Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

WELL API NO. 30-025-30206

5. Indicate Type of Lease STATE [x] FEE [ ]

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: VACUUM GLORIETA WEST UNIT

1. Type of Well: Oil Well [x] Gas Well [ ] Other

8. Well Number: 088H

2. Name of Operator: MORNINGSTAR OPERATING LLC

9. OGRID Number: 330132

3. Address of Operator: 400 W 7TH ST, FORT WORTH, TX 76102

10. Pool name or Wildcat: VACUUM; GLORIETA

4. Well Location
Unit Letter J : 1653 feet from the S line and 2309 feet from the E line
Section 36 Township 17S Range 34E NMPM County LEA

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3994 GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	P AND A [ ]
PULL OR ALTER CASING [ ]	MULTIPLE COMPL [ ]	CASING/CEMENT JOB [ ]	
DOWNHOLE COMMINGLE [ ]			
CLOSED-LOOP SYSTEM [ ]			
OTHER:	PB, RECOMPLETE [x]	OTHER:	[ ]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

MorningStar Operating requests approval to plugback the Glorieta, recomplete in the San Andres, and change the well name to Central Vacuum Unit #278:

1. Pull tubing and ESP.
2. Run scraper. MIRU scanners. Scan tubing out of well.
3. MIRU WLU. Run GR-JB. Set CIBP @ ~5740'. Cap w/ 35' of cement.
4. Set 2nd CIBP @ ~4945'. Cap w/ 35' cmt. Load and test casing.
5. Perforate 4691' to 4834'. RD WLU.
6. RIH packer and workstring. Acidize new perforations. Pull workstring and pkr.
7. MIRU WLU. Run GR-JB. Set CIBP @ ~4600'.
8. Perforate 4278' to 4554'. RD WLU.
10. RIH packer and workstring. Acidize new perforations. Pull workstring and pkr.
11. Run bit on workstring, drill out CIBP @ 4600', CO any fill to ~4900'.
12. Pull bit. Run tbg and swab well.
13. Run tubing. Run pump and rods.

Spud Date: Rig Release Date:

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

SIGNATURE Connie Blaylock TITLE Regulatory Analyst DATE 04/25/2023

Type or print name Connie Blaylock E-mail address: cblaylock@txoenergy.com PHONE: 817-334-7882

For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

PROPOSED
WELLBORE DIAGRAM

Created:	8/19/2003	**By:**					
Updated:	3/27/2023	**By:**	JFR				
Lease:	CVU #278 (formerly VGWU #88)		**Well No.:**		**Field:**	Vacuum Glorieta	
Surface Location:	1653' FSL & 2309' FEL		**Unit Ltr:**	J	**Sec:**	36	**TSHP/Range:** 17S-34E
Bottomhole Location:	577' FSL & 1763' FEL		**Unit Ltr:**	O	**Sec:**	36	**TSHP/Range:** 17S-34E
County:	Lea	**St:** NM	**St Lease:**	B-155	**API:**	30-025-30206	
Current Status:	Active Oil Well		**Elevation:**	4006'			
Directions to Wellsite:	Buckeye, New Mexico						

Surface Csg.

Size:	16"
Wt.:	75#, J-55
Set @:	400'
Sxs cmt:	650 + 175
Circ:	Yes
TOC:	Surface
Hole Size:	20"

Intermediate Csg.

Size:	11-3/4"
Wt.:	42#, H-40
Set @:	1540'
Sxs Cmt:	1300
Circ:	Yes
TOC:	Surface
Hole Size:	14 3/4"

Intermediate Csg.

Size:	8-5/8"
Wt.:	32#, S-80 & K-55
Set @:	4840'
Sxs Cmt:	1400 (stg 1-950, stg 2-450)
Circ:	Yes
DV tool:	1572'
Hole Size:	11"

Production Csg.

Size:	5-1/2"
Wt.:	15.5#, J-55
Set @:	6275'
Sxs Cmt:	1100 (stg 1-500, stg 2-600)
Circ:	Yes
DV tool	4975'
Hole Size:	7 7/8"

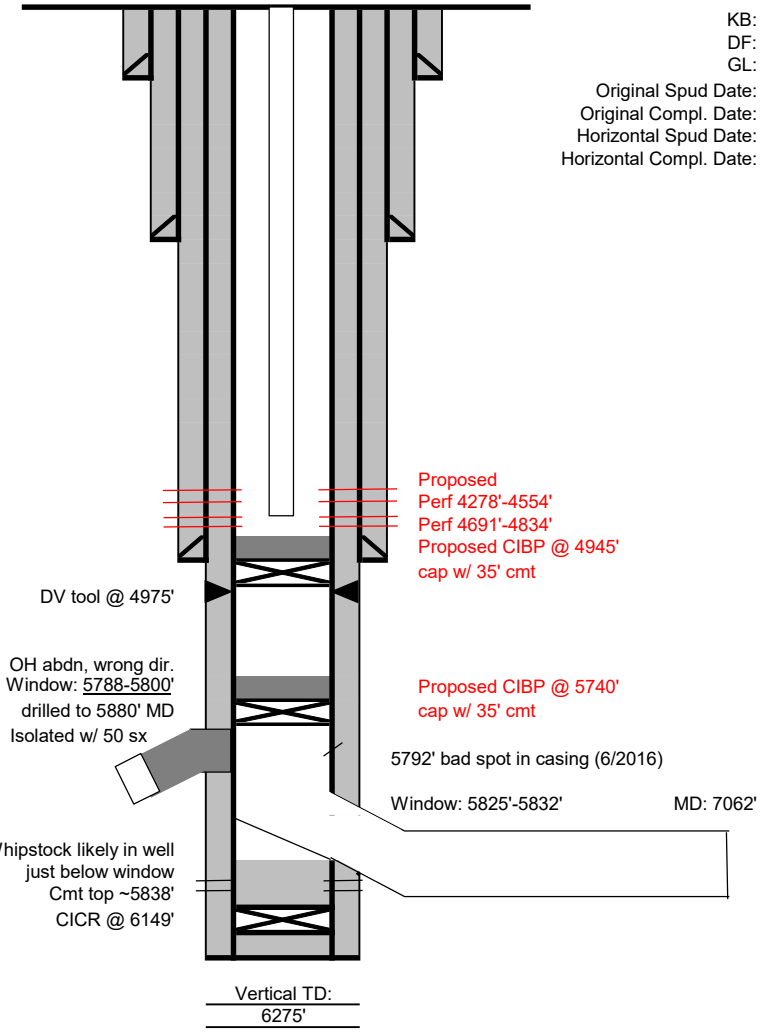
Original Vertical TD: 6275'

Perforations:

6094'-6120'-sqzd
CR @ 6149', 6180-84'-sqzd

HORIZONTAL INFORMATION

Top of Horizontal Window:	5825'
Bot of Horizontal Window:	5832'
Horizontal Drilling Interval:	5826'-7062', Open Hole
Horizontal TD:	7062'
TVD:	5930'



KB:	4006'
DF:	N/A
GL:	3994'
Original Spud Date:	2/14/1988
Original Compl. Date:	3/25/1988
Horizontal Spud Date:	9/24/1997
Horizontal Compl. Date:	10/12/1997

CURRENT WELLBORE DIAGRAM

Created:	8/19/2003	**By:**					
Updated:	3/27/2023	**By:**	JFR				
Lease:	Vacuum Glorieta West Unit		**Well No.:**	88H	**Field:**	Vacuum Glorieta	
Surface Location:	1653' FSL & 2309' FEL		**Unit Ltr:**	J	**Sec:**	36	**TSHP/Range:** 17S-34E
Bottomhole Location:	577' FSL & 1763' FEL		**Unit Ltr:**	O	**Sec:**	36	**TSHP/Range:** 17S-34E
County:	Lea	**St:** NM	**St Lease:**	B-155	**API:**	30-025-30206	
Current Status:	Active Oil Well		**Elevation:**	4006'			
Directions to Wellsite:	Buckeye, New Mexico						

Surface Csg.

Size:	16"
Wt.:	75#, J-55
Set @:	400'
Sxs cmt:	650 + 175
Circ:	Yes
TOC:	Surface
Hole Size:	20"

Intermediate Csg.

Size:	11-3/4"
Wt.:	42#, H-40
Set @:	1540'
Sxs Cmt:	1300
Circ:	Yes
TOC:	Surface
Hole Size:	14 3/4"

Intermediate Csg.

Size:	8-5/8"
Wt.:	32#, S-80 & K-55
Set @:	4840'
Sxs Cmt:	1400 (stg 1-950, stg 2-450)
Circ:	Yes
DV tool:	1572'
Hole Size:	11"

Production Csg.

Size:	5-1/2"
Wt.:	15.5#, J-55
Set @:	6275'
Sxs Cmt:	1100 (stg 1-500, stg 2-600)
Circ:	Yes
DV tool	4975'
Hole Size:	7 7/8"

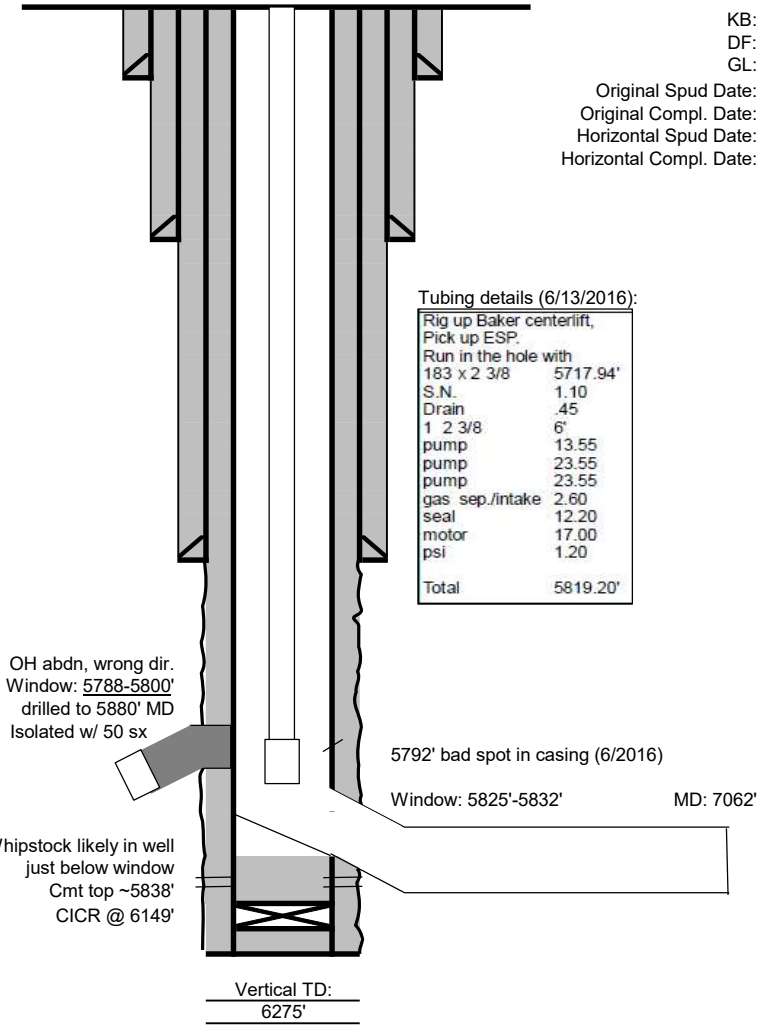
Original Vertical TD: 6275'

Perforations:

6094'-6120'-sqzd
CR @ 6149', 6180-84'-sqzd

HORIZONTAL INFORMATION

Top of Horizontal Window:	5825'
Bot of Horizontal Window:	5832'
Horizontal Drilling Interval:	5826'-7062', Open Hole
Horizontal TD:	7062'
TVD:	5930'



KB:	4006'
DF:	N/A
GL:	3994'
Original Spud Date:	2/14/1988
Original Compl. Date:	3/25/1988
Horizontal Spud Date:	9/24/1997
Horizontal Compl. Date:	10/12/1997

Tubing details (6/13/2016):

Rig up Baker centerlift, Pick up ESP. Run in the hole with	
183 x 2 3/8	5717.94'
S.N.	1.10
Drain	.45
1 2 3/8	6'
pump	13.55
pump	23.55
pump	23.55
gas sep./intake	2.60
seal	12.20
motor	17.00
psi	1.20
Total	5819.20'

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: MORNINGSTAR OPERATING LLC **OGRID:** 330132 **Date:** 04/25/2023

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
VAC GLORIETA WEST UNIT	30-025-30206	J/ 36/ 17S/ 34E	1653 FSL 2309 FEL	50	300	350

IV. Central Delivery Point Name: CENTRAL VACUUM UNIT BATTERY [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
CENTRAL VACUUM UNIT 278	30-025-30206			05/08/23	05/12/23	05/14/23

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:	Connie Blaylock
Printed Name:	CONNIE BLAYLOCK
Title:	REGULATORY ANALYST
E-mail Address:	cblaylock@txoenergy.com
Date:	04/25/2023
Phone:	817-334-7882

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 well will full stream produce to a satellite location. At each satellite, bulk and test measurements for unit allocation are performed. Liquids are then sent on to the battery for lact sales. All vessels are sized based on historical well performance, and historical volumes were generally higher than what we now process and produce.

Satellite (gas venting is minimal to none in this satellite bulk and test transport to central battery). Test – 2 phase test vessel and Coriolis measurement on liquid and gas phases. Bulk – 2 phase vessel for gas separation from liquids. All gas from the satellite is sent to the plant for processing and reinjection into the unit. All liquids from the satellite are sent to the Central Vacuum Unit Battery.

Central Vacuum Unit Battery (all gas and vapors are collected and compressed to the plant to minimize any venting). Gas scrubber and FWKO are utilized to remove any excess gas. This gas is gathered by our GRU compression to be sent to the gas plant for processing and reinjection into the unit. Water is moved from holding tanks to suction tanks to be reinjected into the unit. In the event of an emergency, gas can be routed to a flare on location.

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

- Drilling Operations: Any natural gas produced during drilling operations will be combusted with a flare line. A properly sized flare stack will be located a minimum of 100 feet from the nearest surface hole location. If flaring isn't possible or poses a risk, Operator will vent natural gas to avoid any safety or environmental risks and report natural gas.

- Completion Operations: Hydrocarbon production will be minimized during completion and flowback operations. No flowback will occur until the well is connected to a properly sized system. When feasible, natural gas will be flared rather than vented. When sustained producible volumes are obtained, operations will turn to separation facilities and gathering pipeline.

- Production Operations: Efforts will be made to minimize waste. Process equipment (separator and tanks) is designed for efficient separation and routing produced gas to the sales pipeline. Flaring rather than venting will be the preferred method to handle emergencies and malfunctions. Equipment will be properly maintained with routine inspections and preventative maintenance. Weekly AVOs will be performed at facilities.

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

- Best management practices are used to minimize venting and flaring during downhole operations.

- Flaring will be used in lieu of venting when feasible.
- Adequate well control during completion operations will be employed to minimize oil and gas production.
- Tanks and vessels are isolated from their respective facilities prior to inspection, maintenance, and repairs.
- The preventive maintenance program includes weekly AVO inspections, identification of failures or malfunctions, and repairs as needed.
- Coordinate with third-party gathering and sales operators to minimize downtime and the need for venting/flaring during downstream pipeline and gas plant events.

District I
1625 N. French Dr., Hobbs, NM 88240
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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 211051

CONDITIONS

Operator: MorningStar Operating LLC 400 W 7th St Fort Worth, TX 76102	OGRID: 330132
	Action Number: 211051
	Action Type: [C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
pkautz	None	4/27/2023