

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

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

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

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

State of New Mexico

Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

☐ AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

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

¹ Operator Name and Address IACX Production, LLC. 5001 LBJ Freeway, Suite 300 Dallas, TX 75244		² OGRID Number 329877	
		³ API Number 30-005-63439	
⁴ Property Code 328038	⁵ Property Name Salem		⁶ Well No. 2

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
N	3	8S	26E		660	South	1980	West	Chaves

⁸ Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

⁹ Pool Information

Pool Name	Pool Code
Pecos Slope; Abo (Gas)	82730

Additional Well Information

¹¹ Work Type P	¹² Well Type G	¹³ Cable/Rotary	¹⁴ Lease Type Private	¹⁵ Ground Level Elevation 3,783'
¹⁶ Multiple N	¹⁷ Proposed Depth 4,700'	¹⁸ Formation Abo	¹⁹ Contractor	²⁰ Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits²¹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	12.25"	8.625"	24	1,004'	700 (in place)	0
Prod	7.875"	5.5"	15.5	5,790'	425 (in place)	3,580'

Casing/Cement Program: Additional Comments

--

²² Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Manual BOP	3000 psi	3000 psi	Whichever company is available

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐, if applicable.

Signature: 

Printed name: Keith Hutchens

Title: Production Supervisor

E-mail Address: keithhutchens@iacxproduction.com

Date: 04/06/2021

Phone: 575-416-3240

OIL CONSERVATION DIVISION

Approved By:

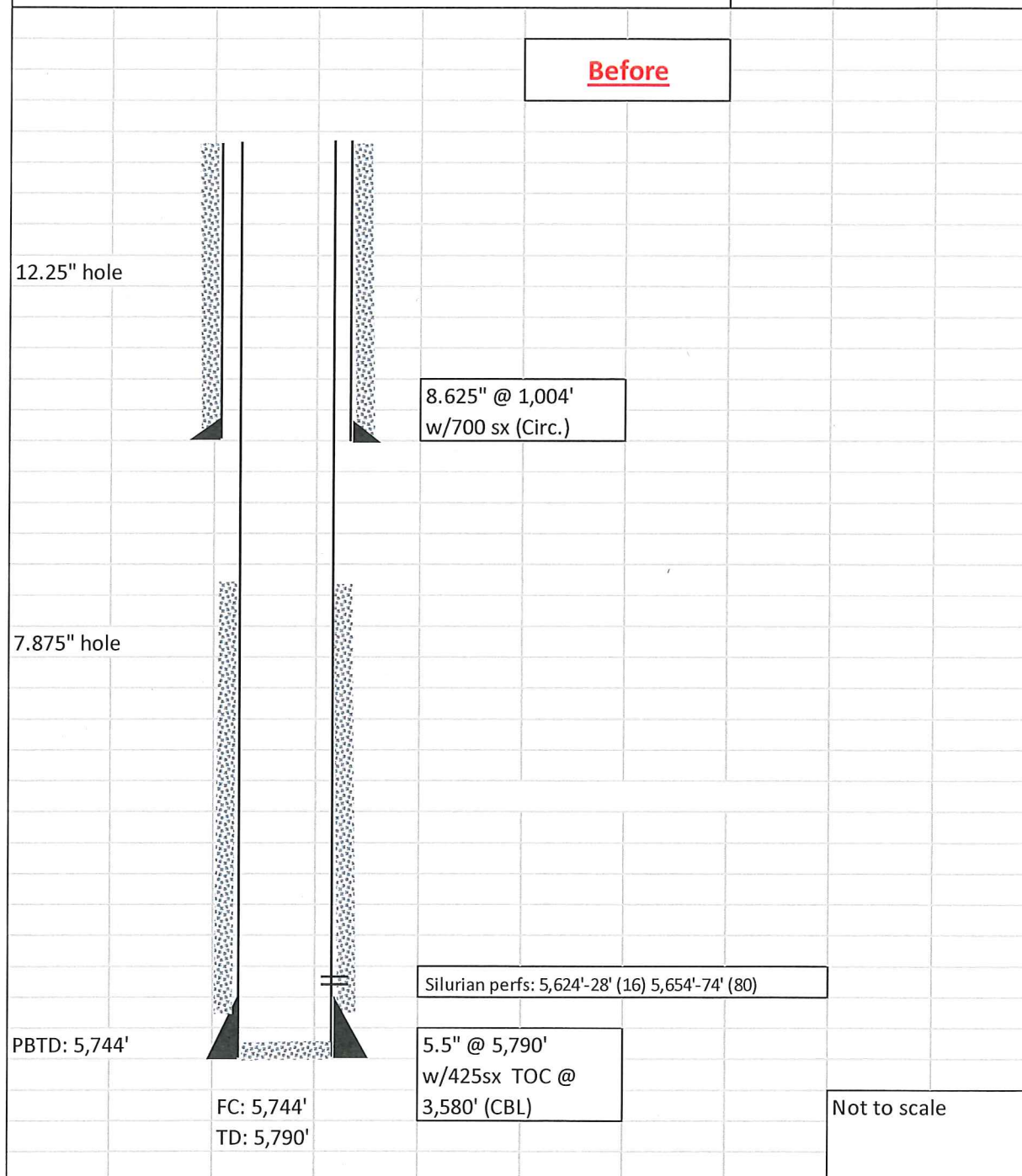
Title:

Approved Date:

Expiration Date:

Conditions of Approval Attached

Well Name: Salem #2	Field:	Casing Program	
Location: 660' FSL & 1980' FWL Sec 3-8S-26E Chaves County		8-5/8" 24# J55 ST&C	1,004'
GL: 3,783'	Zero:	KB:	
Spud Date: 10/20/02	Completion Date:		5-1/2" 15.5# J55
Comments: API No. 30-005-63439		ST&C	5,790'



Released to Imaging: 4/12/2021 9:34:52 AM

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-63439	² Pool Code 82730	³ Pool Name Pecos Slope; Abo (Gas)
⁴ Property Code 328038	⁵ Property Name Salem	⁶ Well Number 2
⁷ OGRID No. 329877	⁸ Operator Name IACX Production, LLC.	⁹ Elevation 3,783'

¹⁰ Surface Location


UL or lot no. N	Section 3	Township 8S	Range 26E	Lot Idn	Feet from the 660	North/South line South	Feet from the 1980	East/West line West	County Chaves
--------------------	--------------	----------------	--------------	---------	----------------------	---------------------------	-----------------------	------------------------	------------------

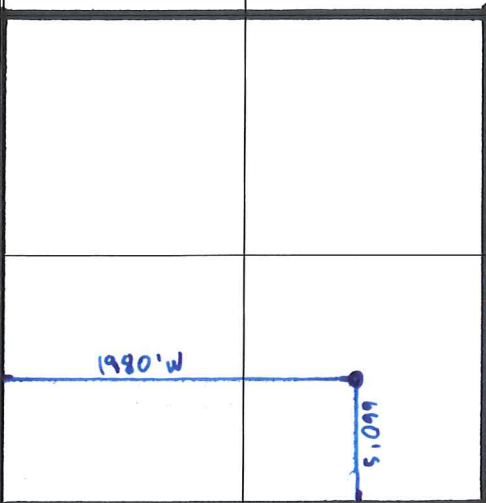
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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

¹⁶				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  Signature 04/06/2021 Date Keith Hutchens Printed Name keithhutchens@iacxproduction.com E-mail Address
				¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number



District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 04/06/2021

☒ Original

Operator & OGRID No.: [329877] IACX Production LLC

☐ Amended - Reason for Amendment:

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Salem #2	30-005-63439	N-3-8S-26E	660S 1980W	400	0	Well is already connected to IACX Roswell LLC gathering system

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to IACX Roswell, LLC and will be connected to IACX Roswell, LLC low pressure gathering system located in Chaves County, New Mexico. It will require 0' of pipeline to connect the facility to low pressure gathering system. IACX Production LLC provides (periodically) to IACX Roswell, LLC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, IACX Production LLC and IACX Roswell, LLC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at IACX Roswell, LLC Processing Plant located in Sec.10, Twn.9S, Rng.25E, Chaves County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on IACX Roswell, LLC system at that time. Based on current information, it is IACX Production LLC belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

District I

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

District II

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

District III

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

District IV

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

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

COMMENTS

Action 23083

COMMENTS

Operator:	OGRID:	Action Number:	Action Type:
IACX PRODUCTION LLC 5001 LBJ Freeway, Suite 300 Dallas, TX75244	329877	23083	APD

Created By	Comment	Comment Date
kpickford	KP GEO Review 4/7/2021	04/07/2021

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 23083

CONDITIONS OF APPROVAL

Operator:	IACX PRODUCTION LLC	5001 LBJ Freeway, Suite 300	Dallas, TX75244	OGRID:	329877	Action Number:	23083	Action Type:	APD
OCD Reviewer	Condition								
kpickford	Notify NMOCD 24 Hours Prior to beginning operations								