

1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II

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District III

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

District IV

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

State of New Mexico

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Revised July 18, 2013

☒ AMENDED REPORT
(Add Yates)

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

¹ Operator Name and Address North Fork Operating, LP 1000 W. Wilshire Blvd., Suite 311 Nichols Hills, OK 73116 (405) 843-8200		² OGRID Number 329399
		³ API Number 30-025-26827
⁴ Property Code 33820	⁵ Property Name Tonto	⁶ Well No. 1

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
M	25	24 S	37 E		990	S	330	W	Lea

⁸ Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
M	25	24 S	37 E		990	S	330	W	Lea

⁹ Pool Information

Pool Name Jalmat; Tan-Yates-7 Rvrs (oil) (PERFS 2578-3180)	Pool Code 33820 / 37240
LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG (Perfs 3180-33570)	

¹¹ Work Type A	¹² Well Type O	¹³ Cable/Rotary R	¹⁴ Lease Type P	¹⁵ Ground Level Elevation 3149'
¹⁶ Multiple N	¹⁷ Proposed Depth 3520'	¹⁸ Formation Queen	¹⁹ Contractor to be determined	²⁰ Spud Date 1-18-21
Depth to Ground water 80' in CP 00087 POD1		Distance from nearest fresh water well 3825' SW of CP 00087 POD1		Distance to nearest surface water ≈ 7 miles NE of Jal Lake

☒ A closed-loop system will be used 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
Surface	12.25"	8.625"	24	GL - 319'	200	GL
Production	7.875"	4.5"	9.5	GL - 3518'	775	GL'

Casing/Cement Program: Additional Comments

Plugback existing Penrose perforations (3401'-3432') with a CIBP. New perforations will be added in the Yates, 7 Rivers, and Queen zone from 2578' to 3357'. The new perforations will be acidized with approx. 2500 gals 10% NEFE and fracked as recommended by engineers.

²² Proposed Blowout Prevention Program

Type	Working Pressure (psi)	Test Pressure (psi)	Manufacturer
double ram 5000# manual	5000	5000	Vista

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☐, if applicable.

Signature: *Cory Walk*

Printed name: Cory Walk

Title: Consultant

E-mail Address: cory@permitswest.com

Date: 1-19-2021

Phone: 505 466-8120

OIL CONSERVATION DIVISION

Approved By:

[Signature]

Title:

Approved Date: 01/20/2021

Expiration Date: 01/20/2023

Conditions of Approval Attached

**REQUIRES
ADMINISTRATIVE DHC
ORDER BEFORE
PRODUCTION**

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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

X AMENDED REPORT
(plug back & add
Yates)

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-26827	² Pool Code 33820	³ Pool Name Jalmat; Tan-Yates-7 Rvrs (oil)
⁴ Property Code 326760	⁵ Property Name Tonto	⁶ Well Number 1
⁷ OGRID No. 329399	⁸ Operator Name North Fork Operating, LP	⁹ Elevation 3149'

¹⁰ Surface Location


UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	25	24 S	37 E		990	SOUTH	330	WEST	LEA

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
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¹² Dedicated Acres 40	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.

16					17 OPERATOR CERTIFICATION <i>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.</i> <div><div> Signature</div><div>01-19-21 Date</div></div> <div>Cory Walk Printed Name</div> <div>cory@permitswest.com E-mail Address</div> <div>(505) 466-8120</div>
					18 SURVEYOR CERTIFICATION <i>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.</i> <div>May 19, 1980 Date of Survey</div> <div>Signature and Seal of Professional Surveyor: Original survey by Max A Schumann Jr #1510 on file with NMOCD.</div> <div>Certificate Number</div>

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Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 1/17/2021

X Original Operator & OGRID No.: North Fork Operating, LP (329399)

☐ 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: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule 19.15.18.12.A

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	API	SHL (ULSTR)	SHL Footages	Expected MCF/D	Flared or Vented	Comments
Tonto 1	30-025-26827	M-25-24S-37E	990 FSL & 330 FWL	50	30 days	Time depends on well clean up

Gathering System and Pipeline Notification

Well will be connected to a production facility after flowback operations are completed. Gas from the pad will be piped west 100' to an existing Energy Transfer Partners, LP (267255) line in SWSW 25-24s-37e, North Fork Operating, LP will provide (periodically) to its Gas Transporter a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, North Fork Operating, LP and its Gas Transporter have periodic conference calls to discuss changes to drilling and completion schedules. Gas from the well will be processed at an Energy Transfer Partners, LP Processing Plant located in 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 will be produced to permanent 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 well will be turned to production facilities. Gas sales should start as soon as the well starts flowing through the production facilities, unless there are operational issues on its Gas Transporter system at that time. Based on current information, it is North Fork Operating, LP's belief an existing or new system can take this gas upon completion of the well. Safety requirements during cleanout operations from using 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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CONDITIONS

Action 14979

CONDITIONS OF APPROVAL

Operator:		OGRID:	Action Number:	Action Type:
NORTH FORK OPERATING, LP	1000 W. Wilshire Boulevard	329399	14979	APD
Suite 311	Nichols Hills, OK73116			

OCD Reviewer	Condition
pkautz	Will require administrative order for down hole comingling (DHC) before both pools can produced together. Application for DHC can be submitted through e-permitting.