

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

Form C-101
August 1, 2011

Permit 321032

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

1. Operator Name and Address TAP ROCK OPERATING, LLC 523 Park Point Drive Golden, CO 80401		2. OGRID Number 372043
		3. API Number 30-025-50361
4. Property Code 329779	5. Property Name HYPERION STATE COM	6. Well No. 144H

7. Surface Location

UL - Lot A	Section 20	Township 24S	Range 33E	Lot Idn A	Feet From 599	N/S Line N	Feet From 752	E/W Line E	County Lea
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8. Proposed Bottom Hole Location

UL - Lot P	Section 20	Township 24S	Range 33E	Lot Idn P	Feet From 30	N/S Line S	Feet From 990	E/W Line E	County Lea
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9. Pool Information

TRIPLE X;BONE SPRING, WEST	96674
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3562
16. Multiple N	17. Proposed Depth 15297	18. Formation Bone Spring	19. Contractor	20. Spud Date 7/27/2022
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

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

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1200	998	0
Int1	12.25	9.625	40	5130	1151	0
Prod	6.75	5.5	20	15297	667	9770
Prod	8.75	5.5	20	9770	354	4930

Casing/Cement Program: Additional Comments

Tap Rock also requests the option to drill a 7-7/8" curve and lateral. If the hole size is increased from 6-3/4" to 7-7/8", cement volumes will be adjusted appropriately.
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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	2500	
Double Ram	10000	5000	
Pipe	10000	5000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable.		OIL CONSERVATION DIVISION	
Signature:			
Printed Name:	Electronically filed by Christian Combs	Approved By:	Paul F Kautz
Title:	Regulatory Manager	Title:	Geologist
Email Address:	ccombs@taprk.com	Approved Date:	7/22/2022
Date:	7/14/2022	Expiration Date:	7/22/2024
Phone:	720-360-4028	Conditions of Approval Attached	

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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 30-025-50361	² Pool Code 96674	³ Pool Name TRIPLE X;BONE SPRING, WEST
⁴ Property Code 329779	⁵ Property Name HYPERION STATE COM	
⁷ OGRID No. #372043	⁸ Operator Name TAP ROCK OPERATING, LLC.	⁶ Well Number 144H
		⁹ Elevation 3562'

¹⁰Surface Location

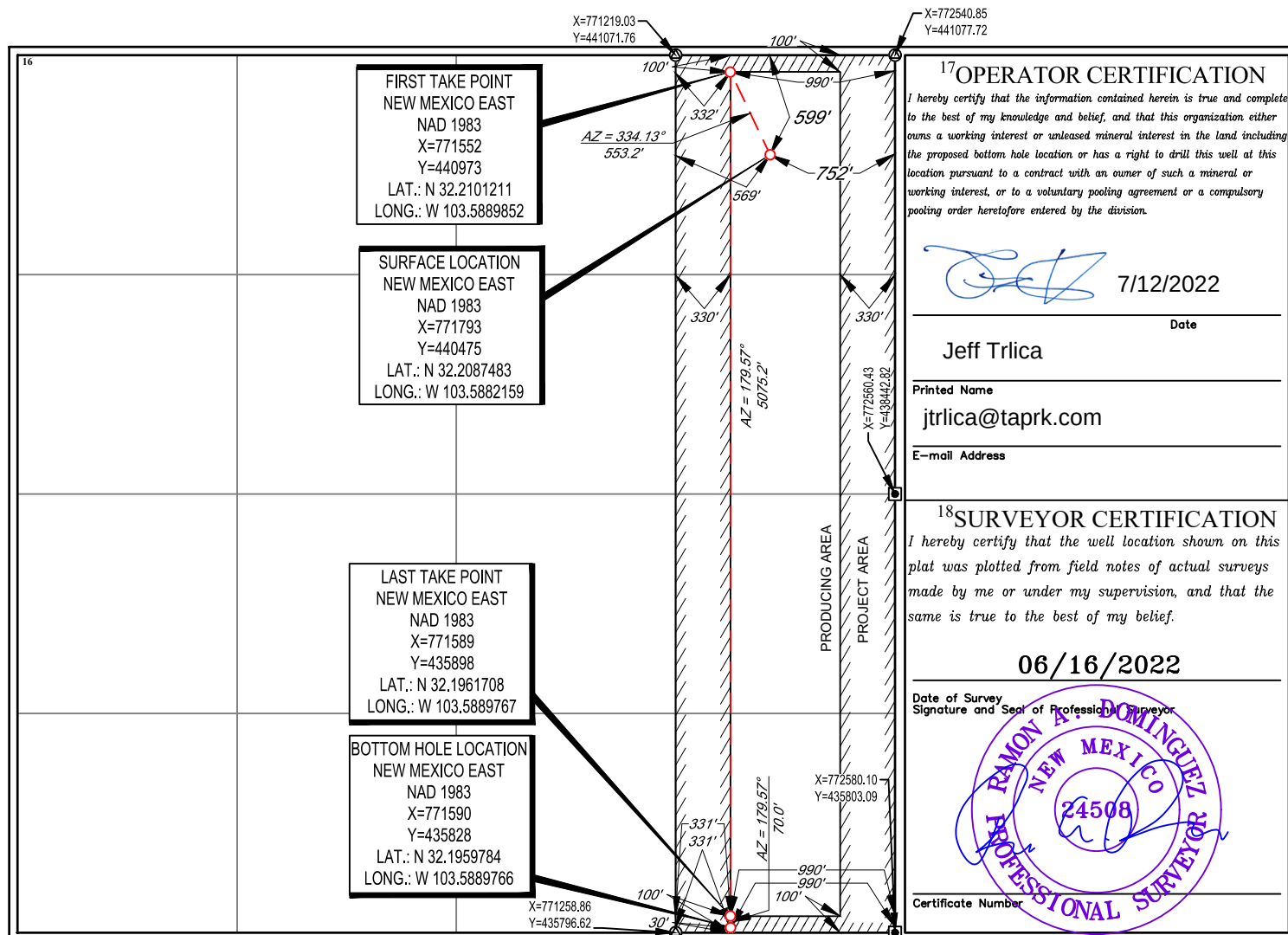
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	24-S	33-E	—	599'	NORTH	752'	EAST	LEA

¹¹Bottom Hole Location If Different From Surface

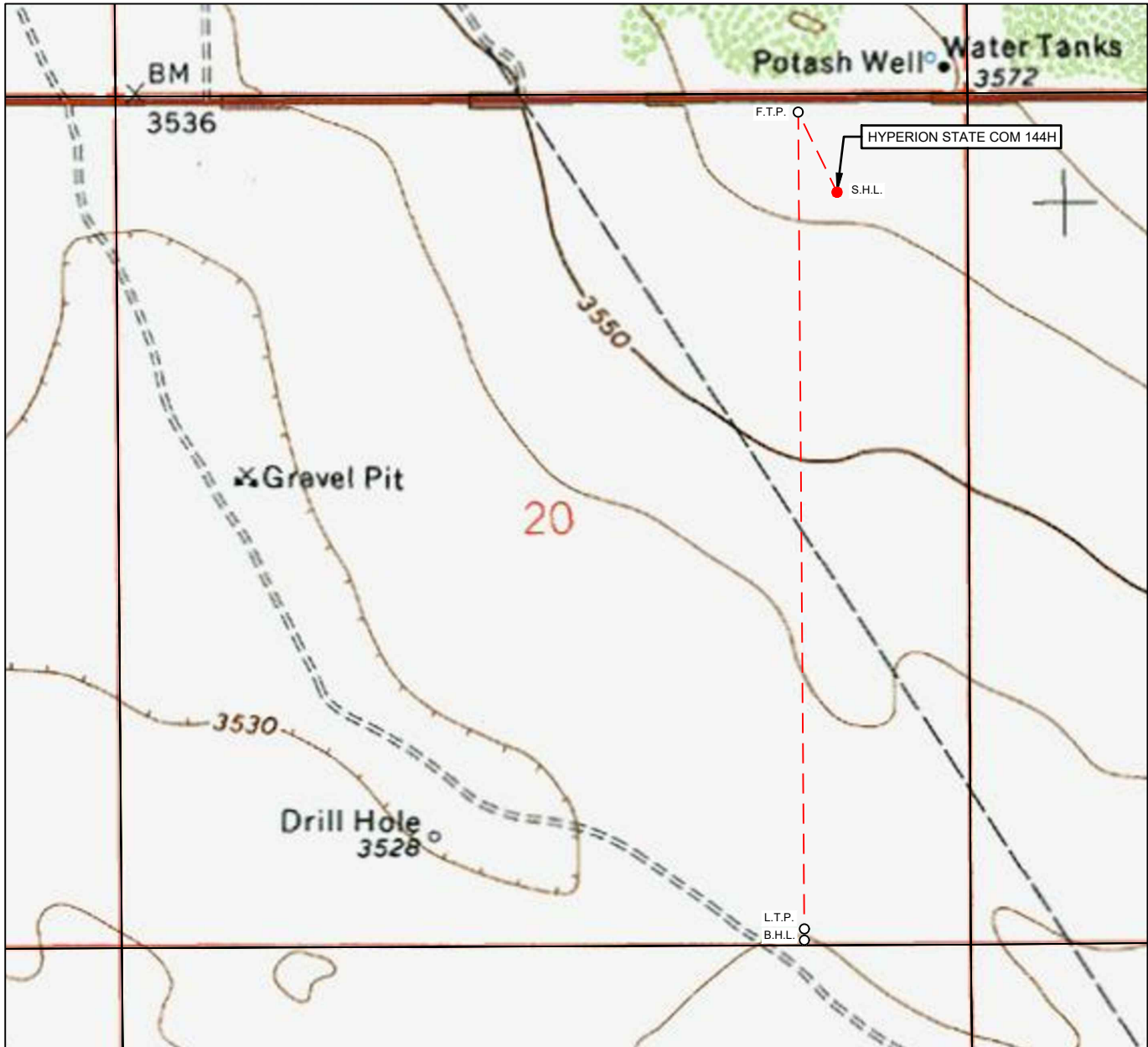
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	20	24-S	33-E	—	30'	SOUTH	990'	EAST	LEA

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

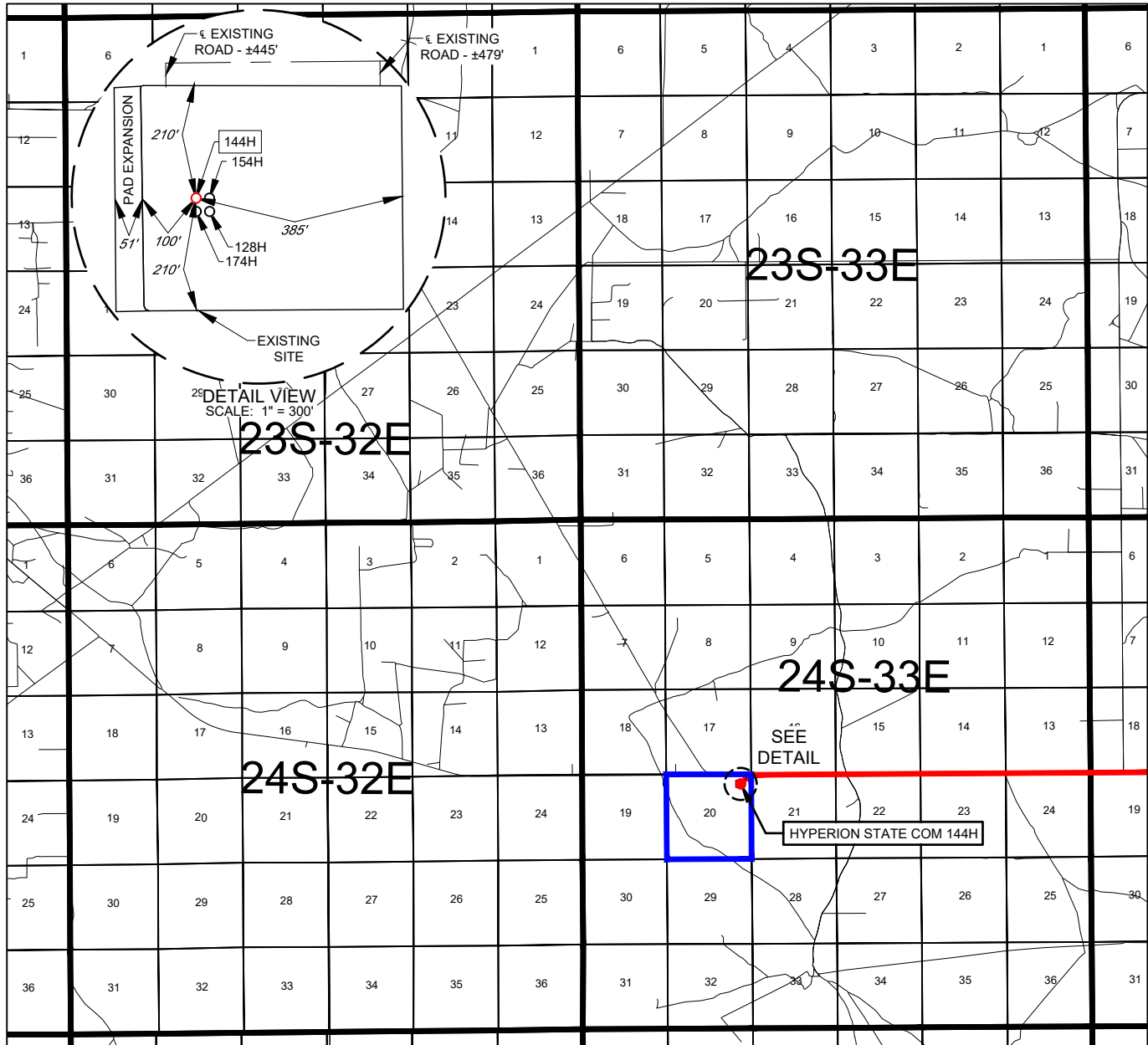


LOCATION & ELEVATION VERIFICATION MAP

LEASE NAME & WELL NO.: HYPERION STATE COM 144HSECTION 20 TWP 24-S RGE 33-E SURVEY N.M.P.M.
COUNTY LEA STATE NM ELEVATION 3562'
DESCRIPTION 599' FNL & 752' FELLATITUDE N 32.2087483 LONGITUDE W 103.5882159SCALE: 1" = 1000'
0' 500' 1000'1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
WWW.TOPOGRAPHIC.COM

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET.

EXHIBIT 2
VICINITY MAPLEASE NAME & WELL NO.: HYPERION STATE COM 144HSECTION 20 TWP 24-S RGE 33-E SURVEY N.M.P.M.COUNTY LEA STATE NMDESCRIPTION 599' FNL & 752' FEL

DISTANCE & DIRECTION

FROM INT. OF NM-128 & DELAWARE BASIN RD., GO WEST ON NM-128
 ±4.4 MILES, THENCE SOUTH (LEFT) A PROPOSED RD. ±479 FEET TO
 A POINT ±403 FEET NORTHEAST OF THE LOCATION.

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY
 SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA
 PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR
 ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS
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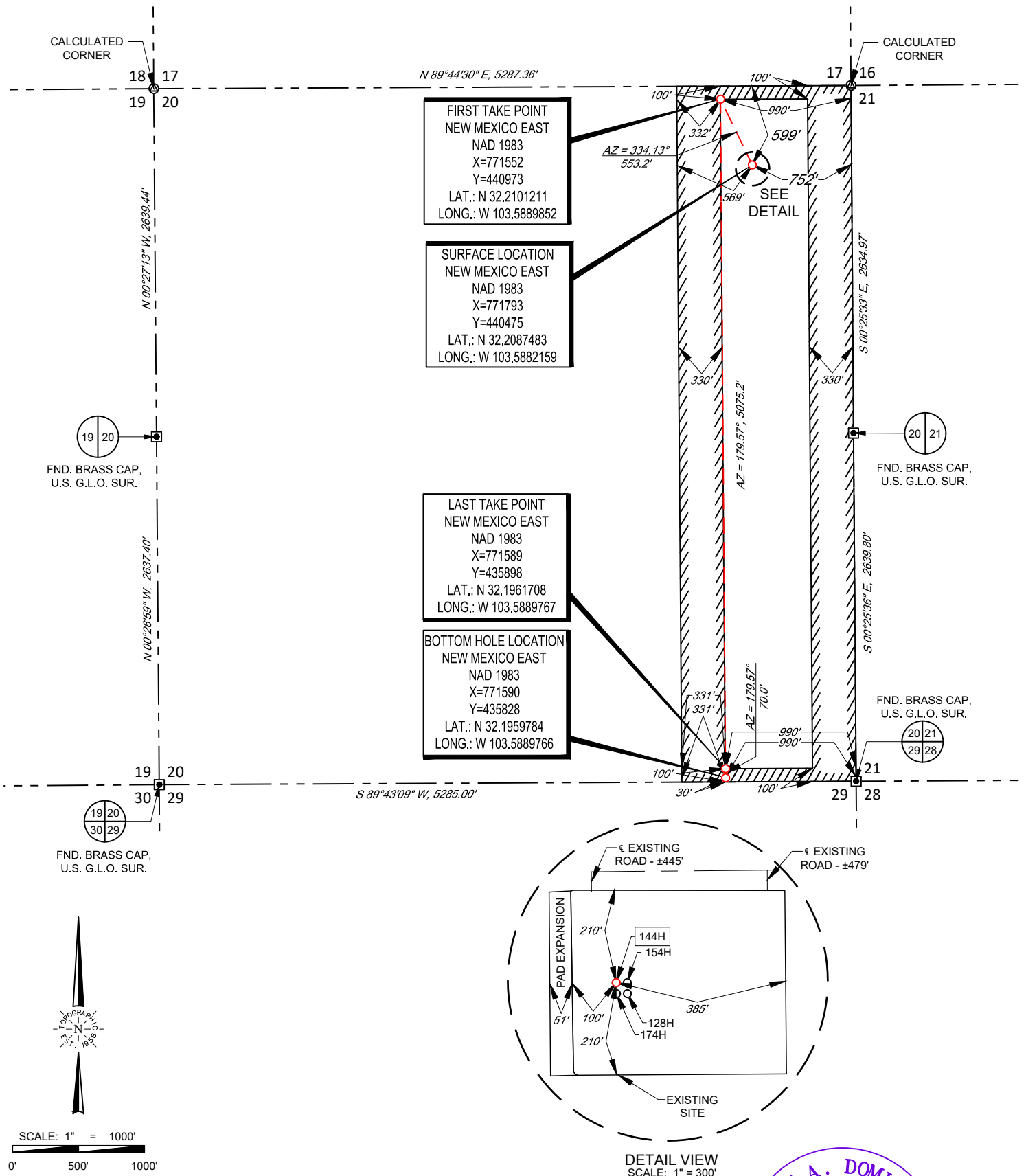
SCALE: 1" = 10000'

0' 5000' 10000'



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SECTION 20, TOWNSHIP 24-S, RANGE 33-E, N.M.P.M.
LEA COUNTY, NEW MEXICO



LEASE NAME & WELL NO.: HYPERION STATE COM 144H

SECTION 20 TWP. 24-S RGE 33-E SURVEY N.M.P.M.
COUNTY _____ LEA _____ STATE _____ NM
DESCRIPTION 599' FNL & 752' FEL

DISTANCE & DIRECTION
FROM INT. OF NM-128 & DELAWARE BASIN RD., GO WEST ON NM-128
±4.4 MILES, THENCE SOUTH (LEFT) A PROPOSED RD. ±479 FEET TO
A POINT ±403 FEET NORTHEAST OF THE LOCATION.

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BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY
FEET.

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.



Ramon A. Dominguez, P.S. No. 24508
June 16, 2022



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EXHIBIT 2B

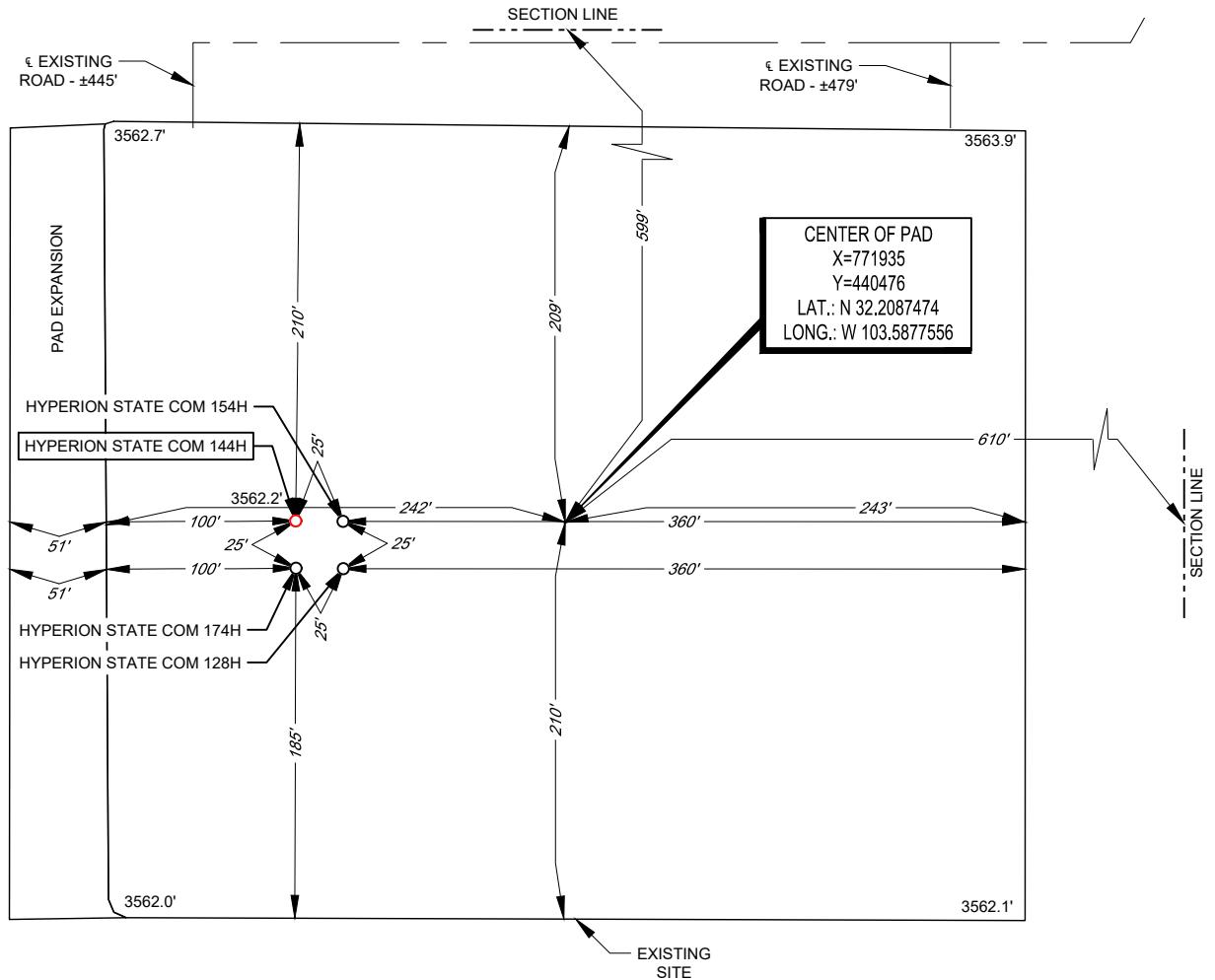


SECTION 20, TOWNSHIP 24-S, RANGE 33-E, N.M.P.M.
LEA COUNTY, NEW MEXICO

DETAIL VIEW
SCALE: 1" = 100'

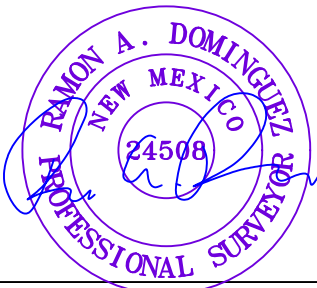
LEGEND

----- SECTION LINE
----- PROPOSED ROAD



LEASE NAME & WELL NO.: HYPERION STATE COM 144H
144H LATITUDE N 32.2087483 144H LONGITUDE W 103.5882159

CENTER OF PAD IS 599' FNL & 610' FEL

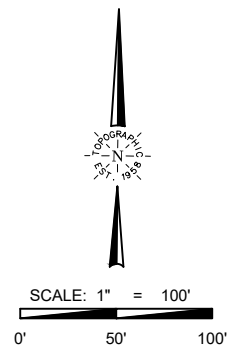


Ramon A. Dominguez, P.S. No. 24508
June 16, 2022

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET. ELEVATIONS USED ARE NAVD88, OBTAINED THROUGH AN OPUS SOLUTION.

THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. ONLY THE DATA SHOWN ABOVE IS BEING CERTIFIED TO, ALL OTHER INFORMATION WAS INTENTIONALLY OMITTED. THIS PLAT IS ONLY INTENDED TO BE USED FOR A PERMIT AND IS NOT A BOUNDARY SURVEY. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ORIGINAL DOCUMENT SIZE: 8.5" X 11"



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

Form APD Conditions

Permit 321032

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: TAP ROCK OPERATING, LLC [372043] 523 Park Point Drive Golden, CO 80401	API Number: 30-025-50361
	Well: HYPERION STATE COM #144H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	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
pkautz	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
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing
pkautz	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud



Tap Rock Resources, LLC

**Lea County, NM (NAD 83 NME)
(Hyperion) Sec-20_T-24-S_R-33-E
Hyperion State Com #144H**

OWB

Plan: Plan #2

Standard Survey Report

08 July, 2022





Intrepid Survey Report



Company:	Tap Rock Resources, LLC	Local Co-ordinate Reference:	Well Hyperion State Com #144H
Project:	Lea County, NM (NAD 83 NME)	TVD Reference:	KB @ 3588.0usft
Site:	(Hyperion) Sec-20_T-24-S_R-33-E	MD Reference:	KB @ 3588.0usft
Well:	Hyperion State Com #144H	North Reference:	Grid
Wellbore:	OWB	Survey Calculation Method:	Minimum Curvature
Design:	Plan #2	Database:	EDM 5000.15 Single User Db

Project	Lea County, NM (NAD 83 NME)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	(Hyperion) Sec-20_T-24-S_R-33-E		
Site Position:		Northing:	440,505.00 usft
From:	Map	Easting:	767,798.00 usft
Position Uncertainty:	0.0 usft	Slot Radius:	13-3/16 "
		Latitude:	32° 12' 32.058 N
		Longitude:	103° 36' 4.072 W
		Grid Convergence:	0.39 °

Well	Hyperion State Com #144H		
Well Position	+N/-S	0.0 usft	Northing:
	+E/-W	0.0 usft	Easting:
Position Uncertainty	0.0 usft	Wellhead Elevation:	usft
		Latitude:	32° 12' 31.489 N
		Longitude:	103° 35' 17.577 W
		Ground Level:	3,562.0 usft

Wellbore	OWB				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2015	03/09/21	6.55	60.00	47,543.39837735

Design	Plan #2				
Audit Notes:					
Version:	Phase:	PLAN	Tie On Depth:	0.0	
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)	
	0.0	0.0	0.0	179.57	

Survey Tool Program	Date	07/08/22			
From (usft)	To (usft)	Survey (Wellbore)	Tool Name	Description	
0.0	5,300.0	Plan #2 (OWB)	GYD_GC+DROP+OH	Gyrodata Stationary Tool drop on BHA on open hole	
5,300.0	15,297.9	Plan #2 (OWB)	MWD+IFR1+MS	OWSG MWD + IFR1 + Multi-Station Correction	

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)	
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00	
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00	
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00	
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00	
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00	
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00	
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00	
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00	
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00	
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00	



Intrepid Survey Report



Company:	Tap Rock Resources, LLC	Local Co-ordinate Reference:	Well Hyperion State Com #144H
Project:	Lea County, NM (NAD 83 NME)	TVD Reference:	KB @ 3588.0usft
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Well:	Hyperion State Com #144H	North Reference:	Grid
Wellbore:	OWB	Survey Calculation Method:	Minimum Curvature
Design:	Plan #2	Database:	EDM 5000.15 Single User Db

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)
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
NUDGE - Build 1.00									
1,400.0	1.00	338.34	1,400.0	0.8	-0.3	-0.8	1.00	1.00	0.00
1,500.0	2.00	338.34	1,500.0	3.2	-1.3	-3.3	1.00	1.00	0.00
1,600.0	3.00	338.34	1,599.9	7.3	-2.9	-7.3	1.00	1.00	0.00
1,700.0	4.00	338.34	1,699.7	13.0	-5.2	-13.0	1.00	1.00	0.00
1,800.0	5.00	338.34	1,799.4	20.3	-8.0	-20.3	1.00	1.00	0.00
1,900.0	6.00	338.34	1,898.9	29.2	-11.6	-29.3	1.00	1.00	0.00
2,000.0	7.00	338.34	1,998.3	39.7	-15.8	-39.8	1.00	1.00	0.00
2,109.9	8.10	338.34	2,107.2	53.1	-21.1	-53.3	1.00	1.00	0.00
HOLD - 3419.7 at 2109.9 MD									
2,200.0	8.10	338.34	2,196.4	64.9	-25.8	-65.1	0.00	0.00	0.00
2,300.0	8.10	338.34	2,295.4	78.0	-31.0	-78.2	0.00	0.00	0.00
2,400.0	8.10	338.34	2,394.4	91.1	-36.2	-91.4	0.00	0.00	0.00
2,500.0	8.10	338.34	2,493.4	104.2	-41.4	-104.5	0.00	0.00	0.00
2,600.0	8.10	338.34	2,592.4	117.3	-46.6	-117.6	0.00	0.00	0.00
2,700.0	8.10	338.34	2,691.4	130.4	-51.8	-130.8	0.00	0.00	0.00
2,800.0	8.10	338.34	2,790.4	143.5	-57.0	-143.9	0.00	0.00	0.00
2,900.0	8.10	338.34	2,889.4	156.6	-62.2	-157.0	0.00	0.00	0.00
3,000.0	8.10	338.34	2,988.4	169.7	-67.4	-170.2	0.00	0.00	0.00
3,100.0	8.10	338.34	3,087.4	182.8	-72.6	-183.3	0.00	0.00	0.00
3,200.0	8.10	338.34	3,186.4	195.8	-77.8	-196.4	0.00	0.00	0.00
3,300.0	8.10	338.34	3,285.4	208.9	-83.0	-209.6	0.00	0.00	0.00
3,400.0	8.10	338.34	3,384.4	222.0	-88.2	-222.7	0.00	0.00	0.00
3,500.0	8.10	338.34	3,483.4	235.1	-93.4	-235.8	0.00	0.00	0.00
3,600.0	8.10	338.34	3,582.4	248.2	-98.6	-249.0	0.00	0.00	0.00
3,700.0	8.10	338.34	3,681.4	261.3	-103.8	-262.1	0.00	0.00	0.00
3,800.0	8.10	338.34	3,780.4	274.4	-109.0	-275.2	0.00	0.00	0.00
3,900.0	8.10	338.34	3,879.5	287.5	-114.2	-288.4	0.00	0.00	0.00
4,000.0	8.10	338.34	3,978.5	300.6	-119.4	-301.5	0.00	0.00	0.00
4,100.0	8.10	338.34	4,077.5	313.7	-124.6	-314.6	0.00	0.00	0.00
4,200.0	8.10	338.34	4,176.5	326.8	-129.8	-327.8	0.00	0.00	0.00
4,300.0	8.10	338.34	4,275.5	339.9	-135.0	-340.9	0.00	0.00	0.00
4,400.0	8.10	338.34	4,374.5	353.0	-140.2	-354.0	0.00	0.00	0.00
4,500.0	8.10	338.34	4,473.5	366.1	-145.4	-367.2	0.00	0.00	0.00
4,600.0	8.10	338.34	4,572.5	379.2	-150.6	-380.3	0.00	0.00	0.00
4,700.0	8.10	338.34	4,671.5	392.3	-155.8	-393.4	0.00	0.00	0.00
4,800.0	8.10	338.34	4,770.5	405.4	-161.0	-406.6	0.00	0.00	0.00
4,900.0	8.10	338.34	4,869.5	418.4	-166.2	-419.7	0.00	0.00	0.00
5,000.0	8.10	338.34	4,968.5	431.5	-171.4	-432.8	0.00	0.00	0.00



Intrepid Survey Report



Company:	Tap Rock Resources, LLC	Local Co-ordinate Reference:	Well Hyperion State Com #144H
Project:	Lea County, NM (NAD 83 NME)	TVD Reference:	KB @ 3588.0usft
Site:	(Hyperion) Sec-20_T-24-S_R-33-E	MD Reference:	KB @ 3588.0usft
Well:	Hyperion State Com #144H	North Reference:	Grid
Wellbore:	OWB	Survey Calculation Method:	Minimum Curvature
Design:	Plan #2	Database:	EDM 5000.15 Single User Db

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5,100.0	8.10	338.34	5,067.5	444.6	-176.6	-445.9	0.00	0.00	0.00
5,200.0	8.10	338.34	5,166.5	457.7	-181.8	-459.1	0.00	0.00	0.00
5,300.0	8.10	338.34	5,265.5	470.8	-187.0	-472.2	0.00	0.00	0.00
5,400.0	8.10	338.34	5,364.5	483.9	-192.2	-485.3	0.00	0.00	0.00
5,500.0	8.10	338.34	5,463.5	497.0	-197.4	-498.5	0.00	0.00	0.00
5,529.6	8.10	338.34	5,492.8	500.9	-198.9	-502.4	0.00	0.00	0.00
DROP - -1.00									
5,600.0	7.39	338.34	5,562.6	509.7	-202.4	-511.2	1.00	-1.00	0.00
5,700.0	6.39	338.34	5,661.8	520.9	-206.8	-522.4	1.00	-1.00	0.00
5,800.0	5.39	338.34	5,761.3	530.4	-210.6	-532.0	1.00	-1.00	0.00
5,900.0	4.39	338.34	5,860.9	538.3	-213.8	-539.9	1.00	-1.00	0.00
6,000.0	3.39	338.34	5,960.7	544.7	-216.3	-546.3	1.00	-1.00	0.00
6,100.0	2.39	338.34	6,060.6	549.3	-218.2	-551.0	1.00	-1.00	0.00
6,200.0	1.39	338.34	6,160.5	552.4	-219.4	-554.1	1.00	-1.00	0.00
6,300.0	0.39	338.34	6,260.5	553.9	-219.9	-555.5	1.00	-1.00	0.00
6,339.5	0.00	0.00	6,300.0	554.0	-220.0	-555.6	1.00	-1.00	0.00
HOLD - 3430.0 at 6339.5 MD									
6,400.0	0.00	0.00	6,360.5	554.0	-220.0	-555.6	0.00	0.00	0.00
6,500.0	0.00	0.00	6,460.5	554.0	-220.0	-555.6	0.00	0.00	0.00
6,600.0	0.00	0.00	6,560.5	554.0	-220.0	-555.6	0.00	0.00	0.00
6,700.0	0.00	0.00	6,660.5	554.0	-220.0	-555.6	0.00	0.00	0.00
6,800.0	0.00	0.00	6,760.5	554.0	-220.0	-555.6	0.00	0.00	0.00
6,900.0	0.00	0.00	6,860.5	554.0	-220.0	-555.6	0.00	0.00	0.00
7,000.0	0.00	0.00	6,960.5	554.0	-220.0	-555.6	0.00	0.00	0.00
7,100.0	0.00	0.00	7,060.5	554.0	-220.0	-555.6	0.00	0.00	0.00
7,200.0	0.00	0.00	7,160.5	554.0	-220.0	-555.6	0.00	0.00	0.00
7,300.0	0.00	0.00	7,260.5	554.0	-220.0	-555.6	0.00	0.00	0.00
7,400.0	0.00	0.00	7,360.5	554.0	-220.0	-555.6	0.00	0.00	0.00
7,500.0	0.00	0.00	7,460.5	554.0	-220.0	-555.6	0.00	0.00	0.00
7,600.0	0.00	0.00	7,560.5	554.0	-220.0	-555.6	0.00	0.00	0.00
7,700.0	0.00	0.00	7,660.5	554.0	-220.0	-555.6	0.00	0.00	0.00
7,800.0	0.00	0.00	7,760.5	554.0	-220.0	-555.6	0.00	0.00	0.00
7,900.0	0.00	0.00	7,860.5	554.0	-220.0	-555.6	0.00	0.00	0.00
8,000.0	0.00	0.00	7,960.5	554.0	-220.0	-555.6	0.00	0.00	0.00
8,100.0	0.00	0.00	8,060.5	554.0	-220.0	-555.6	0.00	0.00	0.00
8,200.0	0.00	0.00	8,160.5	554.0	-220.0	-555.6	0.00	0.00	0.00
8,300.0	0.00	0.00	8,260.5	554.0	-220.0	-555.6	0.00	0.00	0.00
8,400.0	0.00	0.00	8,360.5	554.0	-220.0	-555.6	0.00	0.00	0.00
8,500.0	0.00	0.00	8,460.5	554.0	-220.0	-555.6	0.00	0.00	0.00
8,600.0	0.00	0.00	8,560.5	554.0	-220.0	-555.6	0.00	0.00	0.00
8,700.0	0.00	0.00	8,660.5	554.0	-220.0	-555.6	0.00	0.00	0.00
8,800.0	0.00	0.00	8,760.5	554.0	-220.0	-555.6	0.00	0.00	0.00
8,900.0	0.00	0.00	8,860.5	554.0	-220.0	-555.6	0.00	0.00	0.00
9,000.0	0.00	0.00	8,960.5	554.0	-220.0	-555.6	0.00	0.00	0.00



Intrepid Survey Report



Company:	Tap Rock Resources, LLC	Local Co-ordinate Reference:	Well Hyperion State Com #144H
Project:	Lea County, NM (NAD 83 NME)	TVD Reference:	KB @ 3588.0usft
Site:	(Hyperion) Sec-20_T-24-S_R-33-E	MD Reference:	KB @ 3588.0usft
Well:	Hyperion State Com #144H	North Reference:	Grid
Wellbore:	OWB	Survey Calculation Method:	Minimum Curvature
Design:	Plan #2	Database:	EDM 5000.15 Single User Db

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)
9,100.0	0.00	0.00	9,060.5	554.0	-220.0	-555.6	0.00	0.00	0.00
9,200.0	0.00	0.00	9,160.5	554.0	-220.0	-555.6	0.00	0.00	0.00
9,300.0	0.00	0.00	9,260.5	554.0	-220.0	-555.6	0.00	0.00	0.00
9,400.0	0.00	0.00	9,360.5	554.0	-220.0	-555.6	0.00	0.00	0.00
9,500.0	0.00	0.00	9,460.5	554.0	-220.0	-555.6	0.00	0.00	0.00
9,600.0	0.00	0.00	9,560.5	554.0	-220.0	-555.6	0.00	0.00	0.00
9,700.0	0.00	0.00	9,660.5	554.0	-220.0	-555.6	0.00	0.00	0.00
9,769.5	0.00	0.00	9,730.0	554.0	-220.0	-555.6	0.00	0.00	0.00
KOP - Build 10.00									
9,800.0	3.05	181.60	9,760.5	553.2	-220.0	-554.8	10.00	10.00	0.00
9,850.0	8.05	181.60	9,810.2	548.4	-220.2	-550.0	10.00	10.00	0.00
9,900.0	13.05	181.60	9,859.4	539.2	-220.4	-540.8	10.00	10.00	0.00
9,950.0	18.05	181.60	9,907.5	525.8	-220.8	-527.5	10.00	10.00	0.00
10,000.0	23.05	181.60	9,954.3	508.3	-221.3	-509.9	10.00	10.00	0.00
10,050.0	28.05	181.60	9,999.4	486.7	-221.9	-488.4	10.00	10.00	0.00
10,100.0	33.05	181.60	10,042.5	461.3	-222.6	-463.0	10.00	10.00	0.00
10,150.0	38.05	181.60	10,083.1	432.3	-223.4	-433.9	10.00	10.00	0.00
10,200.0	43.05	181.60	10,121.1	399.8	-224.3	-401.5	10.00	10.00	0.00
10,250.0	48.05	181.60	10,156.1	364.1	-225.3	-365.8	10.00	10.00	0.00
10,300.0	53.05	181.60	10,187.9	325.5	-226.4	-327.2	10.00	10.00	0.00
10,350.0	58.05	181.60	10,216.2	284.3	-227.5	-286.0	10.00	10.00	0.00
10,400.0	63.05	181.60	10,240.7	240.8	-228.7	-242.5	10.00	10.00	0.00
10,450.0	68.05	181.60	10,261.4	195.4	-230.0	-197.1	10.00	10.00	0.00
10,500.0	73.05	181.60	10,278.1	148.2	-231.3	-150.0	10.00	10.00	0.00
10,550.0	78.05	181.60	10,290.5	99.9	-232.7	-101.6	10.00	10.00	0.00
10,600.0	83.05	181.60	10,298.7	50.6	-234.1	-52.3	10.00	10.00	0.00
10,650.0	88.05	181.60	10,302.6	0.8	-235.5	-2.5	10.00	10.00	0.00
10,669.5	90.00	181.60	10,303.0	-18.7	-236.0	17.0	10.00	10.00	0.00
EOC/TRN - DLS 2.00 TFO -90.01									
10,700.0	90.00	180.99	10,303.0	-49.2	-236.7	47.5	2.00	0.00	-2.00
10,771.0	90.00	179.57	10,303.0	-120.3	-237.0	118.5	2.00	0.00	-2.00
Start 4526.9 hold at 10771.0 MD									
10,800.0	90.00	179.57	10,303.0	-149.2	-236.8	147.4	0.00	0.00	0.00
10,900.0	90.00	179.57	10,303.0	-249.2	-236.1	247.4	0.00	0.00	0.00
11,000.0	90.00	179.57	10,303.0	-349.2	-235.3	347.4	0.00	0.00	0.00
11,100.0	90.00	179.57	10,303.0	-449.2	-234.6	447.4	0.00	0.00	0.00
11,200.0	90.00	179.57	10,303.0	-549.2	-233.8	547.4	0.00	0.00	0.00
11,300.0	90.00	179.57	10,303.0	-649.2	-233.1	647.4	0.00	0.00	0.00
11,400.0	90.00	179.57	10,303.0	-749.2	-232.3	747.4	0.00	0.00	0.00
11,500.0	90.00	179.57	10,303.0	-849.2	-231.6	847.4	0.00	0.00	0.00
11,600.0	90.00	179.57	10,303.0	-949.2	-230.8	947.4	0.00	0.00	0.00
11,700.0	90.00	179.57	10,303.0	-1,049.2	-230.0	1,047.4	0.00	0.00	0.00
11,800.0	90.00	179.57	10,303.0	-1,149.2	-229.3	1,147.4	0.00	0.00	0.00
11,900.0	90.00	179.57	10,303.0	-1,249.2	-228.5	1,247.4	0.00	0.00	0.00



Intrepid Survey Report



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Project:	Lea County, NM (NAD 83 NME)	TVD Reference:	KB @ 3588.0usft
Site:	(Hyperion) Sec-20_T-24-S_R-33-E	MD Reference:	KB @ 3588.0usft
Well:	Hyperion State Com #144H	North Reference:	Grid
Wellbore:	OWB	Survey Calculation Method:	Minimum Curvature
Design:	Plan #2	Database:	EDM 5000.15 Single User Db

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)
12,000.0	90.00	179.57	10,303.0	-1,349.2	-227.8	1,347.4	0.00	0.00	0.00
12,100.0	90.00	179.57	10,303.0	-1,449.2	-227.0	1,447.4	0.00	0.00	0.00
12,200.0	90.00	179.57	10,303.0	-1,549.2	-226.3	1,547.4	0.00	0.00	0.00
12,300.0	90.00	179.57	10,303.0	-1,649.2	-225.5	1,647.4	0.00	0.00	0.00
12,400.0	90.00	179.57	10,303.0	-1,749.2	-224.8	1,747.4	0.00	0.00	0.00
12,500.0	90.00	179.57	10,303.0	-1,849.2	-224.0	1,847.4	0.00	0.00	0.00
12,600.0	90.00	179.57	10,303.0	-1,949.2	-223.3	1,947.4	0.00	0.00	0.00
12,700.0	90.00	179.57	10,303.0	-2,049.2	-222.5	2,047.4	0.00	0.00	0.00
12,800.0	90.00	179.57	10,303.0	-2,149.2	-221.8	2,147.4	0.00	0.00	0.00
12,900.0	90.00	179.57	10,303.0	-2,249.2	-221.0	2,247.4	0.00	0.00	0.00
13,000.0	90.00	179.57	10,303.0	-2,349.2	-220.3	2,347.4	0.00	0.00	0.00
13,100.0	90.00	179.57	10,303.0	-2,449.2	-219.5	2,447.4	0.00	0.00	0.00
13,200.0	90.00	179.57	10,303.0	-2,549.2	-218.8	2,547.4	0.00	0.00	0.00
13,300.0	90.00	179.57	10,303.0	-2,649.2	-218.0	2,647.4	0.00	0.00	0.00
13,400.0	90.00	179.57	10,303.0	-2,749.2	-217.3	2,747.4	0.00	0.00	0.00
13,500.0	90.00	179.57	10,303.0	-2,849.1	-216.5	2,847.4	0.00	0.00	0.00
13,600.0	90.00	179.57	10,303.0	-2,949.1	-215.8	2,947.4	0.00	0.00	0.00
13,700.0	90.00	179.57	10,303.0	-3,049.1	-215.0	3,047.4	0.00	0.00	0.00
13,800.0	90.00	179.57	10,303.0	-3,149.1	-214.3	3,147.4	0.00	0.00	0.00
13,900.0	90.00	179.57	10,303.0	-3,249.1	-213.5	3,247.4	0.00	0.00	0.00
14,000.0	90.00	179.57	10,303.0	-3,349.1	-212.8	3,347.4	0.00	0.00	0.00
14,100.0	90.00	179.57	10,303.0	-3,449.1	-212.0	3,447.4	0.00	0.00	0.00
14,200.0	90.00	179.57	10,303.0	-3,549.1	-211.3	3,547.4	0.00	0.00	0.00
14,300.0	90.00	179.57	10,303.0	-3,649.1	-210.5	3,647.4	0.00	0.00	0.00
14,400.0	90.00	179.57	10,303.0	-3,749.1	-209.8	3,747.4	0.00	0.00	0.00
14,500.0	90.00	179.57	10,303.0	-3,849.1	-209.0	3,847.4	0.00	0.00	0.00
14,600.0	90.00	179.57	10,303.0	-3,949.1	-208.2	3,947.4	0.00	0.00	0.00
14,700.0	90.00	179.57	10,303.0	-4,049.1	-207.5	4,047.4	0.00	0.00	0.00
14,800.0	90.00	179.57	10,303.0	-4,149.1	-206.7	4,147.4	0.00	0.00	0.00
14,900.0	90.00	179.57	10,303.0	-4,249.1	-206.0	4,247.4	0.00	0.00	0.00
15,000.0	90.00	179.57	10,303.0	-4,349.1	-205.2	4,347.4	0.00	0.00	0.00
15,100.0	90.00	179.57	10,303.0	-4,449.1	-204.5	4,447.4	0.00	0.00	0.00
15,200.0	90.00	179.57	10,303.0	-4,549.1	-203.7	4,547.4	0.00	0.00	0.00
15,297.9	90.00	179.57	10,303.0	-4,647.0	-203.0	4,645.3	0.00	0.00	0.00
TD at 15297.9									



Intrepid Survey Report



Company:	Tap Rock Resources, LLC	Local Co-ordinate Reference:	Well Hyperion State Com #144H
Project:	Lea County, NM (NAD 83 NME)	TVD Reference:	KB @ 3588.0usft
Site:	(Hyperion) Sec-20_T-24-S_R-33-E	MD Reference:	KB @ 3588.0usft
Well:	Hyperion State Com #144H	North Reference:	Grid
Wellbore:	OWB	Survey Calculation Method:	Minimum Curvature
Design:	Plan #2	Database:	EDM 5000.15 Single User Db

Design Targets									
Target Name									
- hit/miss target	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- Shape	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)		
PBHL (Hyperion State - plan hits target center - Rectangle (sides W100.0 H5,146.0 D30.0))	0.00	179.58	10,303.0	-4,647.0	-203.0	435,828.00	771,590.00	32° 11' 45.520 N	103° 35' 20.314 W
LTP (Hyperion State C - plan misses target center by 27.9usft at 15200.0usft MD (10303.0 TVD, -4549.1 N, -203.7 E) - Point	0.00	0.00	10,303.0	-4,577.0	-204.0	435,898.00	771,589.00	32° 11' 46.212 N	103° 35' 20.320 W
FTP (Hyperion State C - plan misses target center by 199.3usft at 10250.0usft MD (10156.1 TVD, 364.1 N, -225.3 E) - Point	0.00	0.00	10,303.0	498.0	-241.0	440,973.00	771,552.00	32° 12' 36.433 N	103° 35' 20.342 W

Formations						
Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)	
1,185.0	1,185.0	Rustler				
1,575.1	1,575.0	Top Salt				
4,799.5	4,770.0	Base Salt				
5,077.3	5,045.0	Delaware Mountain Group				
5,082.3	5,050.0	Lamar				
5,102.5	5,070.0	Bell Canyon				
5,117.7	5,085.0	Ramsey Sand				
6,059.4	6,020.0	Cherry Canyon				
7,514.5	7,475.0	Brushy Canyon				
9,099.5	9,060.0	Bone Spring Lime				
9,254.5	9,215.0	Upper Avalon				
9,499.5	9,460.0	Middle Avalon				
9,864.9	9,825.0	Lower Avalon				
10,109.0	10,050.0	1st Bone Spring Sand				

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
1300	1300	0	0	NUDGE - Build 1.00
2110	2107	53	-21	HOLD - 3419.7 at 2109.9 MD
5530	5493	501	-199	DROP - -1.00
6339	6300	554	-220	HOLD - 3430.0 at 6339.5 MD
9769	9730	554	-220	KOP - Build 10.00
10,669	10,303	-19	-236	EOC/TRN - DLS 2.00 TFO -90.01
10,771	10,303	-120	-237	Start 4526.9 hold at 10771.0 MD
15,298	10,303	-4647	-203	TD at 15297.9

Checked By: _____ Approved By: _____ Date: _____

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

Submit Electronically
Via E-permitting

NATURAL GAS MANAGEMENT PLAN

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

Section 1 – Plan Description

Effective May 25, 2021

I. Operator: _____ Tap Rock Operating LLC _____ **OGRID:** _____ 372043 _____ **Date:** _7/14/2022

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
Hyperion State Com 144H		Sec 20, T24S R 33E	599 FNL, 752 FEL	343	727	1822

IV. Central Delivery Point Name: ___Hyperion State Com CDP___ [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
Hyperion State Com 144H		7/28/22	8/15/22	10/1/22	10/20/22	10/20/22

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: Jeffrey Trlica
Title: Regulatory Analyst
E-mail Address: jtrlica@taprk.com
Date: 7/14/2022
Phone: 720-772-5910
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

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

Each surface facility design includes the following process equipment: 3-phase separators (1 separator per well), a sales gas scrubber, one or two 3-phase heater treaters, a vapor recovery tower (VRT), a VRU compressor, multiple water and oil tanks, as well as flare knockouts (HP & LP), and flares (HP & LP). All process vessels will be sized to separate oil, water, gas based upon typical/historical & predicted well performance. Each process vessel will be fitted with an appropriately sized PSV as per ASME code requirements to mitigate vessel rupture and loss of containment. Additionally, the process vessels will be fitted with pressure transmitters tied to the facility control system which will allow operations to monitor pressures and when necessary, shut-in the facility to avoid vessel over-pressure and the potential vent of natural gas. Natural gas will preferentially be sold to pipeline, and only during upset/emergency conditions will gas be directed to the HP flare system. Flash gas from both the 3-phase heater treater and the VRT will be recompressed using a VRU compressor and this gas will also preferentially be directed to the gas sales pipeline. Oil tanks & water tanks will be fitted with 16 oz thief hatches as well as PVRVs to protect the tanks from rupture/collapse. Additionally, the tank vapor outlets and tank vapor capture system will be sized to keep tank pressures below 12 oz. The tank vapor capture system will include a tank vapor blower & knockout as well as a low-pressure flare and knockout. Tank vapors will preferentially be directed to the VRU and the sales gas pipeline. Only during process upsets/emergency conditions will tank vapors be directed to the LP flare system.

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. ← See attached reg for requirements.

- During drilling operations- Gas meters will be installed at the shakers and Volume Totalizers will be installed on the pits. In the event that elevated gas levels, or a pit gain are observed, returns will be diverted to a gas buster. Gas coming off the gas buster will be combusted at the flare stack. A 10' or taller flare will be located at least 100' from the SHL.
- During completions operations, including stimulation and frac plug drill out operations, hydrocarbon production to surface is minimized. When gas production does occur, gas will be combusted at a flare stack. A 10' or taller flare will be located at least 100' from the SHL.
- During production operations, all process vessels (separators, heater treaters, VRTs, Tanks) will recompress (where necessary) and route gas outlets into the natural gas gathering pipeline. Gas will preferentially be routed to natural gas gathering pipeline and the flare system will be used only during emergency, malfunction, or if the gas does not meet pipeline specifications. In the event of flaring off-specification gas, operations will pull gas samples twice a week and will also route gas back to pipeline as soon as the gas meets specification. Exceptions to this will include only those qualified exceptions per the regulation 19.15.27.8 Subsection D.

- To comply with state performance standards, separation and storage equipment will be designed to handle the maximum anticipated throughput and pressure to minimize waste and reduce the likelihood of venting gas to atmosphere. Additionally, each storage atmospheric tank (Oil & Water) will be fitted with a level transmitter to facilitate gauging of the tank without opening of the thief hatch. Any gas collected through the tank vent system is expected to be recompressed and routed to sales. However, in the event of an emergency, the tank vapor capture system will be designed to combust the gas using a flare stack fitted with a continuous or automatic ignitor. The flare stack will be properly anchored and will be located a minimum of 100 feet from the well and storage tanks. Operators will conduct weekly AVO inspections. These AVO inspection records will be stored for the required 5-year period and will be made available upon Division request.

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

- When performing routine or preventive maintenance on a vessel or tank, initially all inlet valves are closed, and the vessel or tank is allowed to depressurize through the normal outlet connections to gas sales and/or liquid tanks. Once the vessel or tank is depressurized to lowest acceptable sales outlet pressure, usually around 20 psig, a temporary low-pressure flowline is connected from the vessel or tank to the Vapor Recovery Unit (VRU) for further pressure reduction. Once depressurized to less than 1-2 psig, the remaining natural gas in the vessel or tank is vented to atmosphere through a controlled pressure relief valve. Once the vessel or tank is depressurized to atmospheric pressure, the vessel or tank can be safely opened, and maintenance performed.