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 367755

APPLICATION FOR PERMIT TO DRILL	RF-FNTFR	DEEPEN	PLUGBACK	OR ADD (20NF
			I LOODAON,		1 ZOINE

	me and Address								2. OGRID I			
	CK ENERGY COR	RP								13837		
	. Box 960	~~							3. API Num			
	sia, NM 8821109	60								30-025-53096	i	
4. Property Coo			5. Property N						6. Well No.			
335	991		HU	JSTLE STATE						001		
					7. Sur	face Location						
UL - Lot	Section	Township	Ran	ge	Lot Idn	Feet From	N/S Line	Feet From	E	E/W Line	County	
N	17	18	3S	35E	N	928	S	23	10	W		Lea
					8. Proposed E	Bottom Hole Location	on					
UL - Lot	Section	Township	Ran	ge	Lot Idn	Feet From	N/S Line	Feet From	E	E/W Line	County	
N	17	18	3S	35E	N	928	S	23	10	W	-	Lea
					0.0-	ol Information						
	5 S183518A;BON				9. Pot	Di Information				97930		
WC-025 G-06	5 1835 18A;BUN	E SPRING								97930		
					Additiona	I Well Information						
11. Work Type		12. Well Type		13. Cable/Ro	otary		14. Lease T			Level Elevation		
	v Well	OIL						state		3946		
16. Multiple		17. Proposed D	•	18. Formatio		- ·	19. Contract	or 2	20. Spud Date			
	N 9900				3rd Bone Spring Sand				7/31/2024 Distance to nearest surface water			
Depth to Groun	Depth to Ground water Distance from nearest fresh wa			n nearest fresh wat	ter well			Distance to i	nearest surface v	vater		
Туре	Hole Size	Casing	r Sizo		. Proposed Cas	sing and Cement Pr Setting D		Sacks of C	omont	- T	Estimated 1	.00
Surf	12.25	8.6		Casil	32	1800		850			0	00
Prod	8.75	5			17		9900 141				0	
		-	-				· · · · ·					
						gram: Additional Co						
Mack Energy	Corporation prop	osed to drill 12	1/4" hole to	1800', run 8 5/	'8" csg/cmt. Drill	8 3/4" hole to 9900	', run 5 1/2" csg/o	cmt, put well on	n productio	n.		
				22	. Proposed Blov	wout Prevention Pr	ogram					
	Туре			Working Pressure			Test Pressure		Manufacturer			
	Double Ram			3	000		3000					
23. I hereby c	ertify that the info	rmation given a	bove is true	and complete	to the best of my	y	(OIL CONSERVA	TION DIVI	SION		
knowledge a												
	ify I have complie	ed with 19.15.1	4.9 (A) NMA	C 🛛 and/or 19	.15.14.9 (B) NM	AC						
🛛, if applicat	Jie.											
Signature:												
Printed Name:	Electronica	ally filed by Jerr	y Sherrell			Approved By:	Paul F Kau	tz				
Title:		/ Supervisor	,			Title:	Geologist					
Email Address:	jerrys@me					Approved Date:	6/25/2024		Expira	ation Date: 6/25	/2026	
Date:	6/21/2024		Pho	ne: 575-748-12	288		Approval Attache	d	Expire.	Date: 0/20		
Jui	0/21/2024		1.1101	10.010-1-0-12			pprova Audone	ч				

District I

District II

District III

District IV

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

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

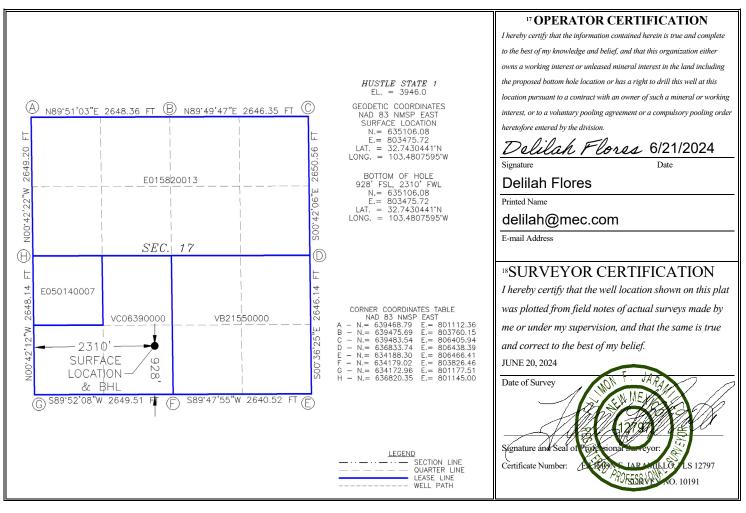
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

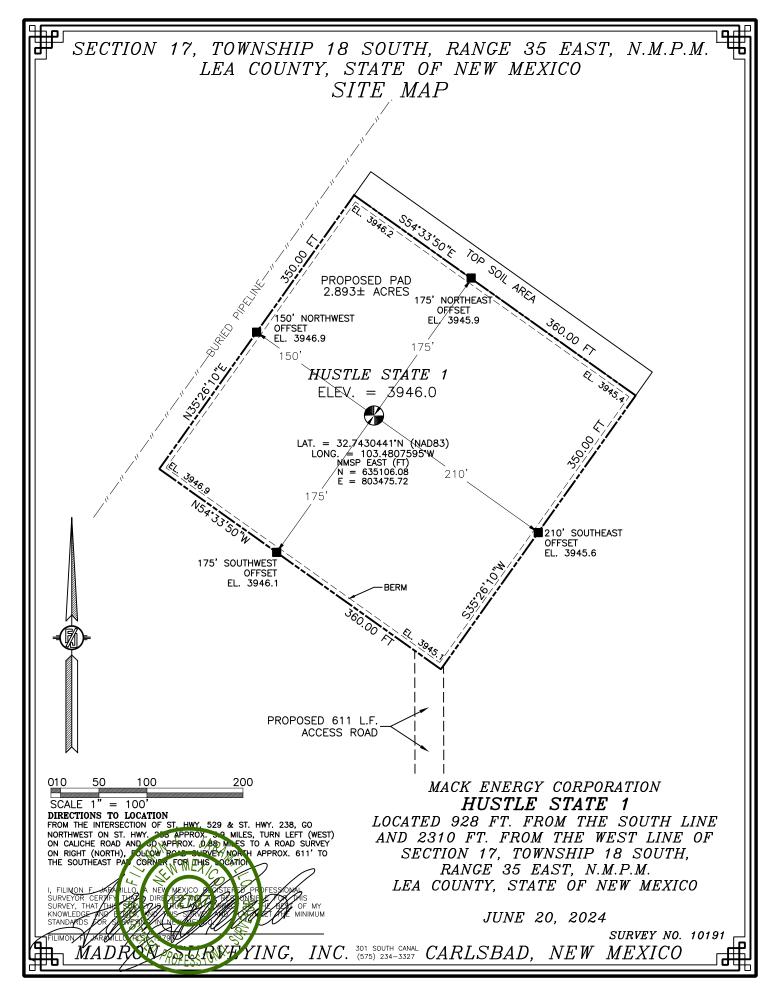
AMENDED REPORT

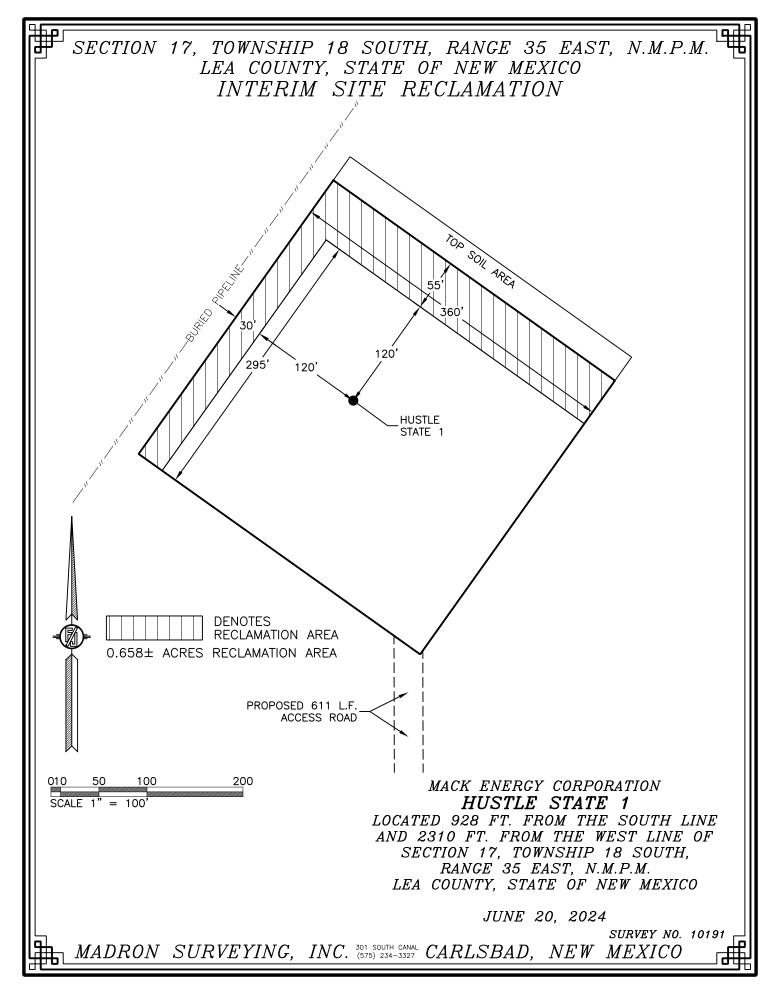
Page 2 of 21

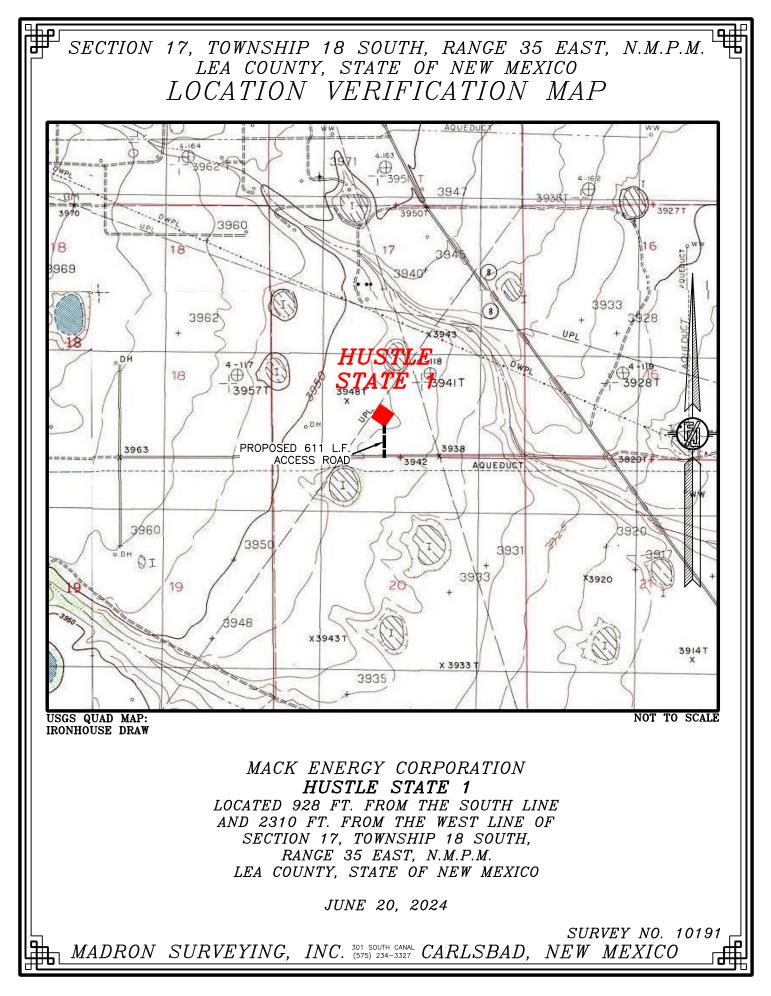
		W	ELL LO	DCATIO	N AND AC	REAGE DEDIC	CATION PLA	Т		
1	API Number	r	97930 ² Pool Code WC-025 G-06 S183518A, Bone Spring				J			
⁴ Property C	Code		⁵ Property Name					6	Well Number	
					HUSTLE	STATE				1
⁷ OGRID I	No.		⁸ Operator Name ⁹ Elevation						⁹ Elevation	
13837	,	MACK ENERGY CORPORATION 3946.0					3946.0			
					¹⁰ Surfa	ce Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County
Ν	17	18 S	35 E		928	SOUTH	2310	WE	ST	LEA
			пF	Bottom H	Iole Locatio	n If Different Fr	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County
Ν	17	18 S	35 E		928	SOUTH	2310	WE	ST	LEA
¹² Dedicated Acre	s ¹³ Joint	or Infill ¹⁴	Consolidation	n Code			¹⁵ Order No.			
40										

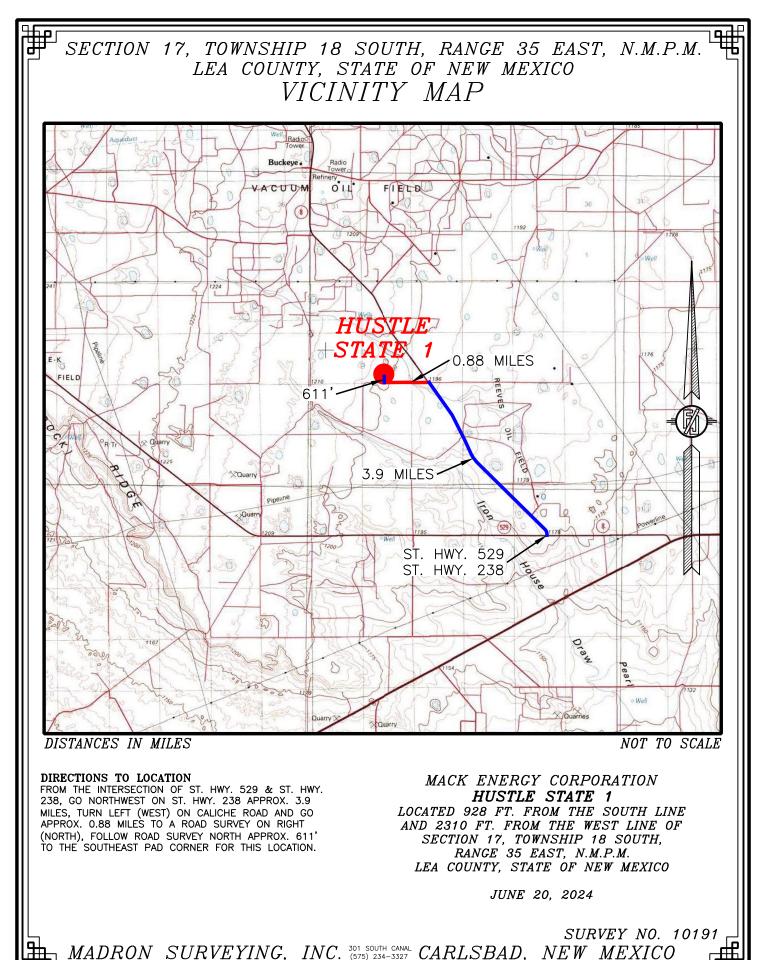
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.





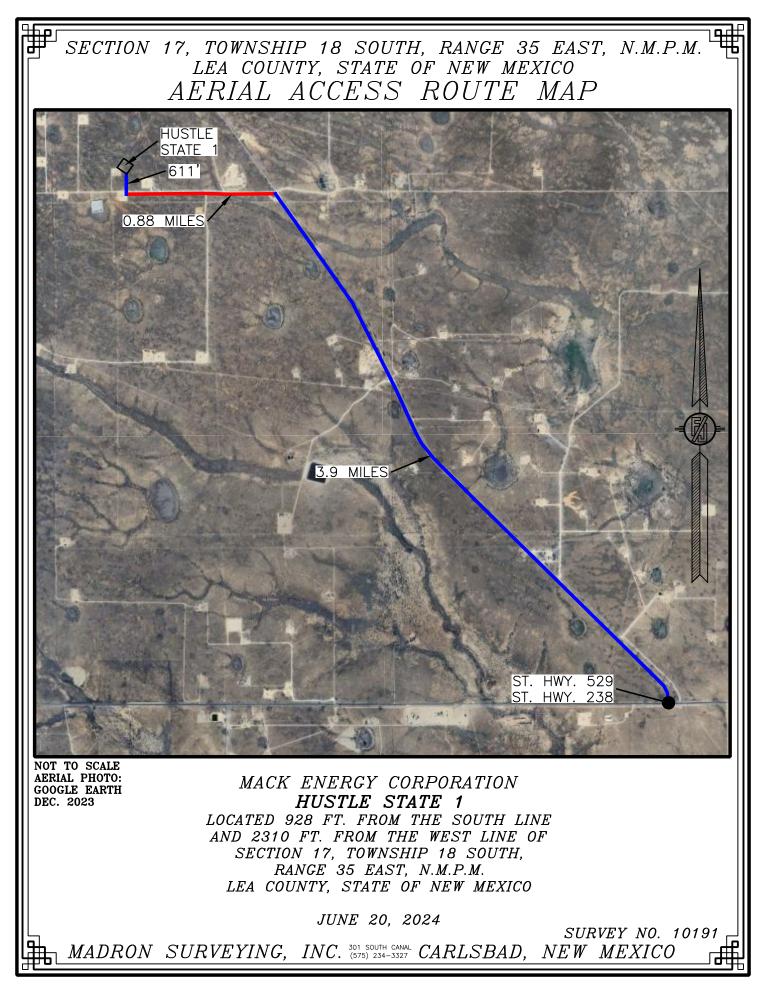


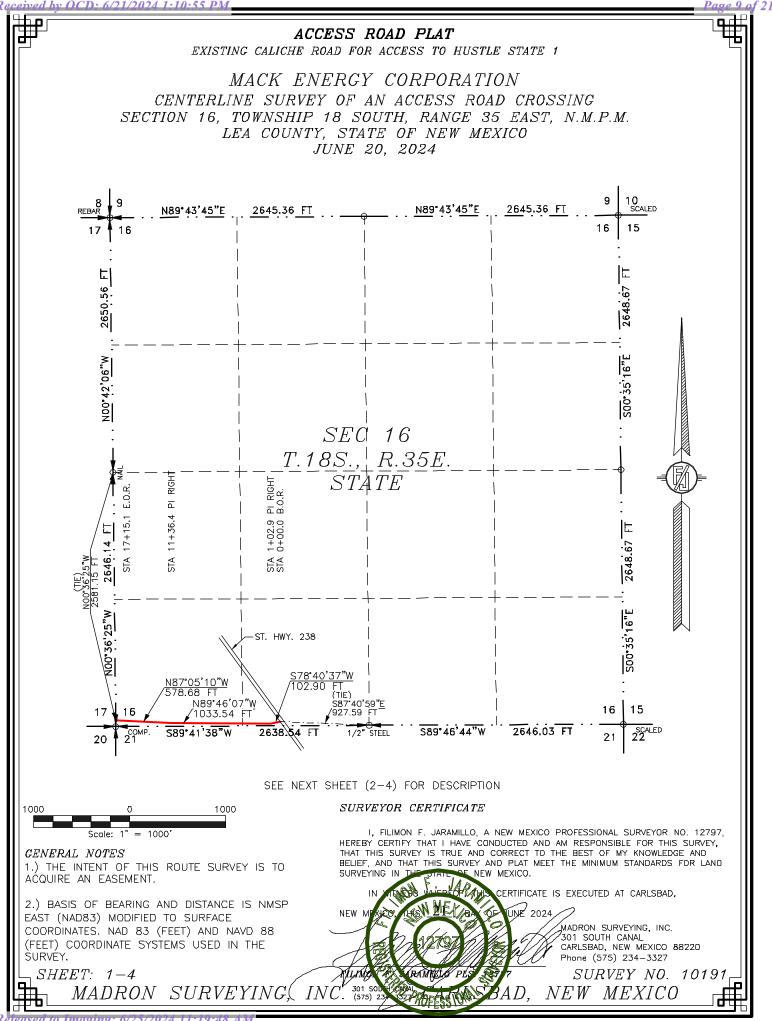




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ACCESS ROAD PLAT

EXISTING CALICHE ROAD FOR ACCESS TO HUSTLE STATE 1

MACK ENERGY CORPORATION CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 16, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO JUNE 20, 2024

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING STATE OF NEW MEXICO LAND IN SECTION 16, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SE/4 SW/4 OF SAID SECTION 16, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M., WHENCE THE SOUTH QUARTER CORNER OF SAID SECTION 16, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M. BEARS S87'40'59"E, A DISTANCE OF 927.59 FEET; THENCE S78'40'37"W A DISTANCE OF 102.90 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N89'46'07"W A DISTANCE OF 1033.54 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N87'05'10"W A DISTANCE OF 578.68 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE WEST QUARTER CORNER OF SAID SECTION 16, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M. BEARS NO0'36'25"W, A DISTANCE OF 2581.15 FEET;

SAID STRIP OF LAND BEING 1715.12 FEET OR 103.95 RODS IN LENGTH, CONTAINING 1.181 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SE/4 SW/4 394.70 L.F. 23.92 RODS 0.272 ACRES SW/4 SW/4 1320.42 L.F. 80.03 RODS 0.909 ACRES

SURVEYOR CERTIFICATE

NEW M

GENERAL NOTES 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY. — SHEET: 2-4

MADRON SURVEYING, INC. (301 S. Refeased to Imaging: 0/25/2024 11:19:48 AM

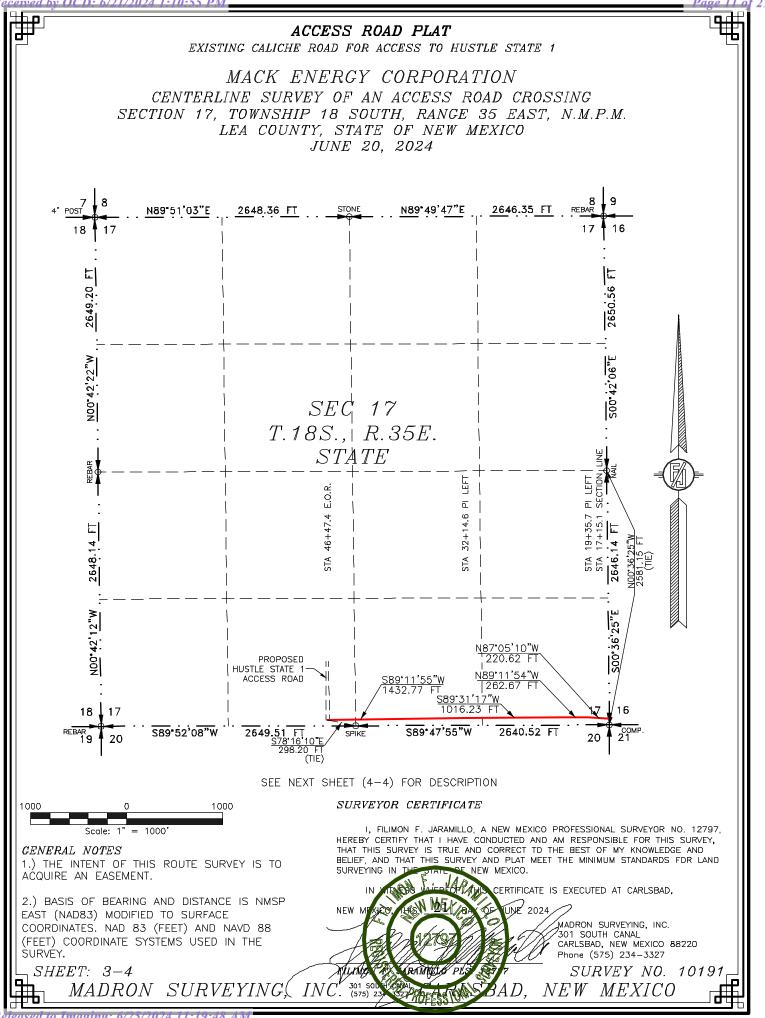
I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

AN USE OF THE CERTIFICATE IS EXECUTED AT CARLSBAD. MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3327 CAMULO PLS 577 SURVEY NO. 10191

AD

NEW MEXICO

Page 10 of 21



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ACCESS ROAD PLAT

EXISTING CALICHE ROAD FOR ACCESS TO HUSTLE STATE 1

MACK ENERGY CORPORATION CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 17, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO JUNE 20, 2024

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING STATE OF NEW MEXICO LAND IN SECTION 17, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SE/4 SE/4 OF SAID SECTION 17, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M., WHENCE THE EAST QUARTER CORNER OF SAID SECTION 17, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M. BEARS ND0'36'25"W, A DISTANCE OF 2581.15 FEET; THENCE N87'05'10"W A DISTANCE OF 220.62 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N89'11'54"W A DISTANCE OF 262.67 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE S89'31'17"W A DISTANCE OF 1016.23 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE S89'11'55"W A DISTANCE OF 1432.77 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE SOUTH QUARTER CORNER OF SAID SECTION 17, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M. BEARS S78'16'10"E, A DISTANCE OF 298.20 FEET;

SAID STRIP OF LAND BEING 2936.29 FEET OR 177.71 RODS IN LENGTH, CONTAINING 2.019 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SE/4 SE/4	1320.84 L.F.	80.04 RODS	0.909 ACRES
SW/4 SE/4	1320.26 L.F.	80.02 RODS	0.909 ACRES
SE/4 SW/4	291.19 L.F.	17.65 RODS	0.201 ACRES

SURVEYOR CERTIFICATE

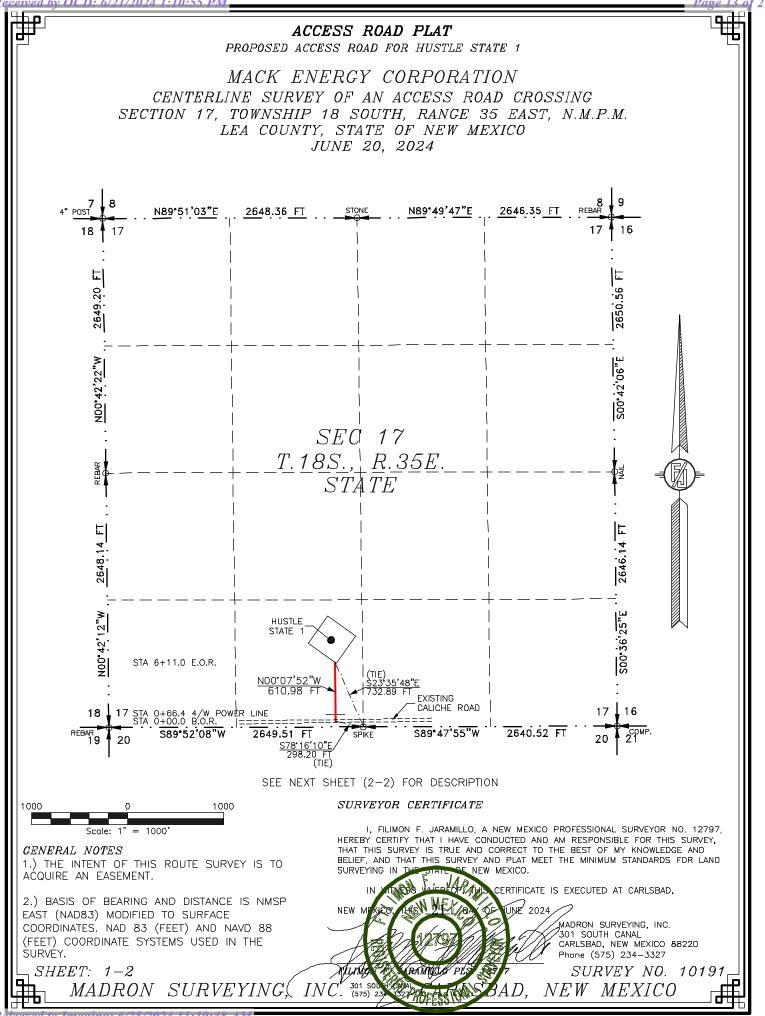
CENERAL NOTES 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY. $_SHEET: 4-4$

MADRON SURVEYING, INC. (301 S. Refeased to Imaging: 0/25/2024 11:19:48 AM

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN VIEWS WEEP CHARLS CERTIFICATE IS EXECUTED AT CARLSBAD, NEW MEYOS, LES HELL DA OF UNE 2024 MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3327 MUMOR 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3327 SURVEY NO. 10191 301 SOUTH CANAL CARLSBAD, NEW MEXICO



ACCESS ROAD PLAT

PROPOSED ACCESS ROAD FOR HUSTLE STATE 1

of 21

MACK ENERGY CORPORATION CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 17, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO JUNE 20, 2024

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING STATE OF NEW MEXICO LAND IN SECTION 17, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SE/4 SW/4 OF SAID SECTION 17, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M., WHENCE THE SOUTH QUARTER CORNER OF SAID SECTION 17, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M. BEARS S78'16'10"E, A DISTANCE OF 298.20 FEET; THENCE N00'07'52"W A DISTANCE OF 610.98 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE SOUTH QUARTER CORNER OF SAID SECTION 17, TOWNSHIP 18 SOUTH, RANGE 35 EAST, N.M.P.M. BEARS S23'35'48"E, A DISTANCE OF 732.89 FEET;

SAID STRIP OF LAND BEING 610.98 FEET OR 37.03 RODS IN LENGTH, CONTAINING 0.421 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SE/4 SW/4 610.98 L.F. 37.03 RODS 0.421 ACRES

SURVEYOR CERTIFICATE

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, GENERAL NOTES THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND 1.) THE INTENT OF THIS ROUTE SURVEY IS TO SURVEYING IN NEW MEXICO. ACQUIRE AN EASEMENT. CERTIFICATE IS EXECUTED AT CARLSBAD, 2.) BASIS OF BEARING AND DISTANCE IS NMSP NEW M ÚN₽ 2024 EAST (NAD83) MODIFIED TO SURFACE MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY. Phone (575) 234-3327 SHEET: 2-2SURVEY NO. 10191 MADRON SURVEYING (INC. 301 S. NEW MEXICO AD

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

PERMIT CONDITIONS OF APPROVAL

Operator	Name and Address:	API Number:					
	MACK ENERGY CORP [13837]	30-025-53096					
	P.O. Box 960 Well:						
	Artesia, NM 882110960	HUSTLE STATE #001					
OCD	Condition						
Reviewer							
pkautz	Notify OCD 24 hours prior to casing & cement						
pkautz	Will require a Deviation 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 operat	or 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 production strings of casing						
pkautz	If cement does not circulate on any string, a CBL is required for that string of casing						
pkautz	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud						

Permit 367755

Page 15 of 21

Received by OCD: 6/21/2024 1:10:55 P	Re	ceived by	v OCD:	6/21/2024	1:10:55 PM
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State of New Mexico Energy, Minerals and Natural Resources Department								nit Electronically E-permitting
		1220 S	nservation D outh St. Fran ta Fe, NM 87	icis Dr.				
This Natural Gas Mana		ATURAL GA					new or	recompleted well
	5	<u>Section</u>		<u>escription</u>		,		1
I. Operator: Mack E	nergy Cor	ooration	OGRID: _0	13837		Date:	06 /	21 / 2024
II. Type: 🛛 Original 🛛	☐ Amendment	t due to \Box 19.15.27.9	9.D(6)(a) NMA	.C □ 19.15.27.9.D	(6)(b) Ì	NMAC 🗆 (Other.	
If Other, please describe	e:							
III. Well(s): Provide th be recompleted from a s					wells p	roposed to	be dri	lled or proposed to
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D		icipated MCF/D	Р	Anticipated roduced Water BBL/D
Hustle State 1		N Sec 17 T18S R3	5E 928 FSL 2310 FWL	100	100		1,000	
IV. Central Delivery P V. Anticipated Schedu proposed to be recompl	le: Provide the	e following informat	ion for each new	w or recompleted v				
Well Name	API	Spud Date	TD Reached Date	Completion Commencement		Initial Flo Back Dat		First Production Date
Hustle State 1		7/1/2024	7/21/2024	8/21/2024		8/21/2024		8/21/2024
VI. Separation Equipr VII. Operational Prac Subsection A through F VIII Best Manageme	tices: 🛛 Attac of 19.15.27.8	ch a complete descr NMAC.	iption of the ac	ctions Operator wil	ll take	to comply	with t	he requirements o
VIII. Best Managemen during active and plann			e description of	f Operator's best r	nanage	ment pract	ices to	o minimize v

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. \Box 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 \Box will \Box 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 \Box does \Box 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: \Box 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.

<u>Section 3 - Certifications</u> <u>Effective May 25, 2021</u>

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

 \bowtie 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

 \Box 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. \Box 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. \Box 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:	Delilah Flores
Printed Name:	Delilah Flores
Title:	Regulatory Technician I
E-mail Address:	delilah@mec.com
Date:	06/21/2024
Phone:	575-748-1288
	OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:	
Title:	
Approval Date:	
Conditions of Ap	proval:

VI. Separation Equipment:

Mack Energy Corporation(MEC) production facilities include separation equipment designed to efficiently separate gas from liquid phases to optimize gas capture based on projected and estimated volumes from the targeted pool of our completion project. MEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the completion to optimize gas capture and send gas to sales or flare based on analytical composition. MEC operates facilities that are typically multi-well facilities. Production separation equipment is upgraded prior to new wells being completed, if determined to be undersized or inadequate. This equipment is already on-site and tied into our sales gas lines prior to the new drill operations.

VII. Operational Practices:

- Subsection (A) Venting and Flaring of Natural Gas. MEC understands the requirements of NMAC 19.15.27.8 which outlines that the venting and flaring of natural gas during drilling, completion or production operations that constitutes waste as defined in 19.15.2 are prohibited.
- 2. Subsection (B) Venting and Flaring during drilling operations. This gas capture plan isn't for a well being drilled.
- 3. Subsection (C) Venting and flaring during completion or recompletion. Flowlines will be routed for flowback fluids into a completion or storage tank and if feasible under well conditions, flare rather than vent and commence operation of a separator as soon as it is technically feasible for a separator to function.
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
- 4. Subsection (D) Venting and flaring during production operations o At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
 - Monitor manual liquid unloading for wells on-site or in close proximity (<30 minutes' drive time), take reasonable actions to achieve a stabilized rate and pressure at the earliest practical time, and take reasonable actions to minimize venting to the maximum extent practicable.
 - MEC will not vent or flare except during the approved activities listed in NMAC 19.15.27.8 (D) 14.
- 5. Subsection (E) Performance standards \circ All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.
 - If a flare is utilized during production operations it will have a continuous pilot and is located more than 100 feet from any known well or storage tanks.
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.

- 6. Subsection (F) Measurement or estimation of vented and flared natural gas \circ Measurement equipment is installed to measure the volume of natural gas flared from process piping.
 - When measurement isn't practicable, estimation of vented and flared natural gas will be completed as noted in 19.15.27.8 (F) 5-6.

VIII. Best Management Practices:

- 1. MEC has adequate storage and takeaway capacity for wells it chooses to complete as the flowlines at the sites are already in place and tied into a gathering system.
- 2. MEC will flare rather than vent vessel blowdown gas when technically feasible during active and/or planned maintenance to equipment on-site.
- 3. MEC combusts natural gas that would otherwise be vented or flared, when technically feasible.
- 4. MEC will shut in wells in the event of a takeaway disruption, emergency situation, or other operations where venting or flaring may occur due to equipment failures.
- 5. MEC has a gas gathering system in place(CTB-887)a with multiple purchaser's to limit venting or flaring, due to purchaser shut downs.