

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 311428

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

1. Operator Name and Address Invito Operating, LLC 6401 Eldorado Parkway McKinney, TX 75070		2. OGRID Number 329337
		3. API Number 30-025-49936
4. Property Code 332718	5. Property Name PALISADE	6. Well No. 001

7. Surface Location

UL - Lot A	Section 12	Township 09S	Range 33E	Lot Idn A	Feet From 700	N/S Line N	Feet From 450	E/W Line E	County Lea
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8. Proposed Bottom Hole Location

UL - Lot A	Section 12	Township 09S	Range 33E	Lot Idn A	Feet From 700	N/S Line N	Feet From 450	E/W Line E	County Lea
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9. Pool Information

CLR;SAN ANDRES	12450
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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 4322
16. Multiple N	17. Proposed Depth 5320	18. Formation San Andres	19. Contractor	20. Spud Date 3/25/2022
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	12.25	9.625	36	2200	355	0
Prod	8.75	5.5	20	5320	525	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	3500	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.

OIL CONSERVATION DIVISION

Signature:			
Printed Name:	Electronically filed by Jared K Christianson	Approved By:	Paul F Kautz
Title:	Managing member	Title:	Geologist
Email Address:	jchristianson@invitoep.com	Approved Date:	3/28/2022
Date:	3/22/2022	Phone:	972-839-7456
		Expiration Date:	3/28/2024
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

¹ API Number		² Pool Code 12450		³ Pool Name CLR; San Andres	
⁴ Property Code		⁵ Property Name Palisade			⁶ Well Number 001
⁷ OGRID No. 329337		⁸ Operator Name Invito Operating, LLC			⁹ Elevation 4321.7'

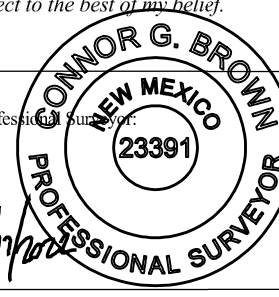
¹⁰ Surface Location

UL or lot no. A	Section 12	Township 9-S	Range 33-E	Lot Idn	Feet from the 700'	North/South line North	Feet from the 450'	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		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.

¹⁶ X= 786,717.01' Y= 930,576.10'		X= 792,103.05' Y= 930,679.10'		Proposed Surface Location NAD83(2011) NME X= 791,649.09' E Y= 929,970.30' N LAT.=33.553652° N LONG.= -103.511701° W		¹⁷ 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 _____	
						Printed Name _____	
						E-mail Address _____	
						¹⁸ 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.	
						3/17/2022 Date of Survey	
						Signature and Seal of Professional Surveyor:	
							
						Certificate Number 23391 NM PERMIT-PALISADE #1.DWG	

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Form APD Comments

Permit 311428

PERMIT COMMENTS

Operator Name and Address: Invito Operating, LLC [329337] 6401 Eldorado Parkway Mckinney, TX 75070		API Number: 30-025-49936
		Well: PALISADE #001

Created By	Comment	Comment Date
pkautz	hold for new NGMP	3/28/2022

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Form APD Conditions

Permit 311428

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: Invito Operating, LLC [329337] 6401 Eldorado Parkway Mckinney, TX 75070	API Number: 30-025-49936
	Well: PALISADE #001

OCD Reviewer	Condition
pkautz	ON TWO STRING CASING PROGRAMS CEMENT MUST COME TO THE SURFACE ON BOTH STRINGS.
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 operator 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	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud

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: Invito Operating LLC **OGRID:** 329337 **Date:** 3/22/22

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
<u>Wagoner #1</u>		<u>1-T9S-R33E</u>	<u>5,320</u>	<u>100 bpd</u>	<u>170 mcf</u>	<u>715 bpd</u>
<u>Palisade #1</u>		<u>12-T9S-R33E</u>	<u>5,320</u>	<u>100 bpd</u>	<u>170 mcf</u>	<u>715 bpd</u>

IV. Central Delivery Point Name: _____ [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
<u>Wagoner #1</u>		<u>3/25/22</u>	<u>7/1/22</u>	<u>9/1/22</u>	<u>10/1/22</u>	<u>11/1/22</u>
<u>Palisade #1</u>		<u>3/28/22</u>	<u>7/8/22</u>	<u>9/15/22</u>	<u>10/1/22</u>	<u>11/1/22</u>

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
Wagoner #1	6-T95-R34F	80	29,200
Palisade #1		80	29,200

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
Targa	Versado (Saunders)	6-T95-R34E	11/1/22	1,000
Targa	Versado (Saunders)	6-T95-R34E	11/1/22	1,000

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

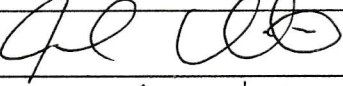
1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(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: Jared Christianson
Title: President and Managing Member
E-mail Address: jchristianson@invitoep.com
Date: 3/22/22
Phone: 972-839-7456
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

Invito Operating - Natural Gas Management plan

VI. Separation Equipment

All wells shall be equipped with both a vertical 250 psi 30" x 10' 3-phase separator and a vertical 4' x 20' heater treater. All separation equipment and tanks will be connected to VRU's (Vapor Recovery Units) to ensure all methane vapor is recovered.

VII. Operational Practices

Invito Operating "Operator" shall take the below actions to comply with 19.15.27.8 A through F

1. All NG shall be sent through facilities, unless venting for emergencies is required
2. All Drilling rigs will have properly sized flare stacks
3. All completion operations will utilize closed loop systems with separator equipment
4. Designed production equipment will be design with VRU's (vapor recovery equipment)
5. Facilities will use automatic measurement devices, including AVO's
6. VRU's will be metered to determined annual NG recycled through facility

VIII. Best Management Practices

Invito Operating shall follow the below best practices to eliminate venting and flaring waste during operations

1. Drilling Operations
 - a. All drill rigs will have properly sized gas busters to properly separate gas from mud flowlines and mud cutting separation equipment
 - b. All drill rigs will have properly sized flare stakes at a minimum of 100' from nearest surface hole location
2. Completion Operations
 - a. All flowback operations shall use vortex sand traps capable of separating solids, liquids, and gas phases. All gas phases shall be sent, in particular order, to
 - i. Natural gas treating vessel
 - ii. Natural gas generator
 - iii. NG Sales line
 - iv. Flare Stack with an automatic igniter or continuous pilot (emergencies only)
 - b. Gas sampling meter shall be installed for continuous measurement of NG daily
3. Production Operations
 - a. Opening SI (Shut in) wells
 - i. When opening a well in SI status, well will only be opened to well connected to a 3 phase separator that is connected to a VRU (vapor recovery unit).
 - b. Workover Rig
 - i. All rigs will utilize BOP equipment or 500 psi stripping heads connected to separation equipment
 - ii. When circulating fluids in downhole operations, rig operations will utilize a closed loop system connected to facilities separator and VRU.
 - c. Producing

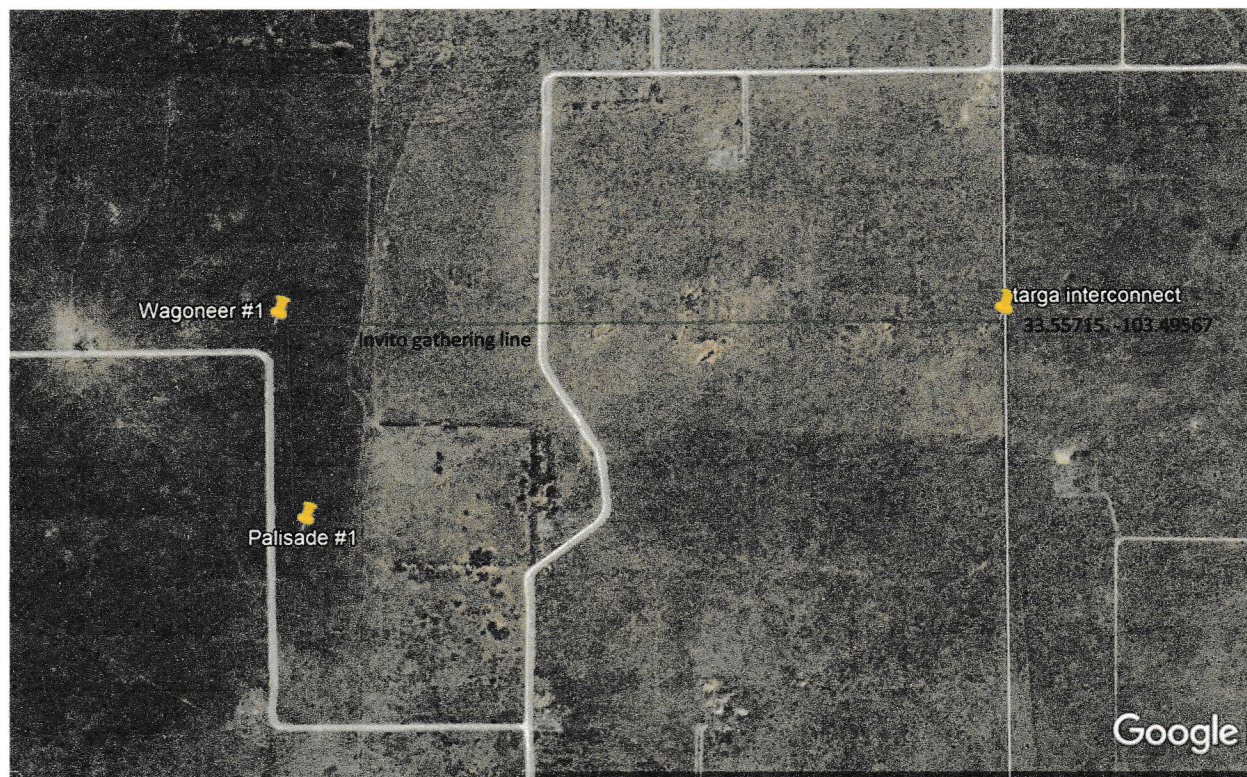
- i. Well shall not bypass facility equipment during production, unless under emergency circumstances
 - ii. In emergency situations, NG may be routed to properly sized flare stack
 - iii. VRU's will be metered to determined annual NG recycled
- d. Facilities
 - i. All facilities (separators, gas treatment, heater treaters, tanks) shall be connected to a VRU
 - ii. VRU's shall include gas measurement devices to recording NG volumes
 - iii. All facilities shall use 3-phase separation equipment
 - iv. All facilities will use NG generators to offset electric usage
 - v. All facilities will have properly sized flare stacks for emergency operations
 - vi. AVO inspection shall commence at least 4 times per month for leak detection

Venting and Flaring Plan

Operator will use NG for additional power generation with NG generators even when connected to pipeline. Lease NG will also be utilized for enhanced evaporation of produced water before sending NG to a properly sized flare stack.

Enhanced NGMP

XI. Map



XIII. Line pressure increase line

Invito Operating will utilize wellsite compression if line pressures get above 750 psi.