

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 299737

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

1. Operator Name and Address SPC RESOURCES, LLC P.O. Box 1020 Artesia, NM 88211		2. OGRID Number 372262
		3. API Number 30-015-49106
4. Property Code 331747	5. Property Name Barney	6. Well No. 303H

7. Surface Location

UL - Lot M	Section 5	Township 22S	Range 27E	Lot Idn	Feet From 654	N/S Line S	Feet From 1132	E/W Line W	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot L	Section 6	Township 22S	Range 27E	Lot Idn LOT 6	Feet From 1640	N/S Line S	Feet From 50	E/W Line W	County Eddy
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9. Pool Information

ESPERANZA;BONESPRING	97755
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3170
16. Multiple N	17. Proposed Depth 16544	18. Formation Bone Spring	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	54.5	458	460	0
Int1	12.25	10.75	40.5	3131	555	0
Prod	9.875	5.5	20	9247	2040	0
Prod	8.75	5.5	20	16544	1800	9247

Casing/Cement Program: Additional Comments

We plan to drill 9-7/8" open hole to our landing point at 9247' MD, we will then trip and drill 8-3/4" open hole to TD. The 5-1/2" long string will be cemented with 2040 sks of lead cement and 1800 sks of tail cement - plan to get lead cement to surface.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	2500	Hydril
Double Ram	10000	5000	Hydril
Pipe	10000	5000	Hydril

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 ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable.

Signature:

OIL CONSERVATION DIVISION

Printed Name: Electronically filed by Lelan J Anders	Approved By: Katherine Pickford
Title: Vice President of Operations	Title: Geoscientist
Email Address: landers@santopetroleum.com	Approved Date: 11/22/2021 Expiration Date: 11/22/2023
Date: 11/9/2021 Phone: 713-600-7502	Conditions of Approval Attached

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State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised August 4, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-49106	Pool Code 97755	Pool Name ESPERANZA BONE SPRING POOL
Property Code 331747	Property Name BARNEY	Well Number 303H
OGRID No. 372262	Operator Name SPC RESOURCES, LLC	Elevation 3170'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
M	5	22 S	27 E		654	SOUTH	1132	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
LOT 6	6	22 S	27 E		1640	SOUTH	50	WEST	EDDY
Dedicated Acres 473.59	Joint or Infill	Consolidation Code	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

BOTTOM HOLE LOCATION Lat - N 32.418659° Long - W 104.237357° NMSPCE- N 516052.5 E 570953.1 (NAD-83) Lat - N 32.418541° Long - W 104.236852° NMSPCE- N 515992.7 E 529771.9 (NAD-27)	LAST TAKE POINT 1640' FSL & 100' FWL Lat - N 32.418665° Long - W 104.237195° NMSPCE- N 516054.9 E 571003.1 (NAD-83) Lat - N 32.418547° Long - W 104.236690° NMSPCE- N 515995.1 E 529821.9 (NAD-27)	OPERATOR CERTIFICATION 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. Signature _____ Date 8/17/2021 Lelan J Anders Printed Name LAnders@SantoPetroleum.com Email Address
		SURVEYOR CERTIFICATION 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. SEPTEMBER 16 2020 Date Surveyed _____ Signature & Seal of Professional Surveyor 7977 Certificate No. 7977 BASIN SURVEYS 0' 1000' 2000' 3000' 4000' N SCALE: 1" = 2000' WO Num.: 35180

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Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form APD Conditions

Permit 299737

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: SPC RESOURCES, LLC [372262] P.O. Box 1020 Artesia, NM 88211	API Number: 30-015-49106
	Well: Barney #303H

OCD Reviewer	Condition
kpickford	OCD conditionally approves this permit for drilling and completion activity. As a condition of approval, this well cannot be drilled or completed until: (i) the remediation of the brine well project is complete, (ii) the well is considered stabilized, and (iii) the OCD Director or his/her delegate has provided written (which includes email) confirmation that the well can be spud.
kpickford	If drilling or completion activities occur after the conclusion of the brine well remediation project, this permit remains subject to the following:
kpickford	1) Operator shall provide, at least 14 days prior to the start of any drilling or completion activities, a notice to OCD with a request for confirmation to proceed from the OCD.
kpickford	2) Prior to the commencement of any drilling or completion activities the operator must first receive written (which includes email) confirmation from the OCD Director or his/her delegate that the OCD has no concerns with such activities proceeding.
kpickford	3) OCD retains the right to require the cessation of any drilling or completion activities associated with this permit due to concerns about potential impacts to ongoing or completed remediation activities at the Carlsbad brine well.
kpickford	a. If OCD orders cessation pursuant to this provision, the initial period shall be for 45 days during which time OCD shall share information about the basis for its concern.
kpickford	b. If the OCD's concerns cannot be addressed during the initial 45-day period, OCD may extend any such cessation until the concerns requiring the cessation have been addressed to the OCD's satisfaction
kpickford	Will require administrative order for non-standard spacing unit
kpickford	Surface casing must be set 25' below top of Rustler Anhydrite or other competent layer in order to seal off protectable water
kpickford	Notify OCD 24 hours prior to casing & cement
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104
kpickford	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud
kpickford	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing
kpickford	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



Santo Petroleum

Eddy County, NM (NAD 83 - NME)

BARNEY PAD

303H

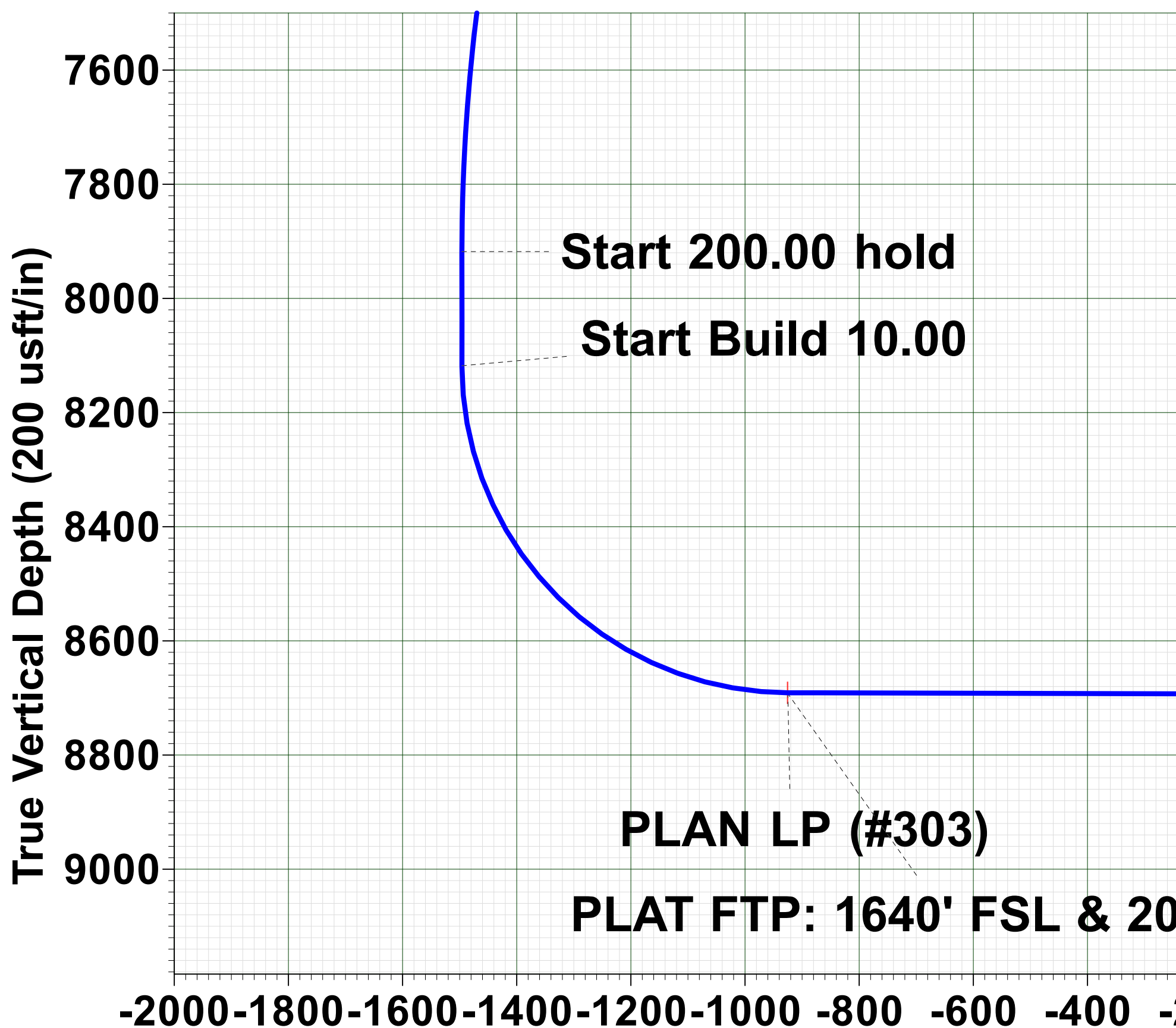
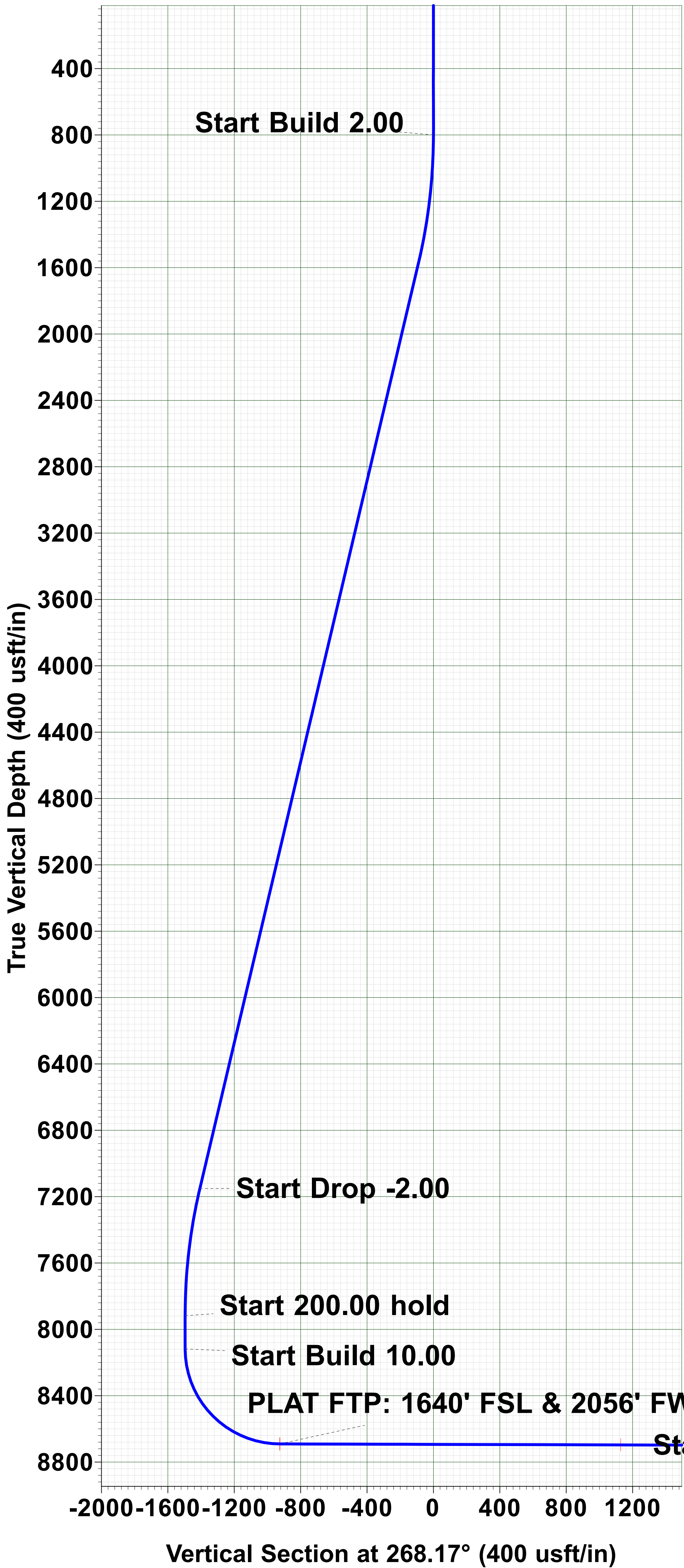
Wellbore #1

Plan: PLAN #2

Standard Planning Report

11 August, 2021



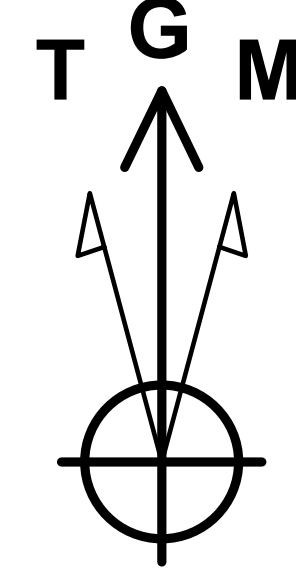


Company: Santo Petroleum
Project: Eddy County, NM (NAD 83 - NME)
Site: BARNEY PAD
Well: 303H
Wellbore: Wellbore #1
Rig: TBD
Design: PLAN #2 / 10:01, August 11 2021

WELL DETAILS: 303H						
RKB = 25' @ 3195.00usft (TBD)						
3170.00						
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	
0.00	0.00	515305.60	577350.20	32.416588	-104.216628	

SECTION DETAILS									
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	VSect	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	
3	1576.46	15.53	56.33	1566.99	57.99	87.04	2.00	-88.84	
4	7372.11	15.53	56.33	7151.06	918.31	1378.36	0.00	-1406.99	
5	8148.57	0.00	0.01	7918.05	976.30	1465.40	2.00	-1495.83	
6	8348.57	0.00	0.01	8118.05	976.30	1465.40	0.00	-1495.83	
7	9246.97	89.84	270.34	8691.00	979.71	894.05	10.00	-924.88	
8	11301.42	89.84	270.34	8696.74	991.97	-1160.35	0.00	1128.08	PLAN SEC X-ING (#303)
9	11454.72	89.84	267.28	8697.17	988.79	-1313.60	2.00	1281.35	
10	16493.93	89.84	267.28	8711.00	749.30	-6347.10	0.00	6319.93	PLAT LTP: 1640' FSL & 100' FWL
11	16543.99	89.84	267.28	8711.14	746.92	-6397.10	0.00	6369.99	PLAT BHL: 1640' FSL & 50' FWL

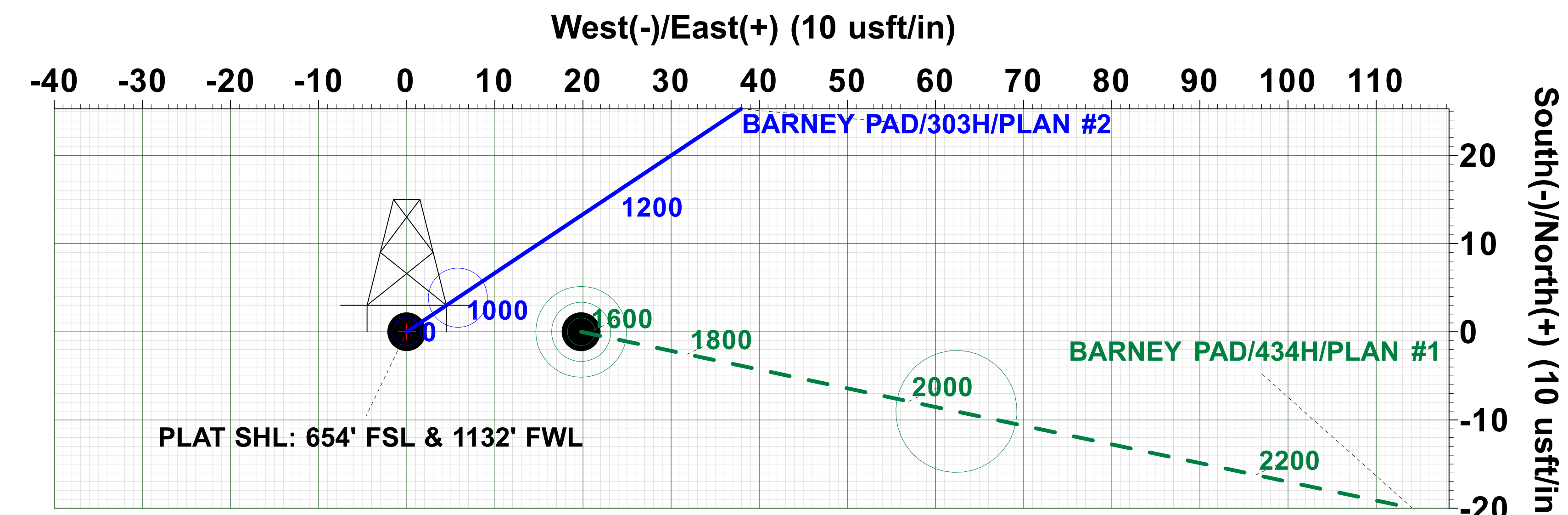
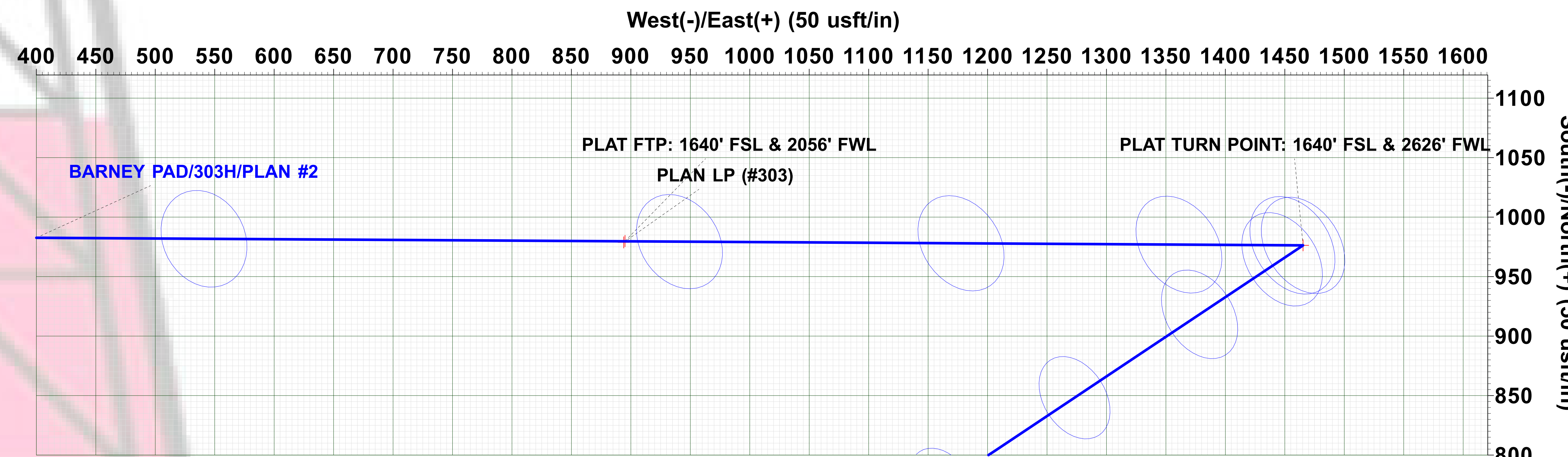
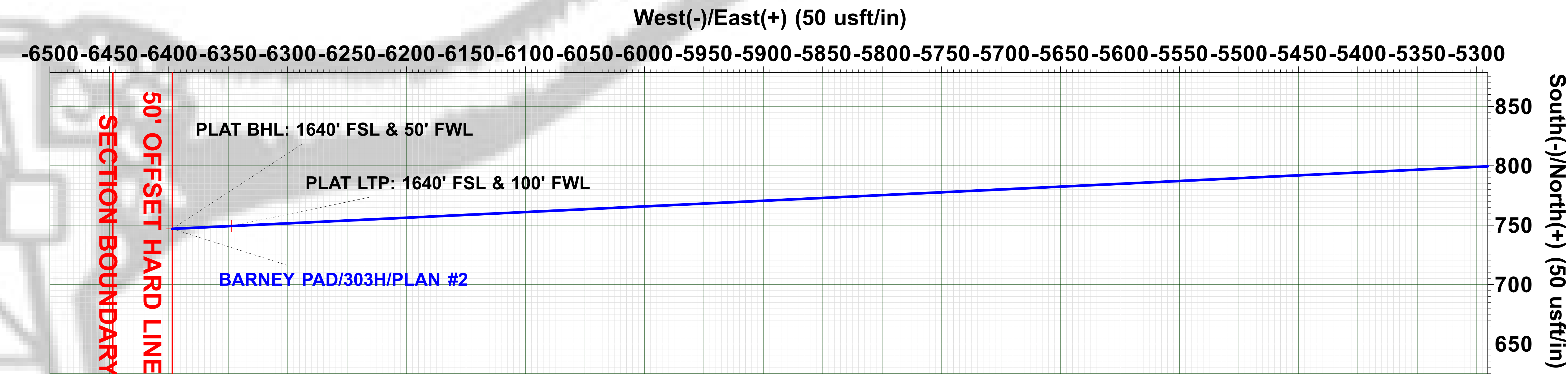
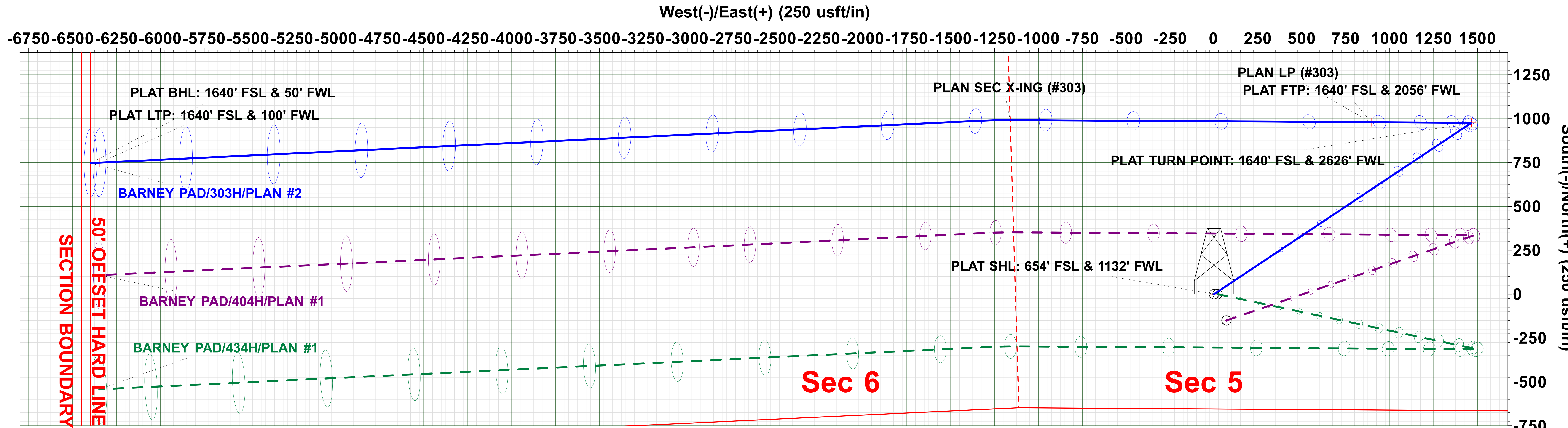
DESIGN TARGET DETAILS							
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
PLAT SHL: 654' FSL & 1132' FWL	0.00	0.00	0.00	515305.60	577350.20	32.416588	-104.216628
PLAT TURN POINT: 1640' FSL & 2626' FWL	0.00	976.30	1465.40	516281.90	578815.60	32.419267	-104.211876
PLAT FTP: 1640' FSL & 2056' FWL	8691.00	979.90	895.10	516285.50	578245.30	32.419279	-104.213724
PLAN LP (#303)	8691.00	978.79	894.05	516284.39	578244.25	32.419276	-104.213727
PLAN SEC X-ING (#303)	8696.68	991.96	-1160.35	516297.56	576189.85	32.419318	-104.220385
PLAT LTP: 1640' FSL & 100' FWL	8711.00	749.30	-6347.10	516054.90	571003.10	32.418665	-104.237195
PLAT BHL: 1640' FSL & 50' FWL	8711.14	746.90	-6397.10	516052.50	570953.10	32.418659	-104.237357



Azimuths to Grid North
True North: -0.06°
Magnetic North: 6.78°

Magnetic Field
Strength: 47526.4snT
Dip Angle: 59.97°
Date: 8/10/2021
Model: IGRF2020

PROJECT DETAILS: Eddy County, NM (NAD 83 - NME)
Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone
System Datum: Mean Sea Level



Disclaimer:
All Plan Details, boundary lines and offset well location/ survey data is provided by customer and subject to customer approval.

Plan: PLAN #2 (303H/Wellbore #1) TBD

Created By: Matthew May Date: 10:01, August 11 2021

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 4, 2011

Submit one copy to appropriate
District Office

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 97755	Pool Name ESPERANZA BONE SPRING POOL
Property Code	Property Name BARNEY	Well Number 303H
OGRID No.	Operator Name SPC RESOURCES, LLC	Elevation 3170'

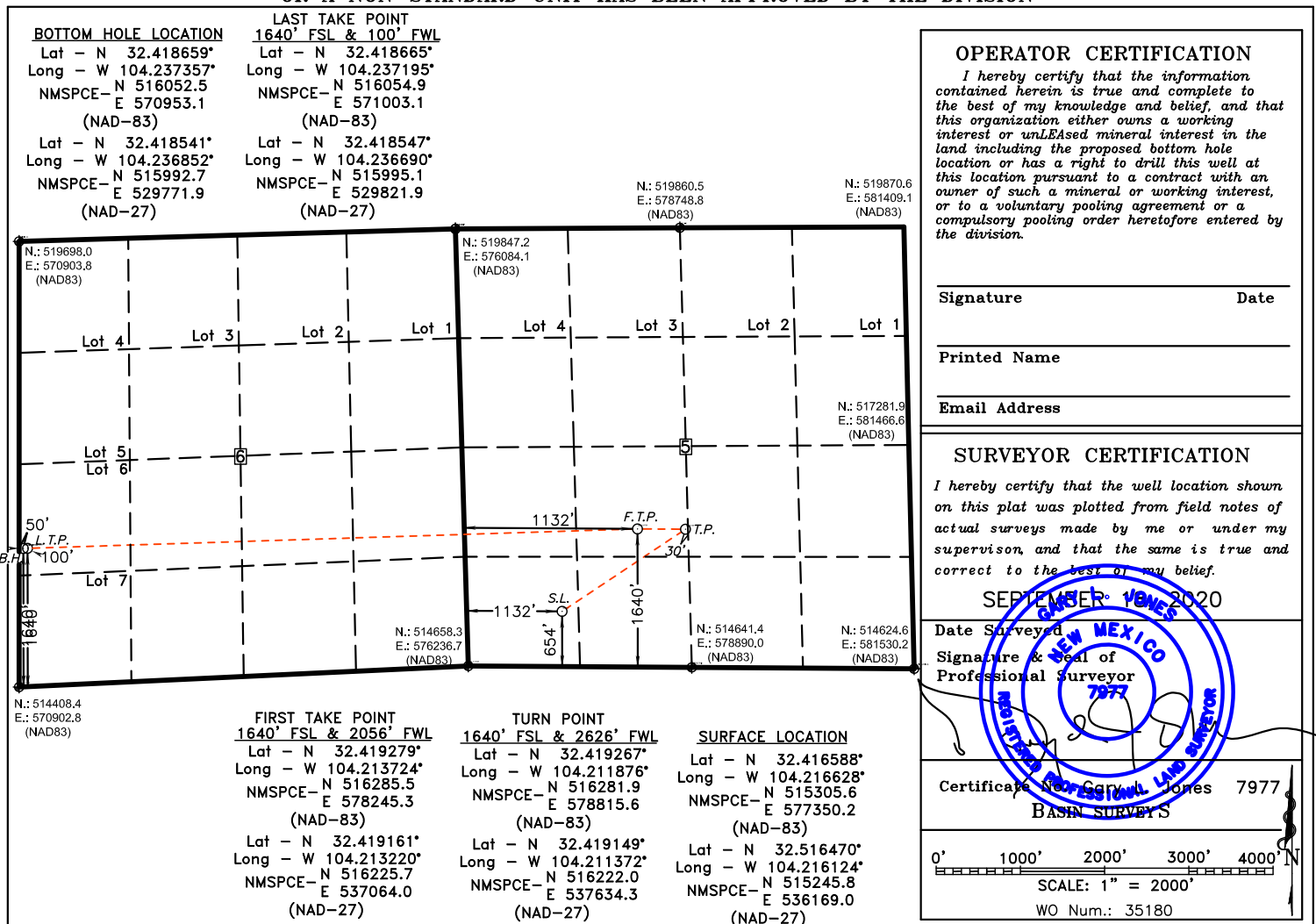
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
M	5	22 S	27 E		654	SOUTH	1132	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/West line	County
LOT 6	6	22 S	27 E		1640	SOUTH	50	WEST	EDDY
Dedicated Acres 473.59	Joint or Infill	Consolidation Code	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





Planning Report



Database:	WBDS_SQL_2	Local Co-ordinate Reference:	Well 303H
Company:	Santo Petroleum	TVD Reference:	RKB = 25' @ 3195.00usft (TBD)
Project:	Eddy County, NM (NAD 83 - NME)	MD Reference:	RKB = 25' @ 3195.00usft (TBD)
Site:	BARNEY PAD	North Reference:	Grid
Well:	303H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	PLAN #2		

Project	Eddy County, NM (NAD 83 - NME)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site		BARNEY PAD			
Site Position:		Northing:	515,305.60 usft	Latitude:	32.416588
From:	Map	Easting:	577,350.20 usft	Longitude:	-104.216628
Position Uncertainty:	0.00 usft	Slot Radius:	13.200 in	Grid Convergence:	0.063

Well	303H					
Well Position	+N/-S	0.00 usft	Northing:	515,305.60 usft	Latitude:	32.416588
	+E/-W	0.00 usft	Easting:	577,350.20 usft	Longitude:	-104.216628
Position Uncertainty		0.00 usft	Wellhead Elevation:		Ground Level:	3,170.00 usft

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2020	8/10/2021	6.840	59.974	47,526.39300851

Design	PLAN #2			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	268.17

Plan Survey Tool Program	Date	8/11/2021		
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	16,543.99	PLAN #2 (Wellbore #1)	MWD+IGRF
				OWSG MWD + IGRF or WM



Planning Report



Database:	WBDS_SQL_2	Local Co-ordinate Reference:	Well 303H
Company:	Santo Petroleum	TVD Reference:	RKB = 25' @ 3195.00usft (TBD)
Project:	Eddy County, NM (NAD 83 - NME)	MD Reference:	RKB = 25' @ 3195.00usft (TBD)
Site:	BARNEY PAD	North Reference:	Grid
Well:	303H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	PLAN #2		

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.000	
1,576.46	15.53	56.33	1,566.99	57.99	87.04	2.00	2.00	0.00	56.327	
7,372.11	15.53	56.33	7,151.06	918.31	1,378.36	0.00	0.00	0.00	0.000	
8,148.57	0.00	0.01	7,918.05	976.30	1,465.40	2.00	-2.00	0.00	180.000	
8,348.57	0.00	0.01	8,118.05	976.30	1,465.40	0.00	0.00	0.00	0.000	
9,246.97	89.84	270.34	8,691.00	979.71	894.05	10.00	10.00	0.00	270.342	
11,301.42	89.84	270.34	8,696.74	991.97	-1,160.35	0.00	0.00	0.00	0.000	PLAN SEC X-ING (
11,454.72	89.84	267.28	8,697.17	988.79	-1,313.60	2.00	0.00	-2.00	-89.954	
16,493.93	89.84	267.28	8,711.00	749.30	-6,347.10	0.00	0.00	0.00	0.000	PLAT LTP: 1640' F9
16,543.99	89.84	267.28	8,711.14	746.92	-6,397.10	0.00	0.00	0.00	0.000	PLAT BHL: 1640' F9



Planning Report



Database:	WBDS_SQL_2	Local Co-ordinate Reference:	Well 303H
Company:	Santo Petroleum	TVD Reference:	RKB = 25' @ 3195.00usft (TBD)
Project:	Eddy County, NM (NAD 83 - NME)	MD Reference:	RKB = 25' @ 3195.00usft (TBD)
Site:	BARNEY PAD	North Reference:	Grid
Well:	303H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	PLAN #2		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	2.00	56.33	899.98	0.97	1.45	-1.48	2.00	2.00	0.00
1,000.00	4.00	56.33	999.84	3.87	5.81	-5.93	2.00	2.00	0.00
1,100.00	6.00	56.33	1,099.45	8.70	13.06	-13.33	2.00	2.00	0.00
1,200.00	8.00	56.33	1,198.70	15.46	23.20	-23.68	2.00	2.00	0.00
1,300.00	10.00	56.33	1,297.47	24.13	36.22	-36.97	2.00	2.00	0.00
1,400.00	12.00	56.33	1,395.62	34.71	52.10	-53.18	2.00	2.00	0.00
1,500.00	14.00	56.33	1,493.06	47.18	70.82	-72.29	2.00	2.00	0.00
1,576.46	15.53	56.33	1,566.99	57.99	87.04	-88.84	2.00	2.00	0.00
1,600.00	15.53	56.33	1,589.67	61.48	92.28	-94.20	0.00	0.00	0.00
1,700.00	15.53	56.33	1,686.02	76.32	114.56	-116.94	0.00	0.00	0.00
1,800.00	15.53	56.33	1,782.37	91.17	136.84	-139.68	0.00	0.00	0.00
1,900.00	15.53	56.33	1,878.72	106.01	159.12	-162.43	0.00	0.00	0.00
2,000.00	15.53	56.33	1,975.07	120.86	181.40	-185.17	0.00	0.00	0.00
2,100.00	15.53	56.33	2,071.42	135.70	203.68	-207.91	0.00	0.00	0.00
2,200.00	15.53	56.33	2,167.77	150.55	225.97	-230.66	0.00	0.00	0.00
2,300.00	15.53	56.33	2,264.11	165.39	248.25	-253.40	0.00	0.00	0.00
2,400.00	15.53	56.33	2,360.46	180.23	270.53	-276.15	0.00	0.00	0.00
2,500.00	15.53	56.33	2,456.81	195.08	292.81	-298.89	0.00	0.00	0.00
2,600.00	15.53	56.33	2,553.16	209.92	315.09	-321.63	0.00	0.00	0.00
2,700.00	15.53	56.33	2,649.51	224.77	337.37	-344.38	0.00	0.00	0.00
2,800.00	15.53	56.33	2,745.86	239.61	359.65	-367.12	0.00	0.00	0.00
2,900.00	15.53	56.33	2,842.21	254.46	381.93	-389.86	0.00	0.00	0.00
3,000.00	15.53	56.33	2,938.56	269.30	404.21	-412.61	0.00	0.00	0.00
3,100.00	15.53	56.33	3,034.91	284.15	426.50	-435.35	0.00	0.00	0.00
3,200.00	15.53	56.33	3,131.26	298.99	448.78	-458.10	0.00	0.00	0.00
3,300.00	15.53	56.33	3,227.61	313.83	471.06	-480.84	0.00	0.00	0.00
3,400.00	15.53	56.33	3,323.96	328.68	493.34	-503.58	0.00	0.00	0.00
3,500.00	15.53	56.33	3,420.31	343.52	515.62	-526.33	0.00	0.00	0.00
3,600.00	15.53	56.33	3,516.66	358.37	537.90	-549.07	0.00	0.00	0.00
3,700.00	15.53	56.33	3,613.01	373.21	560.18	-571.81	0.00	0.00	0.00
3,800.00	15.53	56.33	3,709.36	388.06	582.46	-594.56	0.00	0.00	0.00
3,900.00	15.53	56.33	3,805.70	402.90	604.74	-617.30	0.00	0.00	0.00
4,000.00	15.53	56.33	3,902.05	417.75	627.02	-640.04	0.00	0.00	0.00
4,100.00	15.53	56.33	3,998.40	432.59	649.31	-662.79	0.00	0.00	0.00
4,200.00	15.53	56.33	4,094.75	447.43	671.59	-685.53	0.00	0.00	0.00
4,300.00	15.53	56.33	4,191.10	462.28	693.87	-708.28	0.00	0.00	0.00
4,400.00	15.53	56.33	4,287.45	477.12	716.15	-731.02	0.00	0.00	0.00
4,500.00	15.53	56.33	4,383.80	491.97	738.43	-753.76	0.00	0.00	0.00
4,600.00	15.53	56.33	4,480.15	506.81	760.71	-776.51	0.00	0.00	0.00
4,700.00	15.53	56.33	4,576.50	521.66	782.99	-799.25	0.00	0.00	0.00
4,800.00	15.53	56.33	4,672.85	536.50	805.27	-821.99	0.00	0.00	0.00
4,900.00	15.53	56.33	4,769.20	551.34	827.55	-844.74	0.00	0.00	0.00
5,000.00	15.53	56.33	4,865.55	566.19	849.83	-867.48	0.00	0.00	0.00
5,100.00	15.53	56.33	4,961.90	581.03	872.12	-890.23	0.00	0.00	0.00
5,200.00	15.53	56.33	5,058.25	595.88	894.40	-912.97	0.00	0.00	0.00



Planning Report



Database:	WBDS_SQL_2	Local Co-ordinate Reference:	Well 303H
Company:	Santo Petroleum	TVD Reference:	RKB = 25' @ 3195.00usft (TBD)
Project:	Eddy County, NM (NAD 83 - NME)	MD Reference:	RKB = 25' @ 3195.00usft (TBD)
Site:	BARNEY PAD	North Reference:	Grid
Well:	303H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	PLAN #2		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,300.00	15.53	56.33	5,154.60	610.72	916.68	-935.71	0.00	0.00	0.00
5,400.00	15.53	56.33	5,250.94	625.57	938.96	-958.46	0.00	0.00	0.00
5,500.00	15.53	56.33	5,347.29	640.41	961.24	-981.20	0.00	0.00	0.00
5,600.00	15.53	56.33	5,443.64	655.26	983.52	-1,003.94	0.00	0.00	0.00
5,700.00	15.53	56.33	5,539.99	670.10	1,005.80	-1,026.69	0.00	0.00	0.00
5,800.00	15.53	56.33	5,636.34	684.94	1,028.08	-1,049.43	0.00	0.00	0.00
5,900.00	15.53	56.33	5,732.69	699.79	1,050.36	-1,072.18	0.00	0.00	0.00
6,000.00	15.53	56.33	5,829.04	714.63	1,072.64	-1,094.92	0.00	0.00	0.00
6,100.00	15.53	56.33	5,925.39	729.48	1,094.93	-1,117.66	0.00	0.00	0.00
6,200.00	15.53	56.33	6,021.74	744.32	1,117.21	-1,140.41	0.00	0.00	0.00
6,300.00	15.53	56.33	6,118.09	759.17	1,139.49	-1,163.15	0.00	0.00	0.00
6,400.00	15.53	56.33	6,214.44	774.01	1,161.77	-1,185.89	0.00	0.00	0.00
6,500.00	15.53	56.33	6,310.79	788.85	1,184.05	-1,208.64	0.00	0.00	0.00
6,600.00	15.53	56.33	6,407.14	803.70	1,206.33	-1,231.38	0.00	0.00	0.00
6,700.00	15.53	56.33	6,503.49	818.54	1,228.61	-1,254.12	0.00	0.00	0.00
6,800.00	15.53	56.33	6,599.84	833.39	1,250.89	-1,276.87	0.00	0.00	0.00
6,900.00	15.53	56.33	6,696.19	848.23	1,273.17	-1,299.61	0.00	0.00	0.00
7,000.00	15.53	56.33	6,792.53	863.08	1,295.46	-1,322.36	0.00	0.00	0.00
7,100.00	15.53	56.33	6,888.88	877.92	1,317.74	-1,345.10	0.00	0.00	0.00
7,200.00	15.53	56.33	6,985.23	892.77	1,340.02	-1,367.84	0.00	0.00	0.00
7,300.00	15.53	56.33	7,081.58	907.61	1,362.30	-1,390.59	0.00	0.00	0.00
7,372.11	15.53	56.33	7,151.06	918.31	1,378.36	-1,406.99	0.00	0.00	0.00
7,400.00	14.97	56.33	7,177.97	922.38	1,384.47	-1,413.22	2.00	-2.00	0.00
7,500.00	12.97	56.33	7,275.00	935.77	1,404.56	-1,433.73	2.00	-2.00	0.00
7,600.00	10.97	56.33	7,372.82	947.27	1,421.82	-1,451.35	2.00	-2.00	0.00
7,700.00	8.97	56.33	7,471.31	956.87	1,436.23	-1,466.06	2.00	-2.00	0.00
7,800.00	6.97	56.33	7,570.34	964.56	1,447.77	-1,477.84	2.00	-2.00	0.00
7,900.00	4.97	56.33	7,669.79	970.32	1,456.43	-1,486.67	2.00	-2.00	0.00
8,000.00	2.97	56.33	7,769.55	974.16	1,462.19	-1,492.56	2.00	-2.00	0.00
8,100.00	0.97	56.33	7,869.48	976.07	1,465.06	-1,495.48	2.00	-2.00	0.00
8,148.57	0.00	0.01	7,918.05	976.30	1,465.40	-1,495.83	2.00	-2.00	0.00
8,200.00	0.00	0.00	7,969.48	976.30	1,465.40	-1,495.83	0.00	0.00	0.00
8,300.00	0.00	0.00	8,069.48	976.30	1,465.40	-1,495.83	0.00	0.00	0.00
8,348.57	0.00	0.01	8,118.05	976.30	1,465.40	-1,495.83	0.00	0.00	0.00
8,350.00	0.14	270.34	8,119.48	976.30	1,465.40	-1,495.83	10.00	10.00	0.00
8,400.00	5.14	270.34	8,169.41	976.31	1,463.09	-1,493.53	10.00	10.00	0.00
8,450.00	10.14	270.34	8,218.95	976.35	1,456.45	-1,486.88	10.00	10.00	0.00
8,500.00	15.14	270.34	8,267.72	976.42	1,445.51	-1,475.95	10.00	10.00	0.00
8,550.00	20.14	270.34	8,315.36	976.51	1,430.36	-1,460.81	10.00	10.00	0.00
8,600.00	25.14	270.34	8,361.49	976.62	1,411.11	-1,441.58	10.00	10.00	0.00
8,650.00	30.14	270.34	8,405.77	976.76	1,387.92	-1,418.41	10.00	10.00	0.00
8,700.00	35.14	270.34	8,447.85	976.92	1,360.96	-1,391.47	10.00	10.00	0.00
8,750.00	40.14	270.34	8,487.43	977.11	1,330.44	-1,360.96	10.00	10.00	0.00
8,800.00	45.14	270.34	8,524.20	977.31	1,296.58	-1,327.12	10.00	10.00	0.00
8,850.00	50.14	270.34	8,557.88	977.53	1,259.64	-1,290.21	10.00	10.00	0.00
8,900.00	55.14	270.34	8,588.21	977.77	1,219.91	-1,250.51	10.00	10.00	0.00
8,950.00	60.14	270.34	8,614.96	978.02	1,177.69	-1,208.32	10.00	10.00	0.00
9,000.00	65.14	270.34	8,637.93	978.28	1,133.29	-1,163.96	10.00	10.00	0.00
9,050.00	70.14	270.34	8,656.94	978.56	1,087.07	-1,117.76	10.00	10.00	0.00
9,100.00	75.14	270.34	8,671.85	978.84	1,039.36	-1,070.09	10.00	10.00	0.00
9,150.00	80.14	270.34	8,682.55	979.13	990.54	-1,021.30	10.00	10.00	0.00
9,200.00	85.14	270.34	8,688.95	979.43	940.96	-971.76	10.00	10.00	0.00
9,246.97	89.84	270.34	8,691.00	979.71	894.05	-924.88	10.00	10.00	0.00
9,300.00	89.84	270.34	8,691.15	980.03	841.02	-871.89	0.00	0.00	0.00



Planning Report



Database:	WBDS_SQL_2	Local Co-ordinate Reference:	Well 303H
Company:	Santo Petroleum	TVD Reference:	RKB = 25' @ 3195.00usft (TBD)
Project:	Eddy County, NM (NAD 83 - NME)	MD Reference:	RKB = 25' @ 3195.00usft (TBD)
Site:	BARNEY PAD	North Reference:	Grid
Well:	303H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	PLAN #2		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
9,400.00	89.84	270.34	8,691.43	980.62	741.03	-771.96	0.00	0.00	0.00
9,500.00	89.84	270.34	8,691.71	981.22	641.03	-672.04	0.00	0.00	0.00
9,600.00	89.84	270.34	8,691.99	981.82	541.03	-572.11	0.00	0.00	0.00
9,700.00	89.84	270.34	8,692.27	982.41	441.03	-472.18	0.00	0.00	0.00
9,800.00	89.84	270.34	8,692.55	983.01	341.04	-372.25	0.00	0.00	0.00
9,900.00	89.84	270.34	8,692.83	983.61	241.04	-272.33	0.00	0.00	0.00
10,000.00	89.84	270.34	8,693.11	984.21	141.04	-172.40	0.00	0.00	0.00
10,100.00	89.84	270.34	8,693.39	984.80	41.04	-72.47	0.00	0.00	0.00
10,200.00	89.84	270.34	8,693.67	985.40	-58.96	27.46	0.00	0.00	0.00
10,300.00	89.84	270.34	8,693.95	986.00	-158.95	127.39	0.00	0.00	0.00
10,400.00	89.84	270.34	8,694.22	986.59	-258.95	227.31	0.00	0.00	0.00
10,500.00	89.84	270.34	8,694.50	987.19	-358.95	327.24	0.00	0.00	0.00
10,600.00	89.84	270.34	8,694.78	987.79	-458.95	427.17	0.00	0.00	0.00
10,700.00	89.84	270.34	8,695.06	988.38	-558.95	527.10	0.00	0.00	0.00
10,800.00	89.84	270.34	8,695.34	988.98	-658.94	627.02	0.00	0.00	0.00
10,900.00	89.84	270.34	8,695.62	989.58	-758.94	726.95	0.00	0.00	0.00
11,000.00	89.84	270.34	8,695.90	990.17	-858.94	826.88	0.00	0.00	0.00
11,100.00	89.84	270.34	8,696.18	990.77	-958.94	926.81	0.00	0.00	0.00
11,200.00	89.84	270.34	8,696.46	991.37	-1,058.93	1,026.74	0.00	0.00	0.00
11,301.42	89.84	270.34	8,696.74	991.97	-1,160.35	1,128.08	0.00	0.00	0.00
11,400.00	89.84	268.37	8,697.02	990.87	-1,258.92	1,226.64	2.00	0.00	-2.00
11,454.72	89.84	267.28	8,697.17	988.79	-1,313.60	1,281.35	2.00	0.00	-2.00
11,500.00	89.84	267.28	8,697.29	986.64	-1,358.83	1,326.63	0.00	0.00	0.00
11,600.00	89.84	267.28	8,697.57	981.88	-1,458.72	1,426.62	0.00	0.00	0.00
11,700.00	89.84	267.28	8,697.84	977.13	-1,558.60	1,526.60	0.00	0.00	0.00
11,800.00	89.84	267.28	8,698.11	972.38	-1,658.49	1,626.59	0.00	0.00	0.00
11,900.00	89.84	267.28	8,698.39	967.63	-1,758.38	1,726.58	0.00	0.00	0.00
12,000.00	89.84	267.28	8,698.66	962.87	-1,858.26	1,826.57	0.00	0.00	0.00
12,100.00	89.84	267.28	8,698.94	958.12	-1,958.15	1,926.55	0.00	0.00	0.00
12,200.00	89.84	267.28	8,699.21	953.37	-2,058.04	2,026.54	0.00	0.00	0.00
12,300.00	89.84	267.28	8,699.49	948.62	-2,157.92	2,126.53	0.00	0.00	0.00
12,400.00	89.84	267.28	8,699.76	943.86	-2,257.81	2,226.52	0.00	0.00	0.00
12,500.00	89.84	267.28	8,700.04	939.11	-2,357.70	2,326.50	0.00	0.00	0.00
12,600.00	89.84	267.28	8,700.31	934.36	-2,457.58	2,426.49	0.00	0.00	0.00
12,700.00	89.84	267.28	8,700.58	929.61	-2,557.47	2,526.48	0.00	0.00	0.00
12,800.00	89.84	267.28	8,700.86	924.85	-2,657.36	2,626.47	0.00	0.00	0.00
12,900.00	89.84	267.28	8,701.13	920.10	-2,757.24	2,726.45	0.00	0.00	0.00
13,000.00	89.84	267.28	8,701.41	915.35	-2,857.13	2,826.44	0.00	0.00	0.00
13,100.00	89.84	267.28	8,701.68	910.60	-2,957.01	2,926.43	0.00	0.00	0.00
13,200.00	89.84	267.28	8,701.96	905.84	-3,056.90	3,026.42	0.00	0.00	0.00
13,300.00	89.84	267.28	8,702.23	901.09	-3,156.79	3,126.40	0.00	0.00	0.00
13,400.00	89.84	267.28	8,702.51	896.34	-3,256.67	3,226.39	0.00	0.00	0.00
13,500.00	89.84	267.28	8,702.78	891.59	-3,356.56	3,326.38	0.00	0.00	0.00
13,600.00	89.84	267.28	8,703.06	886.83	-3,456.45	3,426.37	0.00	0.00	0.00
13,700.00	89.84	267.28	8,703.33	882.08	-3,556.33	3,526.35	0.00	0.00	0.00
13,800.00	89.84	267.28	8,703.60	877.33	-3,656.22	3,626.34	0.00	0.00	0.00
13,900.00	89.84	267.28	8,703.88	872.58	-3,756.11	3,726.33	0.00	0.00	0.00
14,000.00	89.84	267.28	8,704.15	867.82	-3,855.99	3,826.31	0.00	0.00	0.00
14,100.00	89.84	267.28	8,704.43	863.07	-3,955.88	3,926.30	0.00	0.00	0.00
14,200.00	89.84	267.28	8,704.70	858.32	-4,055.77	4,026.29	0.00	0.00	0.00
14,300.00	89.84	267.28	8,704.98	853.57	-4,155.65	4,126.28	0.00	0.00	0.00
14,400.00	89.84	267.28	8,705.25	848.81	-4,255.54	4,226.26	0.00	0.00	0.00
14,500.00	89.84	267.28	8,705.53	844.06	-4,355.43	4,326.25	0.00	0.00	0.00
14,600.00	89.84	267.28	8,705.80	839.31	-4,455.31	4,426.24	0.00	0.00	0.00



Planning Report



Database:	WBDS_SQL_2	Local Co-ordinate Reference:	Well 303H
Company:	Santo Petroleum	TVD Reference:	RKB = 25' @ 3195.00usft (TBD)
Project:	Eddy County, NM (NAD 83 - NME)	MD Reference:	RKB = 25' @ 3195.00usft (TBD)
Site:	BARNEY PAD	North Reference:	Grid
Well:	303H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	PLAN #2		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
14,700.00	89.84	267.28	8,706.08	834.56	-4,555.20	4,526.23	0.00	0.00	0.00	
14,800.00	89.84	267.28	8,706.35	829.80	-4,655.09	4,626.21	0.00	0.00	0.00	
14,900.00	89.84	267.28	8,706.62	825.05	-4,754.97	4,726.20	0.00	0.00	0.00	
15,000.00	89.84	267.28	8,706.90	820.30	-4,854.86	4,826.19	0.00	0.00	0.00	
15,100.00	89.84	267.28	8,707.17	815.55	-4,954.75	4,926.18	0.00	0.00	0.00	
15,200.00	89.84	267.28	8,707.45	810.79	-5,054.63	5,026.16	0.00	0.00	0.00	
15,300.00	89.84	267.28	8,707.72	806.04	-5,154.52	5,126.15	0.00	0.00	0.00	
15,400.00	89.84	267.28	8,708.00	801.29	-5,254.41	5,226.14	0.00	0.00	0.00	
15,500.00	89.84	267.28	8,708.27	796.54	-5,354.29	5,326.13	0.00	0.00	0.00	
15,600.00	89.84	267.28	8,708.55	791.78	-5,454.18	5,426.11	0.00	0.00	0.00	
15,700.00	89.84	267.28	8,708.82	787.03	-5,554.07	5,526.10	0.00	0.00	0.00	
15,800.00	89.84	267.28	8,709.10	782.28	-5,653.95	5,626.09	0.00	0.00	0.00	
15,900.00	89.84	267.28	8,709.37	777.53	-5,753.84	5,726.08	0.00	0.00	0.00	
16,000.00	89.84	267.28	8,709.64	772.77	-5,853.73	5,826.06	0.00	0.00	0.00	
16,100.00	89.84	267.28	8,709.92	768.02	-5,953.61	5,926.05	0.00	0.00	0.00	
16,200.00	89.84	267.28	8,710.19	763.27	-6,053.50	6,026.04	0.00	0.00	0.00	
16,300.00	89.84	267.28	8,710.47	758.52	-6,153.39	6,126.03	0.00	0.00	0.00	
16,400.00	89.84	267.28	8,710.74	753.76	-6,253.27	6,226.01	0.00	0.00	0.00	
16,493.93	89.84	267.28	8,711.00	749.30	-6,347.10	6,319.93	0.00	0.00	0.00	
16,500.00	89.84	267.28	8,711.02	749.01	-6,353.16	6,326.00	0.00	0.00	0.00	
16,543.99	89.84	267.28	8,711.14	746.92	-6,397.10	6,369.99	0.00	0.00	0.00	

Design Targets										
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
PLAT TURN POINT: 1 - hit/miss target - Shape - Point	0.00	0.01	0.00	976.30	1,465.40	516,281.90	578,815.60	32.419267	-104.211876	
- plan misses target center by 1760.84usft at 0.00usft MD (0.00 TVD, 0.00 N, 0.00 E)										
PLAT SHL: 654' FSL - plan hits target center - Point	0.00	0.00	0.00	0.00	0.00	515,305.60	577,350.20	32.416588	-104.216628	
PLAN LP (#303) - plan misses target center by 0.92usft at 9246.97usft MD (8691.00 TVD, 979.71 N, 894.05 E) - Point	0.00	0.00	8,691.00	978.79	894.05	516,284.39	578,244.25	32.419276	-104.213728	
PLAT FTP: 1640' FSL - plan misses target center by 0.20usft at 9245.92usft MD (8691.00 TVD, 979.70 N, 895.10 E) - Point	0.00	0.01	8,691.00	979.90	895.10	516,285.50	578,245.30	32.419279	-104.213724	
PLAN SEC X-ING (#3) - plan misses target center by 0.06usft at 11301.42usft MD (8696.74 TVD, 991.97 N, -1160.35 E) - Point	0.00	0.00	8,696.68	991.96	-1,160.35	516,297.56	576,189.85	32.419318	-104.220385	
PLAT LTP: 1640' FSL - plan hits target center - Point	0.00	0.01	8,711.00	749.30	-6,347.10	516,054.90	571,003.10	32.418665	-104.237195	
PLAT BHL: 1640' FSL - plan misses target center by 0.02usft at 16543.99usft MD (8711.14 TVD, 746.92 N, -6397.10 E) - Point	0.00	0.00	8,711.14	746.90	-6,397.10	516,052.50	570,953.10	32.418659	-104.237357	

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Electronically
Via E-permitting

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: SPC Resources, LLC **OGRID:** 372262 **Date:** 11 / 02 / 2021

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
Barney 404H		M-5-22S-27E	505 FSL 1199 FWL	1100 bopd	2050 mcfd	2200 bwpd

IV. Central Delivery Point Name: Barney CTB [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
Barney 404H		TBD	TBD	TBD	TBD	TBD

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:
Printed Name: Lelan J Anders
Title: Vice President of Operations
E-mail Address: LAnders@SantoPetroleum.com
Date: 11/2/2021
Phone: 575-736-3250
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

Natural Gas Management Plan – Attachment

- VI.** Separation equipment will be sized by construction engineering staff based on stated manufacturer daily throughput capacities and anticipated daily production rates to ensure adequate capacity. Closed vent system piping, compression needs, and VRUs will be sized utilizing AspenTech HYSYS modeling software to ensure adequate capacity for anticipated production volumes and conditions.
- VII.** SPC Resources, LLC (SPC) will take the following actions to comply with the regulations listed in 19.15.27.8:
- A.** SPC will maximize the recovery of natural gas by minimizing the waste, as defined by 19.15.2 NMAC, of natural gas through venting and flaring. SPC will ensure that well(s) will be connected to a natural gas gathering system with sufficient capacity to transport natural gas. If there is no adequate takeaway for the gas, compression will be added to deliver volumes that are produced, well production may also be curtailed to manage the flow of gas and not overrun compression.
 - B.** All drilling operations will be equipped with a rig flare located at least 100' from the nearest surface hole. Rig flare will be utilized to combust any natural gas that is brought to surface during normal drilling operations.
 - C.** During completion operations any natural gas brought to surface will be flared. Immediately following the finish of completion operations, all well flowback will be directed to permanent separation equipment. Produced natural gas from separation equipment will be sent to sales. It is not anticipated that gas will not meet pipeline standards. However, if natural gas does not meet gathering pipeline quality specifications, SPC will flare the natural gas for up to 60 days or until the natural gas meets the pipeline quality specifications, whichever is sooner. SPC will ensure that the flare is sized properly and is equipped with automatic igniter or continuous pilot. The gas sample will be analyzed twice per week and the gas will be routed into a gathering system as soon as pipeline specifications are met.
 - D.** Natural gas will not be flared with the exceptions and provisions listed in the 19.15.27.8 D.(1) through (4). If there is no adequate takeaway for the separator gas, well(s) will be curtailed until the natural gas gathering system is available with exception of emergency or malfunction situations. Venting and/or flaring volumes will be measured using a TOTAL FLOW meter and reported appropriately.
 - E.** SPC will comply with the performance standards requirements and provisions listed in 19.15.27.8 E.(1) through (8). All equipment will be designed and sized to handle maximum anticipated pressures and throughputs to minimize the waste. Production storage tanks constructed after May 25, 2021, will be equipped with automatic gauging system. Flares constructed after May 25, 2021, will be equipped with automatic igniter or continuous pilot. Flares will be located at least 100' from the well and storage tanks unless otherwise approved by the division. SPC will conduct AVO inspections as described in 19.15.27.8 E (5) (a) with frequencies specified in 19.15.27.8 E (5) (b) and (c). All emergencies will be resolved as quickly and safely as feasible to minimize waste.

- F.** The volume of natural gas that is vented or flared as the result of malfunction or emergency during drilling and completions operations will be estimated. The volume of natural gas that is vented, flared, or beneficially used during production operations, will be measured, or estimated. SPC will install equipment to measure the volume of natural gas flared from existing process piping, or a flowline piped from equipment such as high-pressure separators, heater treaters, or vapor recovery units associated with a well or facility associated with a well authorized by an SPC issued after May 25, 2021, that has an average daily production greater than 60 Mcf/day. If metering is not practicable due to circumstances such as low flow rate or low pressure venting and flaring, SPC will estimate the volume of vented or flared natural gas. Measuring equipment will conform to industry standards and will not be designed or equipped with a manifold that allows the diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing the measurement equipment.
- VIII.** For maintenance activities involving production equipment and compression, venting will be limited to the depressurization of the subject equipment to ensure safe working conditions. For maintenance of production and compression equipment the associated producing wells will be shut in to eliminate venting. For maintenance of VRUs all gas normally routed to the VRU will be routed to flare to eliminate venting.



Red – Existing Enterprise
Field Services B4 Lateral

Magenta – Santo line (to be
Installed) from Barney CTB
to B4 Lateral