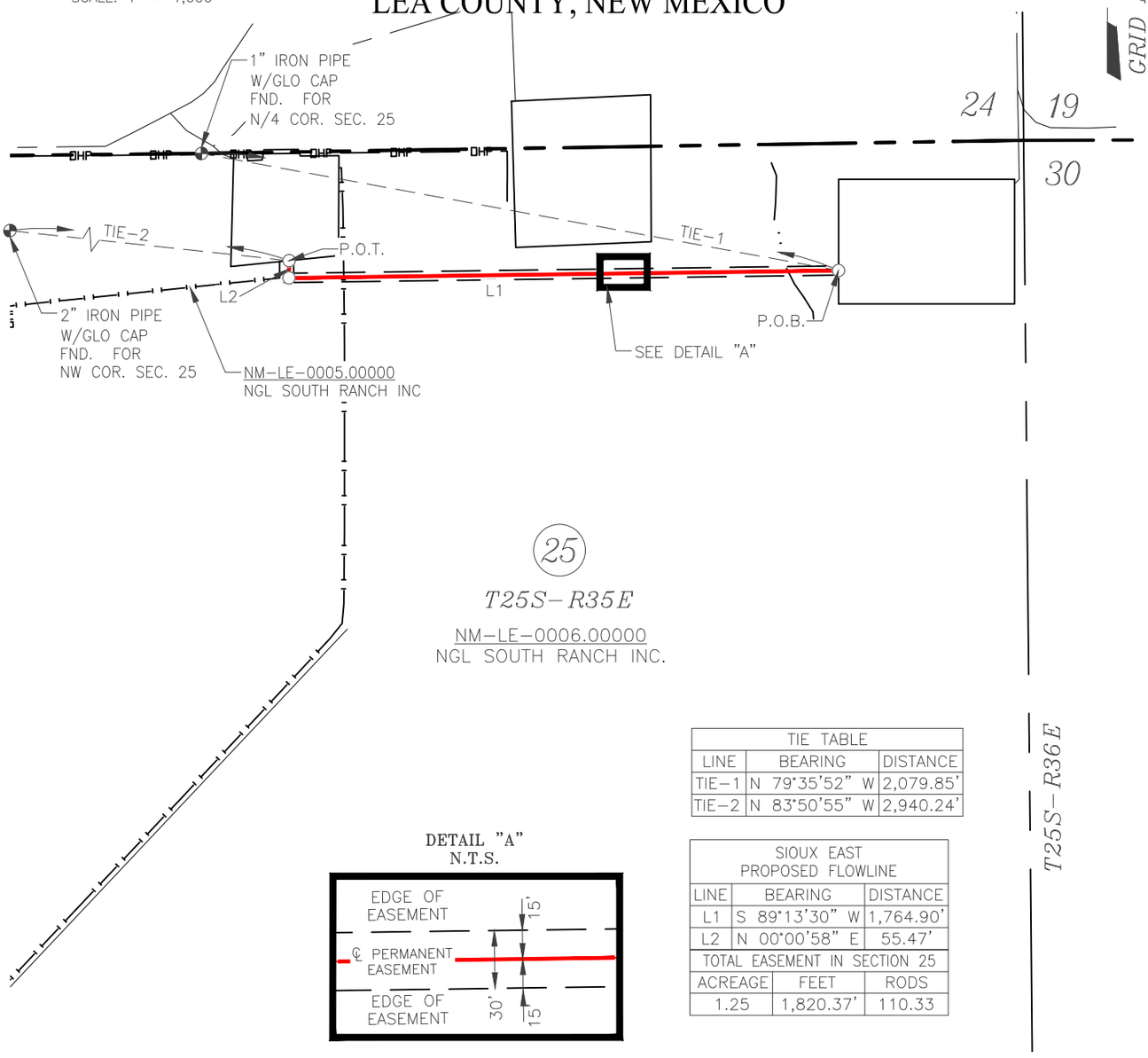
DELTA FIELD SERVICES	510 TRENTON ST. WEST MONROE, LA 71291 (318) 323-6900	This field note description is to accompany a plat evenly dated. Modification in any way of the foregoing description terminates liability of Surveyor.	JOB #: 20251134 REV. DATE BY

TRACT No. NM-LE-0006.00000
JOB No. 20251134

SIOUX EAST FLOWLINE
PROPOSED FLOWLINE EASEMENT
SECTION 25, T-25-S, R-35-E, N.M.P.M.,
LEA COUNTY, NEW MEXICO

500' 0' 500' 1,000'
SCALE: 1" = 1,000'

N GRID NORTH



TIE TABLE		
LINE	BEARING	DISTANCE
TIE-1	N 79°35'52" W	2,079.85'
TIE-2	N 83°50'55" W	2,940.24'

SIOUX EAST PROPOSED FLOWLINE		
LINE	BEARING	DISTANCE
L1	S 89°13'30" W	1,764.90'
L2	N 00°00'58" E	55.47'
TOTAL EASEMENT IN SECTION 25		
ACREAGE	FEET	RODS
1.25	1,820.37'	110.33

DETAIL "A"
N.T.S.

EASEMENT DESCRIPTION

THE LENGTH OF THE HEREIN DESCRIBED 30 FOOT WIDE PROPOSED FLOWLINE EASEMENT CROSSING SAID SECTION 25
BEING 1,820.37 FEET (110.33 RODS) AND CONTAINS 1.25 ACRES OF LAND;
SECTION 25, TOWNSHIP 25 SOUTH, RANGE 35 EAST, NEW MEXICO PRINCIPAL MERIDIAN,
LEA COUNTY, NEW MEXICO.

RIDGE RUNNER RESOURCES II

CENTERLINE EASEMENT TOTALS AS SHOWN IN PLAN ABOVE

PERMANENT EASEMENT ACREAGE	1.25
CENTERLINE FOOTAGE	1,820.37'
CENTERLINE RODS	110.33

LEGEND

- PERMANENT EASEMENT
- W W W — EXISTING WATER LINE
- CENTERLINE OF LEASE ROAD
- x x x — FENCE
- PAD LINE
- G G G — EXISTING GAS PIPELINE
- PROPOSED CENTERLINE
- EXISTING PIPELINES
- OHP OHP — OVERHEAD POWERLINE
- SURVEY/SECTION LINE
- TOWNSHIP/RANGE LINE
- FOUND MONUMENT

STAMP

JOHN M RUSSELL
NEW MEXICO
29049
PROFESSIONAL SURVEYOR

SEPTEMBER 11, 2025

CERTIFICATION

I, JOHN M. RUSSELL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 29049, DO HEREBY CERTIFY THAT THIS EASEMENT SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY THAT THIS SURVEY IS NOT A LAND DIVISION OR SUBDIVISION AS DEFINED IN THE NEW MEXICO SUBDIVISION ACT AND THAT THIS INSTRUMENT IS AN EASEMENT SURVEY PLAT CROSSING AN EXISTING TRACT OR TRACTS.

PLAT FOR A PROPOSED FLOWLINE EASEMENT
CROSSING THE PROPERTY OF

NGL SOUTH RANCH INC.

LEA COUNTY, NEW MEXICO

DATE SURVEYED: 8/19/2025

NOTES

BASIS OF BEARING

ALL BEARINGS AND COORDINATES REFER TO NAD 83, NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET. ALL BEARINGS, DISTANCES, COORDINATES AND AREAS ARE GRID MEASUREMENTS UTILIZING A COMBINED SCALE FACTOR OF 0.99987673 AND A CONVERGENCE ANGLE OF 0.53882500'.

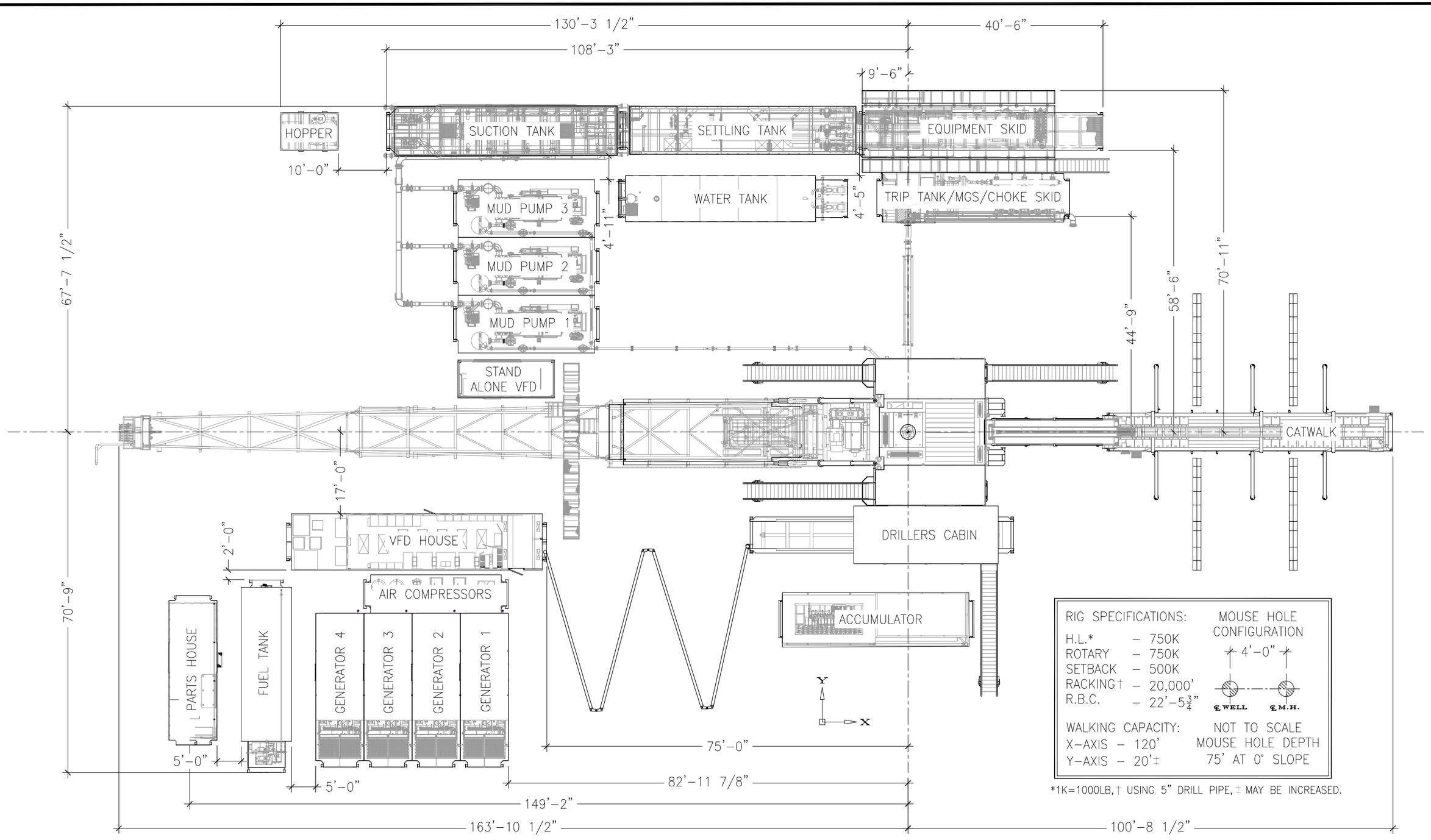
REV.	DATE	DESCRIPTION	BY	CHKD

SHEET 2 OF 2
DRAWN BY: JMW
DATE DRAWN: 8/21/2025
CHECKED BY: MWS

DELTA FIELD SERVICES
510 TRENTON STREET
WEST MONROE, LA 71291
(318) 323-6900

Water Transportation Route

Existing Frac Pond on Private Surface. Transport via temporary aboveground waterlines



RIG SPECIFICATIONS:

H.L.*	– 750K
ROTARY	– 750K
SETBACK	– 500K
RACKING†	– 20,000'
R.B.C.	– 22'–5¾"

WALKING CAPACITY:
X–AXIS – 120'
Y–AXIS – 20'‡

MOUSE HOLE CONFIGURATION

NOT TO SCALE
MOUSE HOLE DEPTH
75' AT 0° SLOPE

*1K=1000LB, † USING 5" DRILL PIPE, ‡ MAY BE INCREASED.

REVISION HISTORY

REV	DESCRIPTION	DATE	DRAWN BY	CHECKED BY	APPROVED BY
A	ISSUED FOR REVIEW	02/12/2020	MC	JM	–
0	GENERATORS CORRECTED	03/23/2020	MC	JM	–
1	ADDED MP3, ADDED RIG SPECS, UPDATED FORMATTING	06/1/2020	JM	JM	–
2	UPDATED RIG SPECS	07/23/2020	JM	JM	–
3	ADDED GEN 4	05/24/2022	JM	JM	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–

UNSPECIFIED TOLERANCES

DIMENSIONS OVER	TO	MACHINED	WELDMENT
0	1.5	±0.008	±1/32
1.5	7.0	±0.010	±1/32
7.0	20.0	±0.020	±1/16
20.0	50.0	±0.030	±1/8
50.0	120.0	±0.060	±3/16
120.0	240.0	±0.080	±1/4
ANGLES		±0.1°	±0.5°

BREAK ALL CORNERS .06 X 45°. MACHINE FINISH 250 MAX. MACHINED DIAMETERS ON SAME CENTERLINE SHALL BE COAXIAL WITHIN ⌀0.020. DRILLED HOLE LOCATIONS ⌀0.060. CHAMFER ALL TAPPED HOLES 45° TO FIRST THREAD ROOT. DIMENSIONS MARKED ( ) ARE FOR GENERAL REFERENCE ONLY. NOT TO BE USED FOR CONSTRUCTION.

PROPRIETARY INFORMATION

CONTACT INFORMATION

INDEPENDENCE CONTRACT DRILLING
Corporate Office
20475 SH 249, Ste. 300
Houston, Texas 77070
Main: (281) 598–1230
www.icdrilling.com

DRAWN BY: MC	DATE: 03/17/2020
CHECKED BY: JM	DATE: 03/17/2020
APPROVED BY: –	DATE: –

THIRD ANGLE PROJECTION

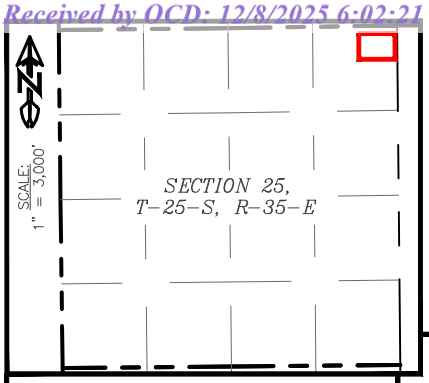
RIG 212
EQUIPMENT LAYOUT
GENERAL ARRANGEMENT

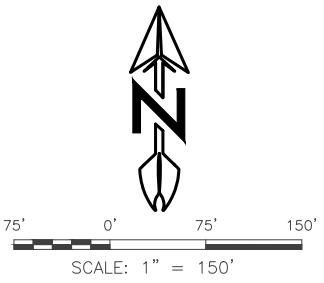
SIZE:	SCALE (UNO):	ESTIMATED WEIGHT (LBS):
B	1:225	–

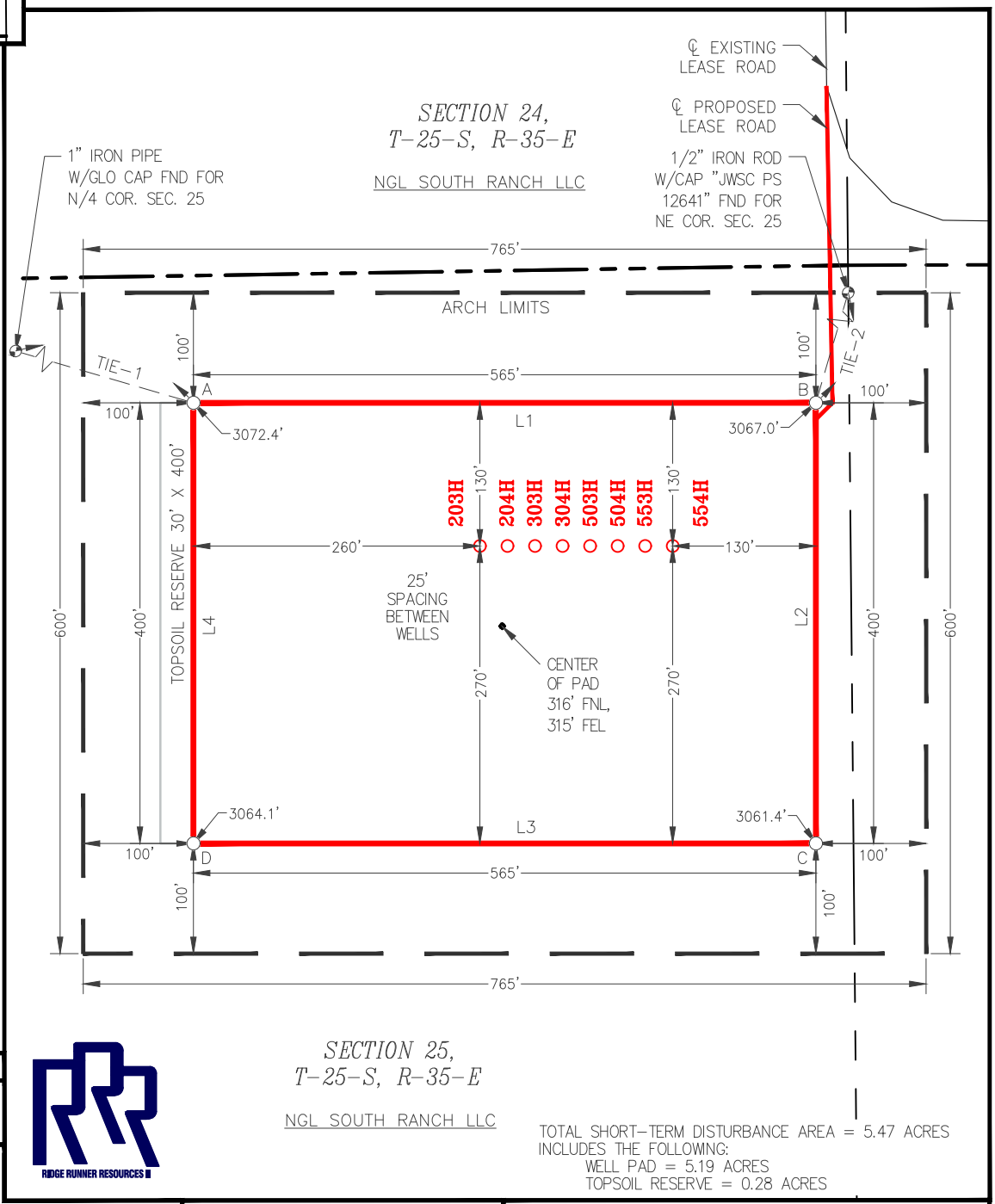
DWG NO.	REV:	SHEET:
RIG212–GA–001	3	1 OF 1

WELL PAD LOCATION PLAT

SIOUX EAST WELL PAD
SEC. 25 TWP. 25-S RGE. 35-E
SURVEY: N.M.P.M.
COUNTY: LEA
OPERATOR: 3R OPERATING, LLC
U.S.G.S. TOPOGRAPHIC MAP: JAVELINA BASIN, N.M., T.X.







PROPOSED PAD		
LINE	BEARING	DISTANCE
SECTION 25		
L1	N 90°00'00" E	564.99'
L2	S 00°00'00" E	400.00'
L3	N 90°00'00" W	565.02'
L4	N 00°00'18" E	400.00'

TIE TABLE		
TIE	BEARING	DISTANCE
TIE-1	N 87°40'45" W	2,047.37'
TIE-2	N 12°54'15" E	120.66'

NAD 83		
A	X:856754.44 Y:404641.07	LAT:32.10834027 LON:-103.31464401
B	X:857319.42 Y:404641.07	LAT:32.10832558 LON:-103.31281954
C	X:857319.42 Y:404241.07	LAT:32.10722617 LON:-103.31283177
D	X:856754.40 Y:404241.07	LAT:32.10724086 LON:-103.31465634

NAD 27		
A	X:815567.13 Y:404582.82	LAT:32.10821328 LON:-103.31418219
B	X:816132.11 Y:404582.81	LAT:32.10819856 LON:-103.31235778
C	X:816132.09 Y:404182.82	LAT:32.10709915 LON:-103.31237007
D	X:815567.08 Y:404182.83	LAT:32.10711386 LON:-103.31419456

NOTES

THIS IS NOT A BOUNDARY SURVEY, APPARENT PROPERTY CORNERS AND PROPERTY LINES ARE SHOWN FOR INFORMATION ONLY.

RIDGE RUNNER RESOURCES

TOTAL SHORT-TERM DISTURBANCE AREA = 5.47 ACRES
INCLUDES THE FOLLOWING:
WELL PAD = 5.19 ACRES
TOPSOIL RESERVE = 0.28 ACRES

SEPTEMBER 11, 2025

CERTIFICATION

I, LLOYD P. SHORT, NEW MEXICO PROFESSIONAL SURVEYOR NO. 21653, DO HEREBY CERTIFY THAT THIS EASEMENT SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FUTHER CERTIFY THAT THIS SURVEY IS NOT A LAND DIVISION OR SUBDIVISION AS DEFINED IN THE NEW MEXICO SUBDIVISION ACT AND THAT THIS INSTRUMENT IS AN EASEMENT SURVEY PLAT CROSSING AN EXISTING TRACT OR TRACTS.

BASIS OF BEARING

ALL BEARINGS AND COORDINATES REFER TO NAD 83, NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET. ALL BEARINGS, DISTANCES, COORDINATES AND AREAS ARE BASED GRID MEASUREMENTS UTILIZING A COMBINED SCALE FACTOR OF 0.99987673 AND A CONVERGENCE ANGLE OF 0.53882500°.

JOB NUMBER	1	09/10/2025	LRD
20251134	REV.	DATE	BY

SHEET 2 OF 6
DRAWN BY: LRD
DATE DRAWN: 08/21/2025
CHECKED BY: MWS

DELTA FIELD SERVICES

510 TRENTON STREET
WEST MONROE, LA 71291
(318) 323-6900

WELL PAD LOCATION PLAT

SIOUX EAST WELL PAD
SEC. 25 TWP. 25-S RGE. 35-E
SURVEY: N.M.P.M.
COUNTY: LEA
OPERATOR: 3R OPERATING, LLC
U.S.G.S. TOPOGRAPHIC MAP: JAVELINA BASIN, N.M., T.X.

FIELD NOTES DESCRIBING

A proposed surface site easement, being 5.19 acres of land. Said easement being located in Section 25, Township 25 South, Range 35 East, New Mexico Principal Meridian, Lea County, New Mexico.

Being more particularly described as:

BEGINNING at a point from which a 1 inch iron pipe with GLO cap found for the North quarter corner of said Section 25 bears N 87°40'45" W a distance of 2,047.37 feet.

THENCE:
N 90°00'00" E a distance of 564.99 feet to a point from which a 1/2 inch iron rod with cap marked "JWSC PS 12641" found for the Northeast corner of said Section 25 bears N 12°54'15" E a distance of 120.66 feet,
S 00°00'00" E a distance of 400.00 feet, N 90°00'00" W a distance of 565.02 feet, and
N 00°00'18" E a distance of 400.00 feet to the *PLACE OF BEGINNING*.

The total area of the herein described surface site easement in said Section 25 contains 5.19 acres of land.

All bearings and coordinates refer to NAD 83, New Mexico State Plane Coordinate System, East Zone, U.S. Survey Feet. All bearings, distances, coordinates and areas are based grid measurements utilizing a combined scale factor of 0.99987673 and a convergence angle of 0.53882500°.

Title information furnished by 3R Operating, LLC.

Reference accompanying Certificate of Survey prepared in conjunction with this legal description for easement.

STATE OF NEW MEXICO
COUNTY OF LEA,

I, Lloyd P. Short, New Mexico Professional Surveyor No. 21653, do hereby certify that this easement survey plat and the actual survey on the ground upon which it is based were performed by me or under my direct supervision; that I am responsible for this survey; that this survey meets the minimum standards for surveying in New Mexico; and that it is true and correct to the best of my knowledge and belief. I further certify that this survey is not a land division or subdivision as defined in the New Mexico Subdivision Act and that this instrument is an easement survey plat crossing an existing tract or tracts.

SEPTEMBER 11, 2025

LLOYD P. SHORT
NEW MEXICO
21653
PROFESSIONAL SURVEYOR

RIDGE RUNNER RESOURCES II

BASIS OF BEARING
ALL BEARINGS AND COORDINATES REFER TO NAD 83, NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET. ALL BEARINGS, DISTANCES, COORDINATES AND AREAS ARE BASED GRID MEASUREMENTS UTILIZING A COMBINED SCALE FACTOR OF 0.99987673 AND A CONVERGENCE ANGLE OF 0.53882500°.

JOB NUMBER	1	09/10/2025	LRD
20251134	REV.	DATE	BY

NOTES	SHEET 3 OF 6
THIS IS NOT A BOUNDARY SURVEY, APPARENT PROPERTY CORNERS AND PROPERTY LINES ARE SHOWN FOR INFORMATION ONLY.	DRAWN BY: LRD
	DATE DRAWN: 08/21/2025
	CHECKED BY: MWS

DELTA FIELD SERVICES
510 TRENTON STREET
WEST MONROE, LA 71291
(318) 323-6900

WELL PAD LOCATION PLAT

SIOUX EAST WELL PAD
SEC. 25 TWP. 25-S RGE. 35-E
SURVEY: N.M.P.M.
COUNTY: LEA
OPERATOR: 3R OPERATING, LLC
U.S.G.S. TOPOGRAPHIC MAP: JAVELINA BASIN, N.M., T.X.

SIOUX 25 36 FED COM 203H
3R OPERATING, LLC
250' FNL 336' FEL, SECTION 25
NAD 83, SPCS NM EAST
X:857014.42' / Y:404511.07'
LAT:32.10797620 / LON:-103.31380843
NAD 27, SPCS NM EAST
X:815827.11' / Y:404452.82'
LAT:32.10784920 / LON:-103.31334665
ELEVATION = 3067'

SIOUX 25 36 FED COM 204H
3R OPERATING, LLC
250' FNL 311' FEL, SECTION 25
NAD 83, SPCS NM EAST
X:857039.42' / Y:404511.07'
LAT:32.10797555 / LON:-103.31372770
NAD 27, SPCS NM EAST
X:815852.11' / Y:404452.82'
LAT:32.10784855 / LON:-103.31326592
ELEVATION = 3067'

SIOUX 25 36 FED COM 303H
3R OPERATING, LLC
250' FNL 286' FEL, SECTION 25
NAD 83, SPCS NM EAST
X:857064.42' / Y:404511.07'
LAT:32.10797490 / LON:-103.31364697
NAD 27, SPCS NM EAST
X:815877.11' / Y:404452.82'
LAT:32.10784790 / LON:-103.31318519
ELEVATION = 3067'

SIOUX 25 36 FED COM 304H
3R OPERATING, LLC
251' FNL 261' FEL, SECTION 25
NAD 83, SPCS NM EAST
X:857089.42' / Y:404511.07'
LAT:32.10797425 / LON:-103.31356624
NAD 27, SPCS NM EAST
X:815902.11' / Y:404452.82'
LAT:32.10784725 / LON:-103.31310447
ELEVATION = 3067'

SIOUX 25 36 FED COM 503H
3R OPERATING, LLC
251' FNL 236' FEL, SECTION 25
NAD 83, SPCS NM EAST
X:857114.42' / Y:404511.07'
LAT:32.10797360 / LON:-103.31348551
NAD 27, SPCS NM EAST
X:815927.11' / Y:404452.82'
LAT:32.10784660 / LON:-103.31302374
ELEVATION = 3067'

SIOUX 25 36 FED COM 504H
3R OPERATING, LLC
252' FNL 211' FEL, SECTION 25
NAD 83, SPCS NM EAST
X:857139.42' / Y:404511.07'
LAT:32.10797295 / LON:-103.31340478
NAD 27, SPCS NM EAST
X:815952.11' / Y:404452.82'
LAT:32.10784595 / LON:-103.31294301
ELEVATION = 3066'

SIOUX 25 36 FED COM 553H
3R OPERATING, LLC
252' FNL 186' FEL, SECTION 25
NAD 83, SPCS NM EAST
X:857164.42' / Y:404511.07'
LAT:32.10797230 / LON:-103.31332405
NAD 27, SPCS NM EAST
X:815977.10' / Y:404452.82'
LAT:32.10784529 / LON:-103.31286228
ELEVATION = 3066'

SIOUX 25 36 FED COM 554H
3R OPERATING, LLC
252' FNL 161' FEL, SECTION 25
NAD 83, SPCS NM EAST
X:857189.42' / Y:404511.07'
LAT:32.10797165 / LON:-103.31324331
NAD 27, SPCS NM EAST
X:816002.10' / Y:404452.82'
LAT:32.10784464 / LON:-103.31278156
ELEVATION = 3066'

RIDGE RUNNER RESOURCES III

BASIS OF BEARING
ALL BEARINGS AND COORDINATES REFER TO NAD 83, NEW MEXICO STATE PLANE COORDINATE SYSTEM, EAST ZONE, U.S. SURVEY FEET. ALL BEARINGS, DISTANCES, COORDINATES AND AREAS ARE BASED GRID MEASUREMENTS UTILIZING A COMBINED SCALE FACTOR OF 0.99987673 AND A CONVERGENCE ANGLE OF 0.53882500°.

JOB NUMBER	1	09/10/2025	LRD
20251134	REV.	DATE	BY

NOTES
THIS IS NOT A BOUNDARY SURVEY, APPARENT PROPERTY CORNERS AND PROPERTY LINES ARE SHOWN FOR INFORMATION ONLY.

SHEET 4 OF 6
DRAWN BY: LRD
DATE DRAWN: 08/21/2025
CHECKED BY: MWS

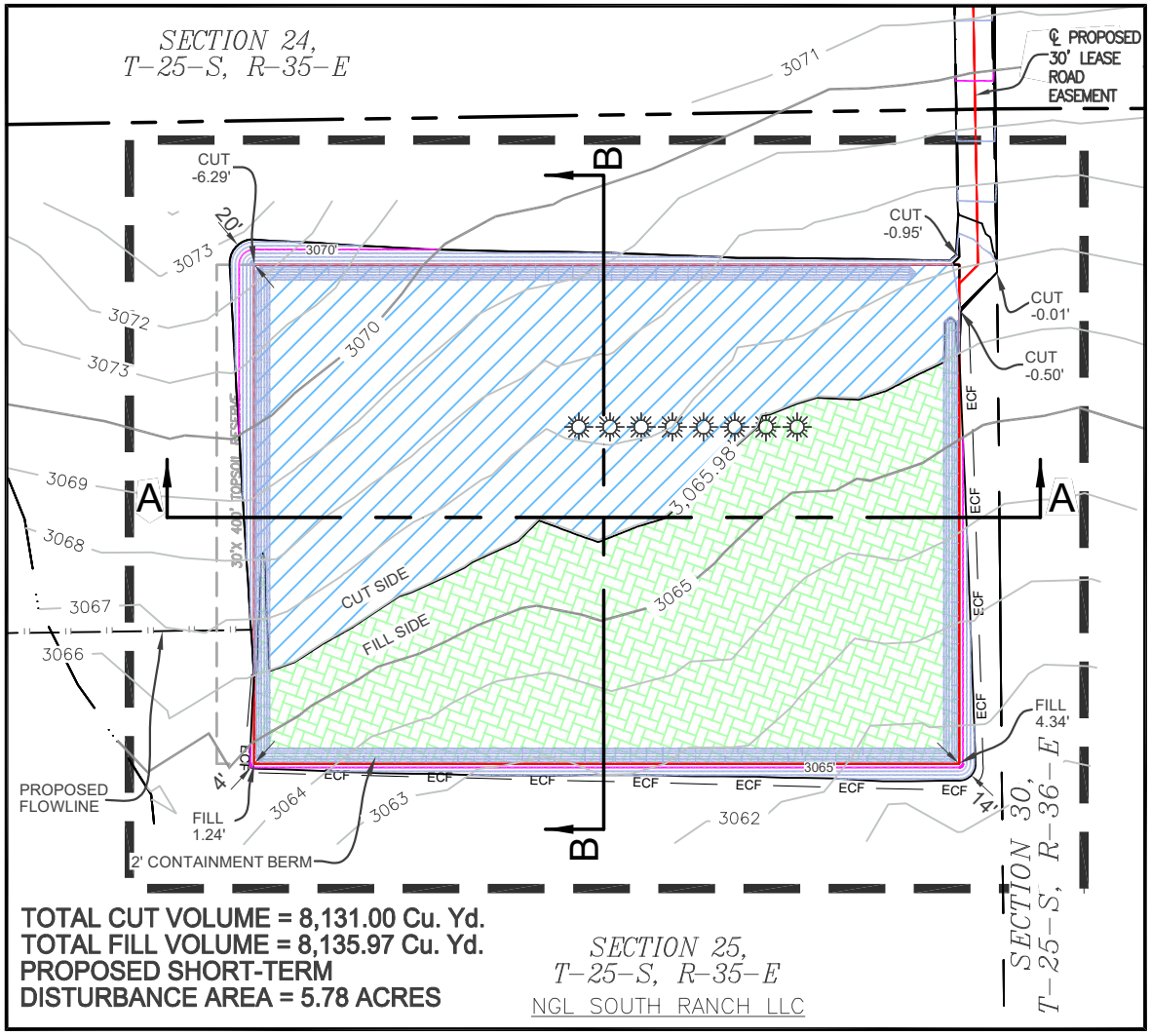
DELTA FIELD SERVICES

510 TRENTON STREET
WEST MONROE, LA 71291
(318) 323-6900

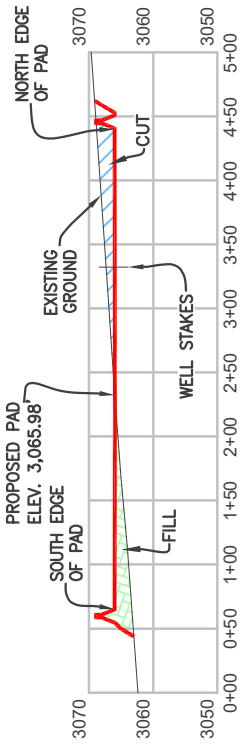
CUT & FILL CROSS SECTIONS

SIOUX EAST WELL PAD
SEC. 25 TWP. 25-S RGE. 35-E
SURVEY: N.M.P.M.
COUNTY: LEA
OPERATOR: 3R OPERATING, LLC
U.S.G.S. TOPOGRAPHIC MAP: JAVALINA BASIN, N.M., T.X.

75' 0' 75' 150'
SCALE: 1" = 150'

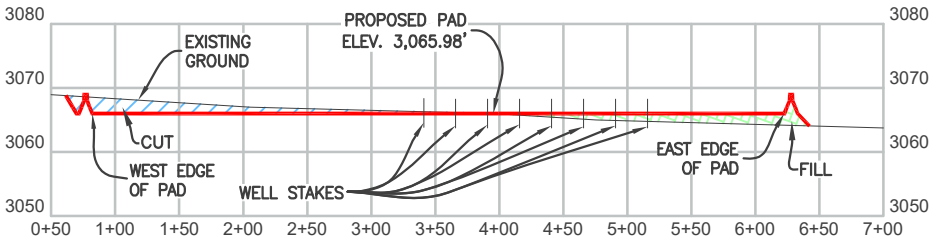


TOTAL CUT VOLUME = 8,131.00 Cu. Yd.
TOTAL FILL VOLUME = 8,135.97 Cu. Yd.
PROPOSED SHORT-TERM DISTURBANCE AREA = 5.78 ACRES



HORIZONTAL: 1" = 150'
VERTICAL: 1" = 30'

A - A CUT SECTION VIEW



CUT AREA
FILL AREA

HORIZONTAL: 1" = 150'
VERTICAL: 1" = 30'

LEGEND

PROPOSED PAD SURFACE	PROP. 1' CONTOUR LINES
PROPOSED LEASE ROAD	PROP. 5' CONTOUR LINES
EXIST. 1' CONTOUR LINES	EROSION CONTROL FENCE ECF ECF
EXIST. 5' CONTOUR LINES	

LLOYD P. SHORT NEW MEXICO 19499 PROFESSIONAL ENGINEER
SEPTEMBER 11, 2025

RIDGE RUNNER RESOURCES II

JOB NUMBER			
20251134	REV.	DATE	BY
SHEET 1 OF 1			
DRAWN BY: ERR			
DATE DRAWN: 8/26/2025			
CHECKED BY: MWS			

DELTA FIELD SERVICES
510 TRENTON STREET
WEST MONROE, LA 71291
(318) 323-6900

AFMSS

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

PWD Data Report

12/08/2025

APD ID: 10400107311 **Submission Date:** 09/25/2025

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

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

Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined

Would you like to utilize Lined Pit PWD options? N

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Other PWD Surface Owner Description:

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit

Pit liner description:

Pit liner manufacturers

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule

Lined pit reclamation description:

Lined pit reclamation

Leak detection system description:

Leak detection system

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

Lined pit Monitor description:

Lined pit Monitor

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information

Section 3 - Unlined

Would you like to utilize Unlined Pit PWD options? N

Produced Water Disposal (PWD) Location:

PWD disturbance (acres): **PWD surface owner:**

Other PWD Surface Owner Description:

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit

Precipitated solids disposal:

Decribe precipitated solids disposal:

Precipitated solids disposal

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule

Unlined pit reclamation description:

Unlined pit reclamation

Unlined pit Monitor description:

Unlined pit Monitor

Do you propose to put the produced water to beneficial use?

Beneficial use user

Estimated depth of the shallowest aquifer (feet):

Precipitated Solids Permit

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

State

Unlined Produced Water Pit Estimated

Unlined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information

Section 4 -

Would you like to utilize Injection PWD options? N

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Other PWD Surface Owner Description:

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number: **Injection well name:**

Assigned injection well API number? **Injection well API number:**

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection

Underground Injection Control (UIC) Permit?

UIC Permit

Section 5 - Surface

Would you like to utilize Surface Discharge PWD options? N

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

Other PWD Surface Owner Description :

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Operator Name: 3R OPERATING LLC

Well Name: SIOUX 25 36 FED COM **Well Number:** 554H

Section 6 -

Would you like to utilize Other PWD options? N

Produced Water Disposal (PWD) Location:

PWD surface owner: **PWD disturbance (acres):**

PWD Surface Owner Description:

Other PWD discharge volume (bbl/day):

Other PWD type description:

Other PWD type

Have other regulatory requirements been met?

Other regulatory requirements

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

Bond Info Data
12/08/2025

APD ID: 10400107311
Submission Date: 09/25/2025
Operator Name: 3R OPERATING LLC
Well Name: SIOUX 25 36 FED COM
Well Number: 554H
Well Type: OIL WELL
Well Work Type: Drill

Highlighted data reflects the most recent changes
Show Final Text

Bond

Federal/Indian APD: FED

BLM Bond number: NMB105811880

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:

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

General Information
Phone: (505) 629-6116

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

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

ACKNOWLEDGMENTS

Operator: 3R Operating, LLC 20405 State Highway 249 Houston, TX 77070	OGRID: 331569
	Action Number: 532965
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

ACKNOWLEDGMENTS

☑	I hereby certify that no additives containing PFAS chemicals will be added to the completion or recompletion of this well.

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

General Information
Phone: (505) 629-6116

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

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

CONDITIONS

Operator:	OGRID:
3R Operating, LLC 20405 State Highway 249 Houston, TX 77070	331569
	Action Number: 532965
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
atramell01	Cement is required to circulate on both surface and intermediate1 strings of casing.	12/8/2025
matthew.gomez	If cement does not circulate to surface on any string, a Cement Bond Log (CBL) is required for that string of casing, if a CBL is unable to indicate sufficient cement coverage due to a lighter cement, a USI log may also be required. If strata isolation is not achieved, remediation will be required before further operations may commence.	12/19/2025
matthew.gomez	All conducted logs must be submitted to the OCD.	12/19/2025
matthew.gomez	Cement must be in place for at least eight hours and achieve a minimum compressive strength of 500 PSI before performing any further operations on the well.	12/19/2025
matthew.gomez	If the Capitan Reef is encountered the intermediate string shall be set and cemented back to surface immediately below the base of the Capitan Reef.	12/19/2025
matthew.gomez	In Capitan Reef areas if lost circulation (50% or greater) occurs below the base of the salt, the operator shall switch to freshwater mud until the intermediate casing is set.	12/19/2025
matthew.gomez	Notify the OCD 24 hours prior to casing & cement.	12/19/2025
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.	12/19/2025
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.	12/19/2025
matthew.gomez	File As Drilled C-102 and a directional Survey with C-104 completion packet.	12/19/2025