

District I1625 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
Revised July 18, 2013

Permit 290878

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

1. Operator Name and Address MANZANO LLC P.O. Box 1737 Roswell, NM 88202		2. OGRID Number 231429
		3. API Number 30-025-37568
4. Property Code 301419	5. Property Name FOUR PETE SAKE	6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	11	10S	32E	H	1955	N	437	E	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	11	10S	32E	H	1955	N	437	E	Lea

9. Pool Information

MESCALERO;SAN ANDRES	45990
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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 4270
16. Multiple N	17. Proposed Depth 9050	18. Formation San Andres	19. Contractor	20. Spud Date 1/6/2021
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	13.365	48	388	400	0
Int1	11	8.625	24	3400	1450	0
Prod	7.875	5.5	15	9050	2275	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	1500	SCHAFER

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.		OIL CONSERVATION DIVISION	
Signature:		Approved By: 	
Printed Name: Electronically filed by Michael Hanagan		Title:	
Title: Manager		Approved Date: 01/08/2021	
Email Address: mike@manzanoenergy.com		Expiration Date: 01/08/2023	
Date: 1/4/2021	Phone: 575-623-1996	Conditions of Approval Attached	

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Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505****GAS CAPTURE PLAN**

Date: 1/6/2021

☒ Original

Operator & OGRID No.: [231429] MANZANO 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 completion 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
FOUR PETE SAKE #002	30-025-37568	H-11-10S-32E	1955N 0437E	25	None	WELL IS ALREADY CONNECTED TO TARGA MIDSTREAM SERVICES LLC

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 TARGA MIDSTREAM SERVICES LLC and will be connected to TARGA MIDSTREAM SERVICES LLC High/Low Pressure gathering system located in Lea County, New Mexico. It requires 0' of pipeline to connect the facility to High/Low Pressure gathering system. MANZANO LLC provides (periodically) TARGA MIDSTREAM SERVICES LLC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, MANZANO LLC and TARGA MIDSTREAM SERVICES LLC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at TARGA MIDSTREAM SERVICES LLC Processing Plant located in Sec. 09, Twn. 16S, Rng. 35E, Lea 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 TARGA MIDSTREAM SERVICES LLC system at that time. Based on current information, it is MANZANO LLC's belief the system will 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-productive 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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Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505**

Form APD Conditions

Permit 290878

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MANZANO LLC [231429] P.O. Box 1737 Roswell, NM 88202	API Number: 30-025-37568
	Well: FOUR PETE SAKE #002

OCD Reviewer	Condition
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1220 S. St Francis Dr.
Santa Fe, NM 87505**

Form APD Coi

Permit

PERMIT COMMENTS

Operator Name and Address: MANZANO LLC [231429]	API Number: 30-025-37568
	Well: FOUR PETE SAKE #002

Created By	Comment	Comment Date
plmartinez	DUPLICATE WELL	1/5/2021

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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 30-025-37568	² Pool Code 45990	³ Pool Name MESCALERO;SAN ANDRES
⁴ Property Code 301419	⁵ Property Name FOUR PETE SAKE	
⁷ OGRID No. 231429	⁸ Operator Name MANZANO, LLC	⁶ Well Number 2
		⁹ Elevation 4270

¹⁰ Surface Location

UL or lot no. H	Section 11	Township 10s	Range 32e	Lot Idn	Feet from the 1955	North/South line NORTH	Feet from the 437	East/West line EAST	County LEA
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¹¹ 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
¹² Dedicated Acres 40.0	¹³ Joint or Infill N	¹⁴ Consolidation Code		¹⁵ Order No.					

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.

<div style="position: relative; height: 400px;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; background-color: yellow; border: 2px solid black;"></div> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%);"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black;"></div> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black;"></div> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black;"></div> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black;"></div> </div> </div>	<p>¹⁷ OPERATOR CERTIFICATION</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><i>Mike Hanagan</i> 1/4/21 Signature Date</p> <p>MIKE HANAGAN Printed Name</p> <p>mike@manzanoenergy.com E-mail Address</p>	
	<p>¹⁸ SURVEYOR CERTIFICATION</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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>	
	<p>Certificate Number</p>	

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CONDITIONS

Action 13983

CONDITIONS OF APPROVAL

Operator:	MANZANO LLC	P.O. Box 1737	Roswell, NM88202	OGRID:	231429	Action Number:	13983	Action Type:	APD
OCD Reviewer	Condition								
pkautz	None								