

**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 273686

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

1. Operator Name and Address Ridge Runner Resources Operating, LLC 1004 N. Big Spring Street Midland, TX 79701		2. OGRID Number 373013
4. Property Code 326238		3. API Number 30-015-46415
5. Property Name ESPERANZA 22 STATE COM W		6. Well No. 004H

**7. Surface Location**

UL - Lot L	Section 22	Township 21S	Range 27E	Lot Idn	Feet From 2287	N/S Line S	Feet From 450	E/W Line W	County Eddy
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**8. Proposed Bottom Hole Location**

UL - Lot I	Section 22	Township 21S	Range 27E	Lot Idn I	Feet From 2323	N/S Line S	Feet From 100	E/W Line E	County Eddy
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**9. Pool Information**

Lone Tree Draw Wolfcamp	97208
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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 3245
16. Multiple N	17. Proposed Depth 13925	18. Formation Wolfcamp	19. Contractor	20. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined 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	48	500	450	0
Int1	12.25	9.625	47	8800	1625	0
Prod	8.5	5.5	17	13925	1100	8600

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1500	
Double Ram	5000	3000	

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 <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.  Signature:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Michelle Sena	Approved By: Raymond Podany
Title:	Title: Geologist
Email Address: msena@3ROperating.com	Approved Date: 10/23/2019      Expiration Date: 10/23/2021
Date: 10/23/2019      Phone: 432-684-7877	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

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name		
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>ESPERANZA 22 STATE COM W</b>				<sup>6</sup> Well Number <b>4H</b>
<sup>7</sup> OGRID NO.		<sup>8</sup> Operator Name <b>RIDGE RUNNER RESOURCES OPERATING, LLC</b>				<sup>9</sup> Elevation <b>3245'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>L</b>	<b>22</b>	<b>21</b>	<b>27</b>		<b>2287</b>	<b>SOUTH</b>	<b>450</b>	<b>WEST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>22</b>	<b>21</b>	<b>27</b>		<b>2323</b>	<b>SOUTH</b>	<b>100</b>	<b>EAST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

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

<p><b>GEODETIC DATA</b> NAD 83 GRID - NM EAST</p> <p><b>SURFACE LOCATION (S.L.)</b> N: 532749.0 E: 587123.0</p> <p>LAT: 32.4645031° N LONG: 104.1848792° W</p> <p><b>POINT OF PENETRATION/FIRST TAKE POINT (P.P./F.T.P.)</b> N: 532783.2 - E: 587600.7</p> <p>LAT: 32.4645955° N LONG: 104.1833301° W</p> <p><b>LAST TAKE POINT/BOTTOM HOLE (L.T.P./B.H.)</b> N: 532821.6 - E: 591900.1</p> <p>LAT: 32.4646836° N LONG: 104.1693897° W</p>		<p><b>CORNER DATA</b> NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1943" N: 530459.6 - E: 586686.0</p> <p>B: FOUND BRASS CAP "1943" N: 533104.9 - E: 586671.1</p> <p>C: FOUND BRASS CAP "1943" N: 535751.6 - E: 586656.7</p> <p>D: FOUND BRASS CAP "1943" N: 535778.5 - E: 589321.4</p> <p>E: FOUND BRASS CAP "1943" N: 535806.1 - E: 591985.8</p> <p>F: FOUND BRASS CAP "1943" N: 533152.5 - E: 591999.4</p> <p>G: FOUND BRASS CAP "1943" N: 530499.9 - E: 592004.8</p>		<p>H: FOUND BRASS CAP "1943" N: 530479.8 - E: 589343.0</p> <p><b>CALCULATED POINTS</b></p> <p>1: N: 531782.2 - E: 586678.6 2: N: 531826.2 - E: 592002.1</p>	
<p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u>Michelle Sena</u> Date: <u>10/22/19</u></p> <p>Printed Name: <u>Michelle Sena</u></p> <p>E-mail Address: <u>mseana@3rperating.com</u></p>					
<p><b>18 SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>06-19-2019</b> Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <u>Jeffrey L. Fansler</u></p> <p><b>10034</b> Certificate Number</p>					

Job No.: LS19060647A

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**GAS CAPTURE PLAN**

Date: 10/23/2019

☒ Original

Operator & OGRID No.: [373013] Ridge Runner Resources Operating, LLC

☐ Amended - Reason for  
Amendment: \_\_\_\_\_

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

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

**Well(s)/Production Facility – Name of facility**

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

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
ESPERANZA 22 STATE COM W #004H	30-015-46415	L-22-21S-27E	2287S 0450W	2500	Flared	

**Gathering System and Pipeline Notification**

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to DCP OPERATING COMPANY, LP and will be connected to DCP OPERATING COMPANY, LP Low Pressure gathering system located in Eddy County, New Mexico. It will require 1320' of pipeline to connect the facility to Low Pressure gathering system. Ridge Runner Resources Operating, LLC provides (periodically) to DCP OPERATING COMPANY, LP a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Ridge Runner Resources Operating, LLC and DCP OPERATING COMPANY, LP have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at DCP OPERATING COMPANY, LP Processing Plant located in Sec. 14, Twn. 21S, Rng. 27E, Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

**Flowback Strategy**

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on DCP OPERATING COMPANY, LP system at that time. Based on current information, it is Ridge Runner Resources Operating, LLC'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

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Form APD Comments

Permit 273686

**PERMIT COMMENTS**

Operator Name and Address: Ridge Runner Resources Operating, LLC [373013] 1004 N. Big Spring Street Midland, TX 79701		API Number: 30-015-46415
		Well: ESPERANZA 22 STATE COM W #004H

Created By	Comment	Comment Date
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Form APD Conditions  
  
Permit 273686

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: Ridge Runner Resources Operating, LLC [373013] 1004 N. Big Spring Street Midland, TX 79701		API Number: 30-015-46415
		Well: ESPERANZA 22 STATE COM W #004H
OCD Reviewer	Condition	
rpodany	Will require a directional survey with the C-104	
rpodany	Cement is required to circulate on both surface and intermediate1 strings of casing	

## Minimum Radius of Curvature

Company: Ridge Runner Resources

Drillers: 0

Well: Esperanza 22 State Com W #4H

Depth Units: Feet

Location: 0

Section Azm: 89.49

RIG: 0.00

Field: 0.00°

Correction: 0.00° Grid / True?

RKB: 0

Station	Depth	Inc.	Azm.	T.V.D.	+N/-S	+E/-W	V. Sect.	DLS
TIP	8800	0.00	0.00	8800.00	0.00	0.00	0.00	TIE IN
1	8873	0.00		8873.00	0.00	0.00	0.00	0.00
2	9623	90.00	89.49	9350.46	4.25	477.45	477.46	12.00
3	13925	90.00	89.49	9350.46	42.54	4779.28	4779.46	0.00

Ridge Runner Resources

Esperanza 22 State Com W #4H

## Section View

### Vertical Section

