

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: Enduring Resources, LLC **OGRID:** 372286 **Date:** 07 / 01 / 2021

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: COA for approved APD change in plans

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
W LYBROOK UNIT 726H	30-045-38266	M-23-23N-9W	561FSL&636FWL	1308	1962	1200
W LYBROOK UNIT 728H	30-045-38265	M-23-23N-9W	548FSL&621FWL	835	1670	1200
W LYBROOK UNIT 729H	30-045-38267	M-23-23N-9W	508FSL&576FWL	765	1530	1200
W LYBROOK UNIT 760H	30-045-38268	M-23-23N-9W	521FSL&591FWL	1196	1794	1200
W LYBROOK UNIT 761H	30-045-38269	M-23-23N-9W	495FSL&561FWL	1060	1590	1200

IV. Central Delivery Point Name: _____ [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
W LYBROOK UNIT 726H	30-045-38266	9/29/21	10/27/21	12/28/21	<u>4/13/22</u>	4/15/22
W LYBROOK UNIT 728H	30-045-38265	9/26/21	10/21/21	1/17/22	<u>4/12/22</u>	4/14/22
W LYBROOK UNIT 729H	30-045-38267	9/21/21	10/11/21	1/18/22	<u>4/11/22</u>	4/13/22
W LYBROOK UNIT 760H	30-045-38268	9/24/21	10/16/21	12/29/21	<u>4/12/22</u>	4/14/22
W LYBROOK UNIT 761H	30-045-38269	9/19/21	10/6/21	12/30/21	<u>4/11/22</u>	4/13/22

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

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

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

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

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

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

IX. Anticipated Natural Gas Production:

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

X. Natural Gas Gathering System (NGGS):

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

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

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

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

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

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

Section 3 - Certifications

Effective May 25, 2021

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

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

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

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

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

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

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

Section 4 - Notices


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

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

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

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

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

Signature: 
Printed Name: Heather Huntington
Title: Permitting Technician
E-mail Address: hhuntington@enduringresources.com
Date: 7/1/21
Phone: 505-636-9751
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By: <u>John Garcia</u>
Title: <u>Petroleum Engineer</u>
Approval Date: <u>7/1/2021</u>
Conditions of Approval:

Attachments:

Separation Equipment: Below is a complete description of how Operator will size separation equipment to optimize gas capture.

Description of how separation equipment will be sized to optimize gas capture:

Well separation equipment is sized to have appropriate residence time and vapor space to remove gas particles on the micron scale per typical engineering calculations and/or operational experience. Furthermore, a sales scrubber downstream of the well separators is planned in order to capture any additional liquids if present. All gas is routed to end users or the sales pipeline under normal operating conditions.

Operational & Best Management Practices: Below is a complete description of the actions the Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC. Additionally, below is a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Drilling Operations:

Enduring Resources will minimize venting by:

- Gas will only be vented to the atmosphere to avoid risk of immediate or substantial adverse impact to employee safety, public health, and the environment.
- If utilized, flare stacks shall be located at a minimum of 100 feet from the nearest surface hole location

Completion Operations:

Enduring Resources will minimize venting by:

- Separator operation will commence as soon as technically feasible.
- Gas will route immediately to a collection system or applied to other beneficial use, such as a fuel source for onsite equipment.
- During initial flowback and if technically feasible, flaring shall occur rather than venting.
- If natural gas does not meet pipeline standards, gas will be vented or flared. A gas analysis will be performed twice weekly until standards are met (for up to 60 days). This is not anticipated to occur.
- If required, all venting and flaring of natural gas during flowback operations shall be performed in compliance with Subsections B, C and D of 19.15.27.8 NMAC.

Production Operations:

Enduring Resources will minimize venting by:

- Shutting in the wells if the pipeline is not available. No flaring of high pressure gas will occur.
- Utilizing gas for equipment fuel, heater fuel, and artificial lift when allowable.
- Capturing low pressure gas via a gas capture system when allowable.

In General:

- All venting and flaring from drilling, flowback and operation phases shall be reported in compliance with Subsection G of 19.15.27.8 NMAC.
- If utilized, flare stacks shall be located at a minimum of 100 feet from the nearest surface hole location and 100 ft from the permanent facility storage tanks.

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 Gas Transporter system at that time. Based on current information, it is Operator's 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
- Power generation for grid;
- Liquids removal on lease;
- ReInjection for underground storage;
- ReInjection for temporary storage;
- ReInjection for enhanced oil recovery;
- Fuel cell production; and
- Other alternative beneficial uses approved by the division.

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

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QUESTIONS

Action 34592

QUESTIONS

Operator: ENDURING RESOURCES, LLC 1050 17TH STREET, SUITE 2500 DENVER, CO 80265	OGRID: 372286
	Action Number: 34592
	Action Type: [UF-NGMP] NG Management Plan (NGMP)

QUESTIONS

II. Type:	
Original	Not answered.
Amendment due to 19.15.27.9.D(6)(a) NMAC	Not answered.
Amendment due to 19.15.27.9.D(6)(b) NMAC	Not answered.
Other	True
If other, please describe	COA FOR APPROVED APD CHANGE IN PLANS

III. Well(s)	
Number of wells identified above	5

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CONDITIONS

Created By	Condition	Condition Date
jagarcia	None	7/1/2021