

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 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

Form C-101
Revised July 18, 2013

☐ AMENDED REPORT

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

¹ Operator Name and Address Extex Operating Company 5065 Westheimer Rd., Ste 625 Houston, TX 77056		² OGRID Number 330423
⁴ Property Code 330562		⁵ API Number 30-025-34694
³ Property Name OSCA State Com		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
J	21	16S	34E		1650	S	1650	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

⁹ Pool Information

¹⁰ Pool Name Kennitz Paddock WC-025 G-03 S163421J;PADDOCK	¹¹ Pool Code 98369
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Additional Well Information

¹² Work Type P	¹³ Well Type O	¹⁴ Cable/Rotary R	¹⁵ Lease Type S	¹⁶ Ground Level Elevation 4100'
¹⁷ Multiple No	¹⁸ Proposed Depth	¹⁹ Formation Paddock	²⁰ Contractor To be determined	²¹ Spud Date When approved
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

²² Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
	17-1/2"	13-3/8"	48#	365'	400 sx	Circ 25 sx
	11"	8-5/8"	24 & 32#	4459'	1450 sx	Circ 171 sx
	7-7/8"	4-1/2"	11.6#	13,390'	875 sx	7800'

Casing/Cement Program: Additional Comments

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²³ Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Manual	3,000 psi	5,000 psi	Townsend

²⁴ 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 <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable. Signature: <i>B. David Thomas</i>		OIL CONSERVATION DIVISION	
Printed name: B. David Thomas			
Title: Consultant/Operations Representative		Approved By: <i>P. Kautz</i>	
E-mail Address: davidthomasstech@gmail.com		Title:	
Date: 5-27-2022	Phone: 432-664-3590	Approved Date: 07/18/2022	Expiration Date: 07/18/2024
		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

WC-025 G-03

S163421J;PADDOCK

¹ API Number 30-025-34694	² Pool Code 98369	³ Pool Name Kennitz Paddock
⁴ Property Code 330562	⁵ Property Name OSCA State Com	
⁷ OGRID No. 330423	⁸ Operator Name Extex Operating Company	
		⁶ Well Number 1
		⁹ Elevation 4100'

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
J	21	16 S	34 E		1650	S	1650	E	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
¹² Dedicated Acres		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 	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 _____ B. David Thomas Printed Name davidthomastech@gmail.com 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. Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

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

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: Extex Operating Company **OGRID:** 330423 **Date:** 07 / 14 / 2022

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
OSCA State Com #1	30-025-34694	J-21-16S-34E	1650 FSL 1650 FE	75	200	75

IV. Central Delivery Point Name: OSCA Central Delivery (J-21-16S-34E Tank Btry) [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
OSCA State Com #1	30-025-34694			08/21/2022	08/26/2022	08/26/2022

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: B. David Thomas

Title: Consultant/Operator's Representative

E-mail Address: davidthomastech@gmail.com

Date: 07/14/2011

Phone: 432-664-3590

OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)

Approved By:

Title:

Approval Date:

Conditions of Approval:

NATURAL GAS MANAGEMENT PLAN - ATTACHMENTS

OSCA STATE COM FACILITY – LEA COUNTY, NM

VI. Separation Equipment:

The OSCA State Com production facility is an established production facility. Most recent production through the facility is approximately 17 mcfgpd + 0 bwpd. The facility is sized to handle 800 mcfgpd + 200 bwpd. During and upon completion of the planned recompletion work the maximum anticipated production at any given time is estimated to be 200 mcfgpd + 75 bwpd. The current sizing of the facility is such that the anticipated maximum gas and water production can be handled without any adjustments. After testing the proposed zone if the actual maximum production exceeds the capability of the current facility, it will be modified to handle such increase.

VII. Operational Practices:

19.15.27.8 (A) Venting and Flaring of Natural Gas

Extex Operating Company understands the requirements of NMAC 19.15.27.8 which states that the venting and flaring of natural gas during drilling, completion or production that constitutes waste as defined in 19.15.2 are prohibited.

19.15.27.8 (B) Venting and Flaring During Drilling Operations

Extex Operating Company shall capture or combust natural gas if technically feasible during drilling operations using best industry practices.

During drilling operations a flare stack with a 100 percent capacity for expected volumes will be set on location of the OSCA State Com facility at least 100' from the nearest surface hole location, well head, and storage tanks.

In the event of an emergency Extex Operating Company will vent natural gas in order to avoid substantial impact and shall report vented or flared gas to the NM OCD.

19.15.27.8 (C) Venting and Flaring During Completion or Recompletion

Upon testing the zone proposed for recompletion, Extex Operating Company, if required, will be modifying the current facility to adequately handle tested and calculated volumes. If during recompletion operations, the need to produce oil and gas arises it will direct such oil and gas through a portable tester system at the tank battery. As gas separation and sales equipment are in place at the facility any gas produced through the tester system will be sold down the sales

line. Any gas vented during transition of routing the gas to the tester at the production facility will be measured or estimated regardless of the reason or authorization for venting. During the life of the well(s) producing to the OSCA State Com facility an AVO inspection will be performed weekly (at minimum) to confirm that all production equipment is operating properly and there are no leaks or releases as allowed in subsection D of 19.15.27.8 NMAC.

19.15.27.8 (D) Venting and Flaring During Production Operations

At any point in the life of the well(s) (production or inactive) an AVO inspection will be performed weekly (at minimum) to confirm that all production equipment is operating properly and there are no leaks except as allowed in subsection D of 19.15.27.8 NMAC. Monitoring of manual liquid unloading for wells on site or in close proximity, taking reasonable actions to stabilize rate and pressure as soon as practical, and take reasonable actions to minimize venting to the maximum extent practicable. Extex Operating Company will measure or estimate volumes of natural gas that is vented, flared or beneficially used during drilling, completion, and production operations, regardless of the reason for such venting or flaring.

19.15.27.8 (E) Performance Standards

All tanks and separation equipment are (and will be if required) designed for maximum throughput and pressure to minimize waste. An AVO inspection will be performed weekly (at minimum) to confirm that all production equipment is operating properly and there are no leaks except as allowed in subsection D of 19.15.27.8 NMAC.

19.15.27.8 (F) Measurement or Estimation of Vented and Flared Natural Gas

The volume of natural gas vented or flared from process piping or a flowline piped from the equipment associated with a well and the OSCA State Com facility will be measured or estimated. Measurement equipment is designed to allow diversion of natural gas around the equipment for the sole purpose of inspecting and servicing the measurement equipment, as noted in NMAC 19.15.27.8 Subsection G.

VIII. Best Management Practices:

Extex Operating Company utilizes best management practices to minimize venting during active and planned maintenance. All gas is sold during normal producing operations. The only time gas will be vented or flared will be during planned maintenance or for emergence reasons. During any required instance of gas venting or flaring the volume of gas will be measured or estimated.

Formation 'tops' for OSCA State Com #1 (API# 3002534694) recompletion into the Paddock.

Yates	2858'
Queen	3743'
San Andres	4550'
Glorieta	6040'
Tubb	7272'
Wolfcamp	9837'
Strawn	12086'
Atoka	12830'
Miss	13300'

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CONDITIONS

Action 111651

CONDITIONS

Operator: Extex Operating Company 5065 Westheimer Road Houston, TX 77056	OGRID: 330423
	Action Number: 111651
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)

CONDITIONS

Created By	Condition	Condition Date
pkautz	Notify OCD within 10 days of plugging back	7/18/2022