

Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM
 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

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

WELL API NO. 30-007-20211	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
6. State Oil & Gas Lease No. N/A	
7. Lease Name or Unit Agreement Name VPR D	
8. Well Number 031	
9. OGRID Number 328741	
10. Pool name or Wildcat CASTLE ROCK PARK-VERMEJO GAS	

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
 WAPITI OPERATING, LLC

3. Address of Operator
 1310 W. SAM HOUSTON PARKWAY NORTH, HOUSTON TX 77043

4. Well Location
 Unit Letter: C 1048 feet from the NORTH line and 2335 feet from the WEST line
 Section 18 Township 30 N Range 18 E NMPM COLFAX County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 8256' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☒ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐
 CLOSED-LOOP SYSTEM ☐
 OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐
 OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Plan to perforate and hydraulically frac 6 new intervals. See attached existing and proposed well bore diagrams. All new intervals, like existing intervals, are in the Castle Rock Park-Vermejo Gas pool #97046. Gas is produced up the casing and water up the tubing. The well is currently connected to Wapiti's gathering system. Wapiti has sufficient pipeline, processing, storage, sales, and disposal capacity for the added volumes.

Spud Date:

3-11-01

Rig Release Date:

No Report

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

SIGNATURE

B. Wood

TITLE CONSULTANT

DATE 9-7-22

Type or print name BRIAN WOOD

E-mail address: brian@permitswest.com

PHONE: 505 466-8120

For State Use Only

APPROVED BY:

[Signature]

TITLE

Petroleum Specialist

DATE

09/27/2022

Conditions of Approval (if any):



Vermejo Park Ranch D-31
S-T-R: 18-30N-18E
Colfax County, New Mexico
API #: 30-007-20211

CURRENT: The D-31 is currently not producing. The well was originally drilled in March of 2001, then completed using a Cobra frac system down 1-3/4" coiled tubing between 1,741' and 2,034', utilizing a nitrogen foam frac. The well has cumulative production of 189 MMCF and 20 MBW.

OBJECTIVE: POOH with rods and tubing. Run a bit and scraper. Isolate the current producing zones with a CBP, then perform a 6-stage recompletion between 332' and 1,471' utilizing perf and plug. Afterwards, drillout all plugs and recover our load water. After stabile production has occurred, uphole testing on the coal seams will begin.

WELLBORE (see attached WBD):

8-5/8" 23# J-55 casing set at 304'. Cemented with 100 sx. Circulated cement to surface.

5-1/2" 15.5# M-50 casing set at 2,242'. Burst of 5-1/2" csg is 4,400 psi. Cemented with 355 sx cement, circ 19 bbls to surface. CBL TOC @ surface. PBTD is 2,242'.

Tubing string: 2-7/8" 6.5# J-55 tubing. EOT at 2,172'.

Rod string: 1-1/4" polished rod, 74 jts 3/4" rods, 10 jts 7/8" rods, 1-1/4" x 8' insert pump at 2,137'.

Current Perforations: 1,741' to 2,034' (overall).

PROCEDURE:

1. Check all equipment is function tested and rated to appropriate working pressure. Pull test ground anchors prior to workover rig moving on location. Plan to perform daily JSA's.
2. MIRU workover rig. Unhang rods. POOH and lay down rod string and pump.
3. ND wellhead. Screw on 7-1/16" X 5M BOPE. Pressure test BOPS to 4,000 psi.
4. POOH standing back tubing, while scanning out of the hole.
5. P/U full drift bit and rbih with tubing to EOT @ 2,300'. POOH laying down tubing.
6. Unscrew bope, screw in 5-1/2" X 5M lower master valve. Close valve.
7. MIRU E-line unit with pump-in sub and lubricator. Top connection on lwr master valve is 5-1/2" 8rd/LTC. RIH with a 4.825" gauge ring to 1,650'. RBIH and set a solid composite bridge plug (CBP) at 1,600' (correlate with gamma ray and CCL to CBL). POOH.
8. Tie into pump-in sub and load hole (max of 38 bbls). Pressure test plug and casing to 3,500 psi for 5 minutes. Bleed off pressure. RDMO e-line unit, wait for frac spread.
9. **RDMO e-line unit and workover rig, wait for frac spread.**
10. Prep pad by spotting flowback and frac tanks (fill frac tanks with produced water).
11. MIRU e-line mast unit and frac spread with N2 equipment. N/U goat head to top of 5-1/2" X 5M lwr master valve with 5-1/2" 8rd connection looking up for e-line.
12. STAGE #1
 - a. RIH and perforate stage #1 as follows: 1,469-71' + 1,445-47' w/ 3-1/8 gun loaded 4 spf and 120 deg phasing.
 - b. Correlate to CBL ran on 4/3/2001.
 - c. POOH, close upper frac valve, prep e-line for next stage.
 - d. Load hole with 35 bbls, then establish injection with 10 additional bbls.
 - e. Frac job as per recommended design.
 - f. Record ISIP and 5 min pressure readings.
13. STAGE #2
 - a. RIH and set a CBP at 1,430'.
 - b. RBIH and perforate stage #2 as follows: 1,394-96' + 1,383-88' + 1,329-31' + 1,300-02' w/ 3-1/8 gun loaded 4 spf and 120 deg phasing.
 - c. Correlate to CBL ran on 4/3/2001.
 - d. POOH, close upper frac valve, prep e-line for next stage.
 - e. Load hole with 33 bbls, then establish injection with 10 additional bbls.
 - f. Frac job as per recommended design.
 - g. Record ISIP and 5 min pressure readings.

14. STAGE #3

- a. RIH and set a CBP at 1,100'.
- b. RBIH and perforate stage #3 as follows: 1,023-25' w/ 3-1/8 gun loaded 4 spf and 120 deg phasing.
- c. Correlate to CBL ran on 4/3/2001.
- d. POOH, close upper frac valve, prep e-line for next stage.
- e. Load hole with 24 bbls, then establish injection with 10 additional bbls.
- f. Frac job as per recommended design.
- g. Record ISIP and 5 min pressure readings.

15. STAGE #4

- a. RIH and set a CBP at 950'.
- b. RBIH and perforate stage #4 as follows: 851-54' + 814-16' w/ 3-1/8 gun loaded 4 spf and 120 deg phasing.
- c. Correlate to CBL ran on 4/3/2001.
- d. POOH, close upper frac valve, prep e-line for next stage.
- e. Load hole with 20 bbls, then establish injection with 10 additional bbls.
- f. Frac job as per recommended design.
- g. Record ISIP and 5 min pressure readings.

16. STAGE #5

- a. RIH and set a CBP at 750'.
- b. RBIH and perforate stage #5 as follows: 704-07' + 562-64' w/ 3-1/8 gun loaded 4 spf and 120 deg phasing.
- c. Correlate to CBL ran on 4/3/2001.
- d. POOH, close upper frac valve, prep e-line for next stage.
- e. Load hole with 17 bbls, then establish injection with 10 additional bbls.
- f. Frac job as per recommended design.
- g. Record ISIP and 5 min pressure readings.

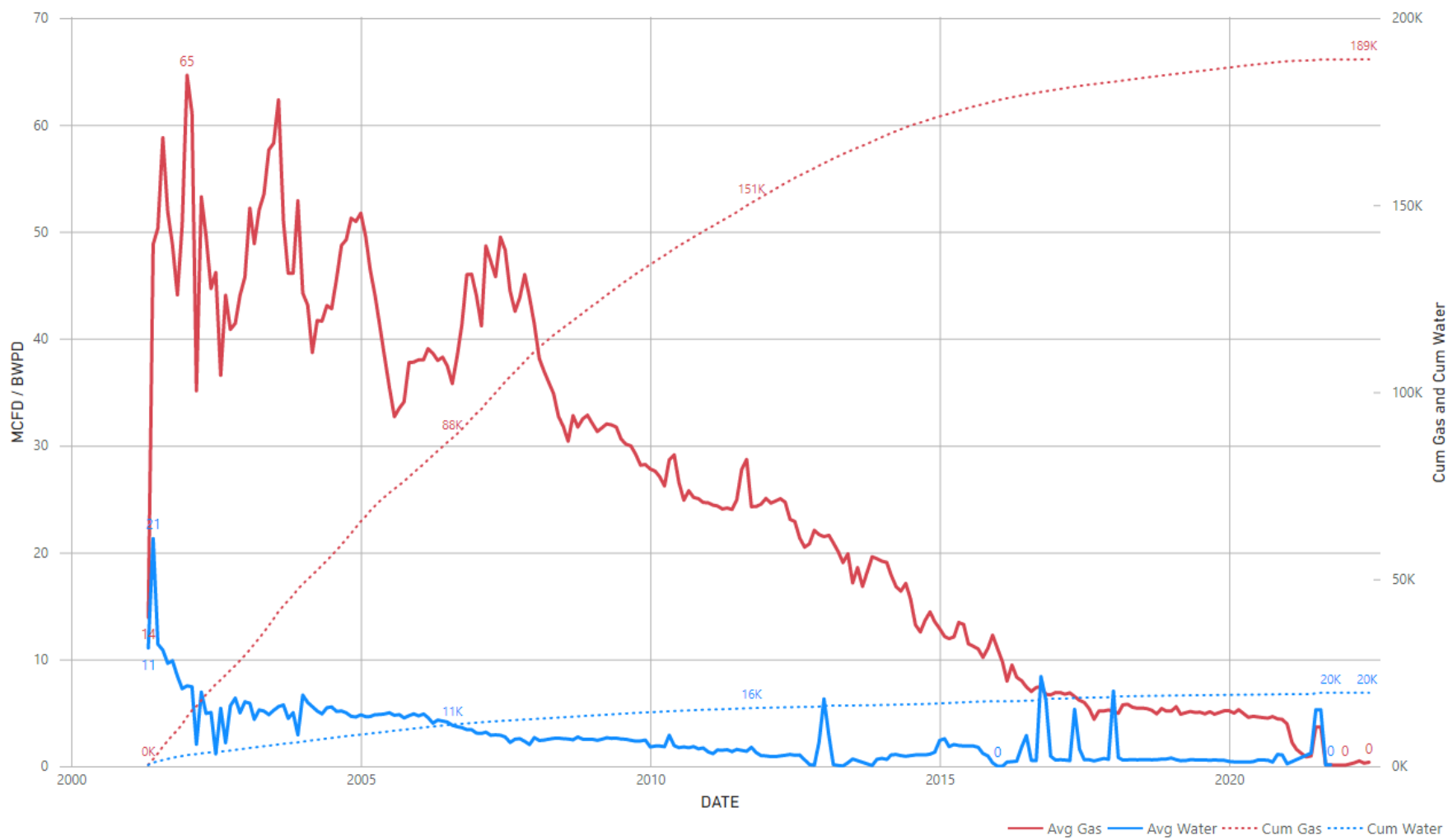
17. STAGE #6

- a. RIH and set a CBP at 500'.
- b. RBIH and perforate stage #6 as follows: 418-20' +353-55' + 332-34' w/ 3-1/8 gun loaded 4 spf and 120 deg phasing.
- c. Correlate to CBL ran on 4/3/2001.
- d. POOH, close upper frac valve, prep e-line for next stage.
- e. Load hole with 35 bbls, then establish injection with 10 additional bbls.
- f. Frac job as per recommended design.
- g. Record ISIP and 5 min pressure readings.

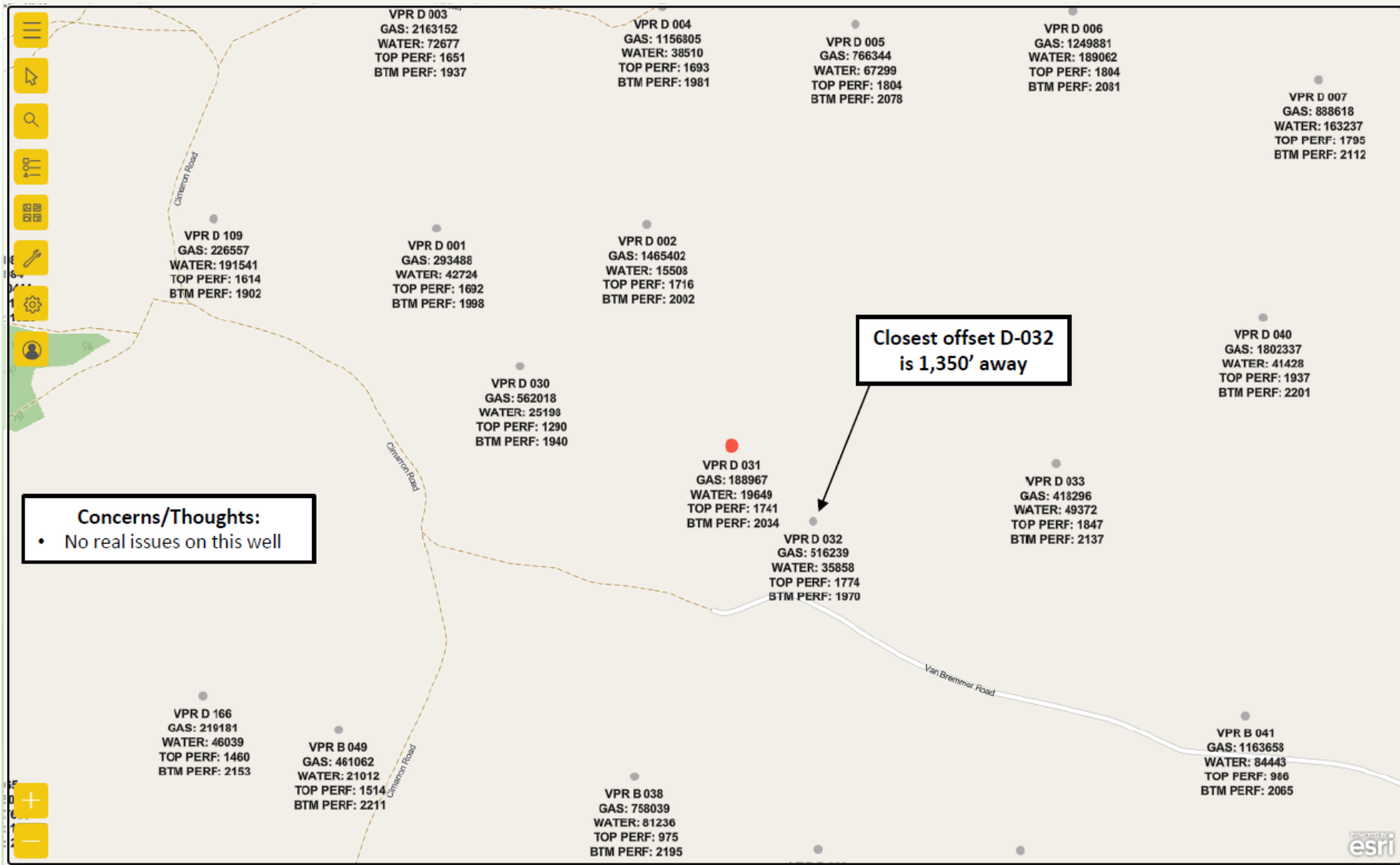
18. RDMO e-line and frac spread.

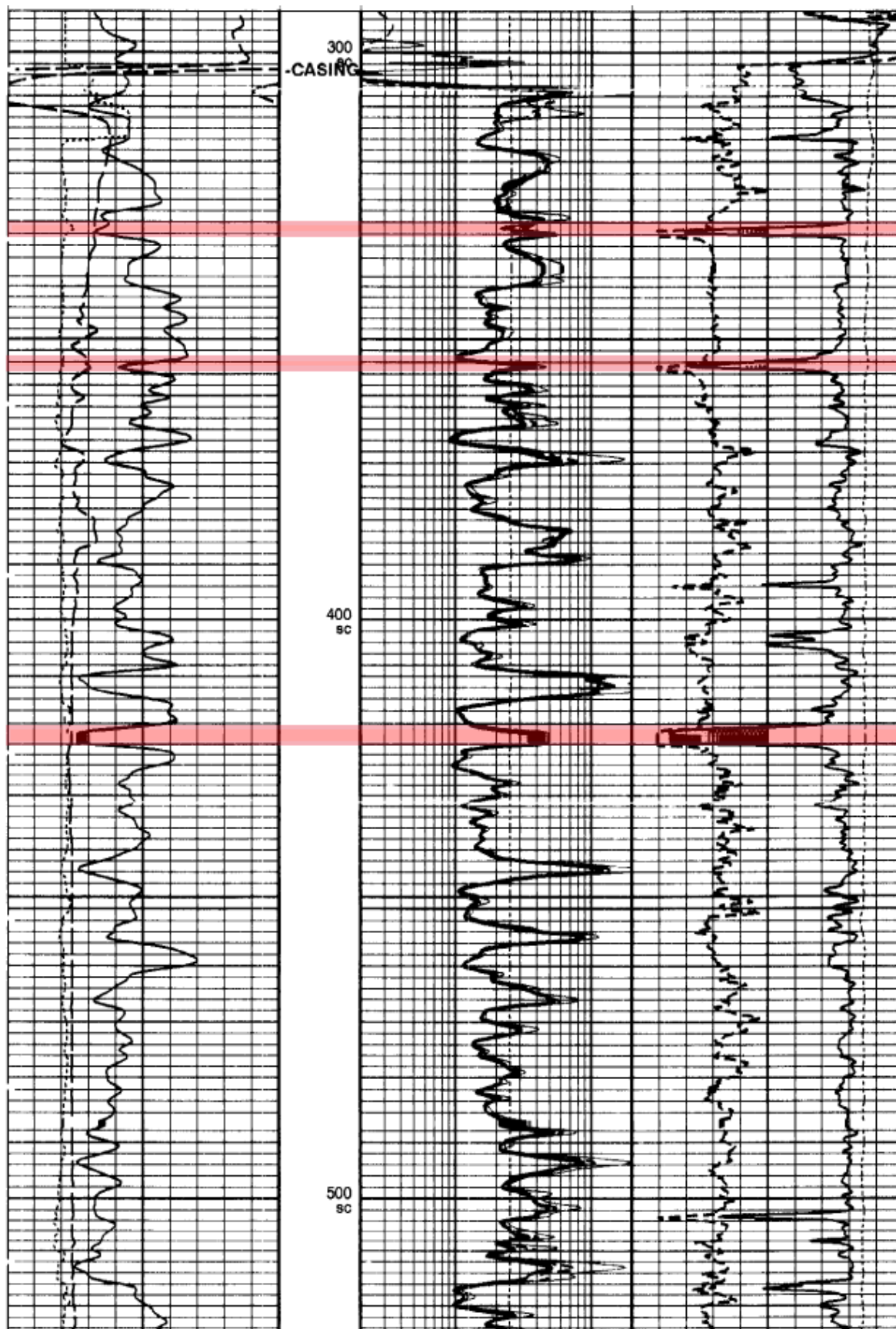
19. MIRU workover rig (pump and tank with foam package) with 7-1/16" X 5M BOPE.
 - a. RIH 4.750" bit and 10 jts, then p/u swivel. Tag the top plug at 500'.
 - b. Drill out the long way with power swivel (down tubing, up csg).
 - c. Once drilling through, let well blow down, then RIH to next at 750'. P/U 5' and circulate well clean.
 - d. Drill out remaining plugs as follows:
 - i. 950'
 - ii. 1,100'
 - iii. 1,425'
 - iv. Tag plug at 1,600' but do not drill out. P/U 5' and circulate well until returns are clean.
 - e. POOH, standing back tubing, l/d bha.
 - f. RBIH with tubing pump and BHA from original completion. Set end of tubing at +/- 1,550' depending on tubing landing.
20. Kill well as needed with produced water, then ND BOP and NU wellhead/flow tee.
21. PU and RIH with rods and pump and space out as needed.
22. Load tubing with FSW. Check for pump action.
23. Hang off rods on beam. NU flowlines. Put well on pump and TTS. Clean location.
24. RDMO workover rig. Turn well over to production department.
25. Flow test well until production levels out.
26. WOO from Houston to establish uphole testing procedure.

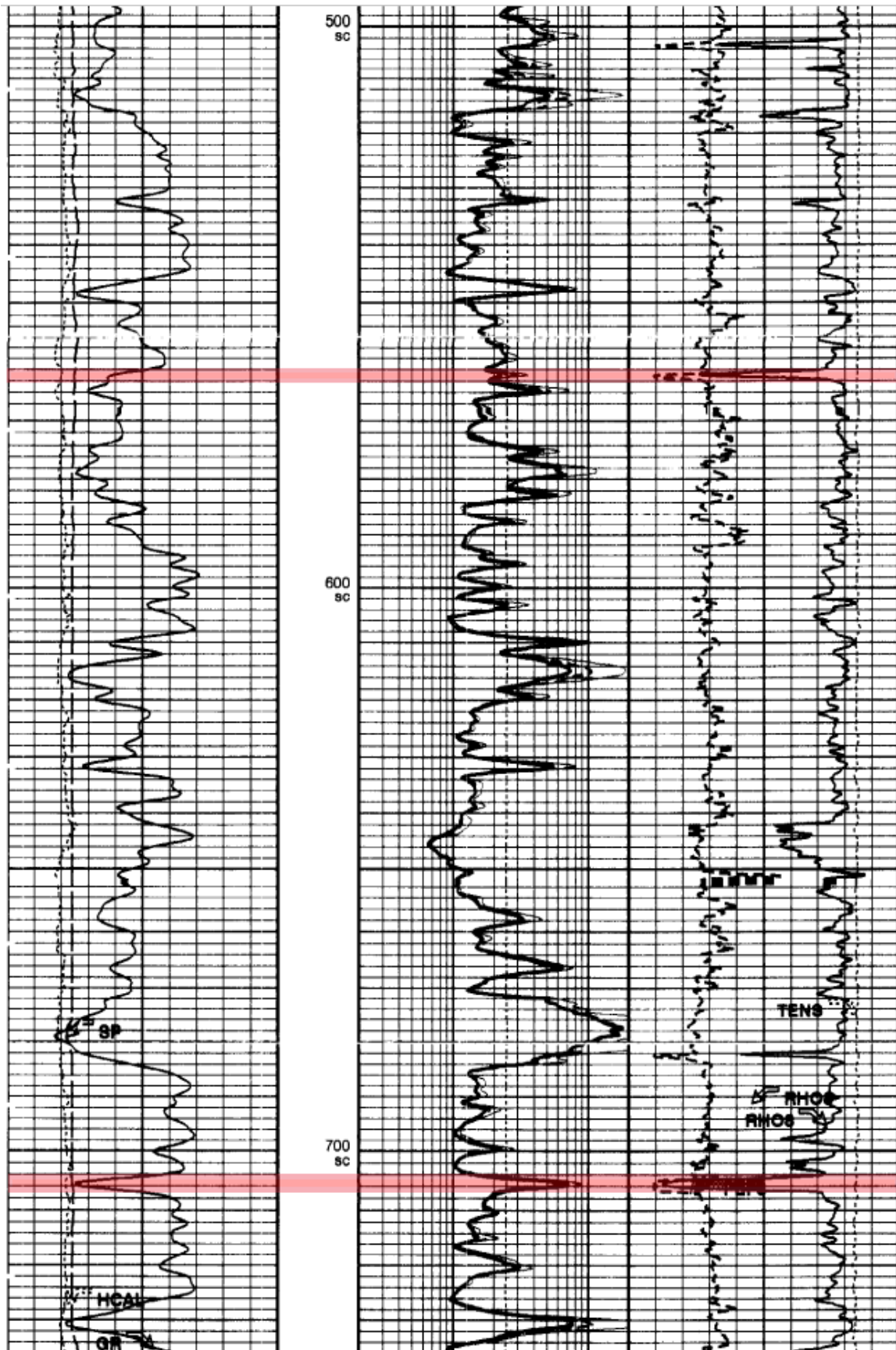
VPR D 031

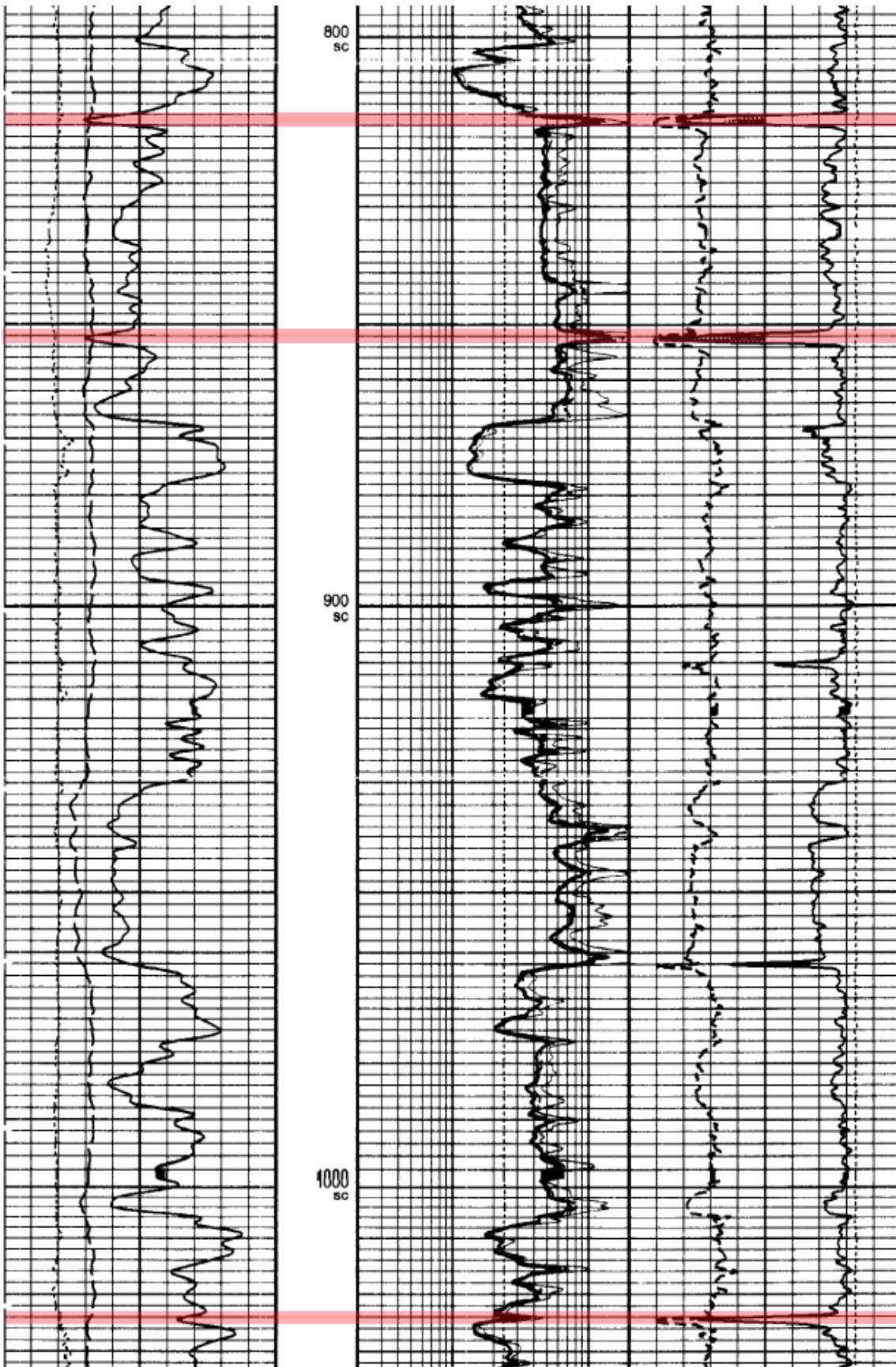


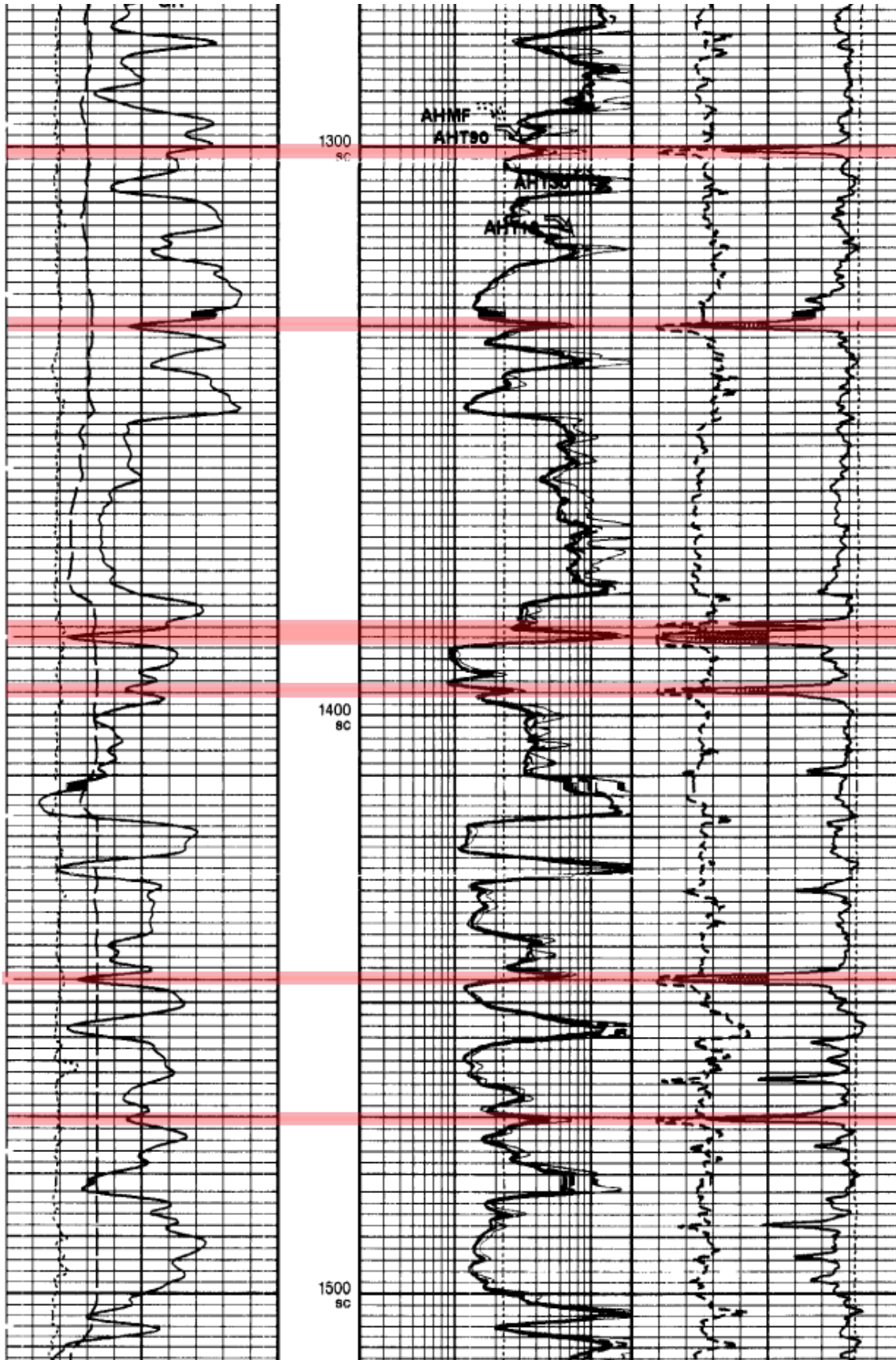
D-31 AND OFFSETS







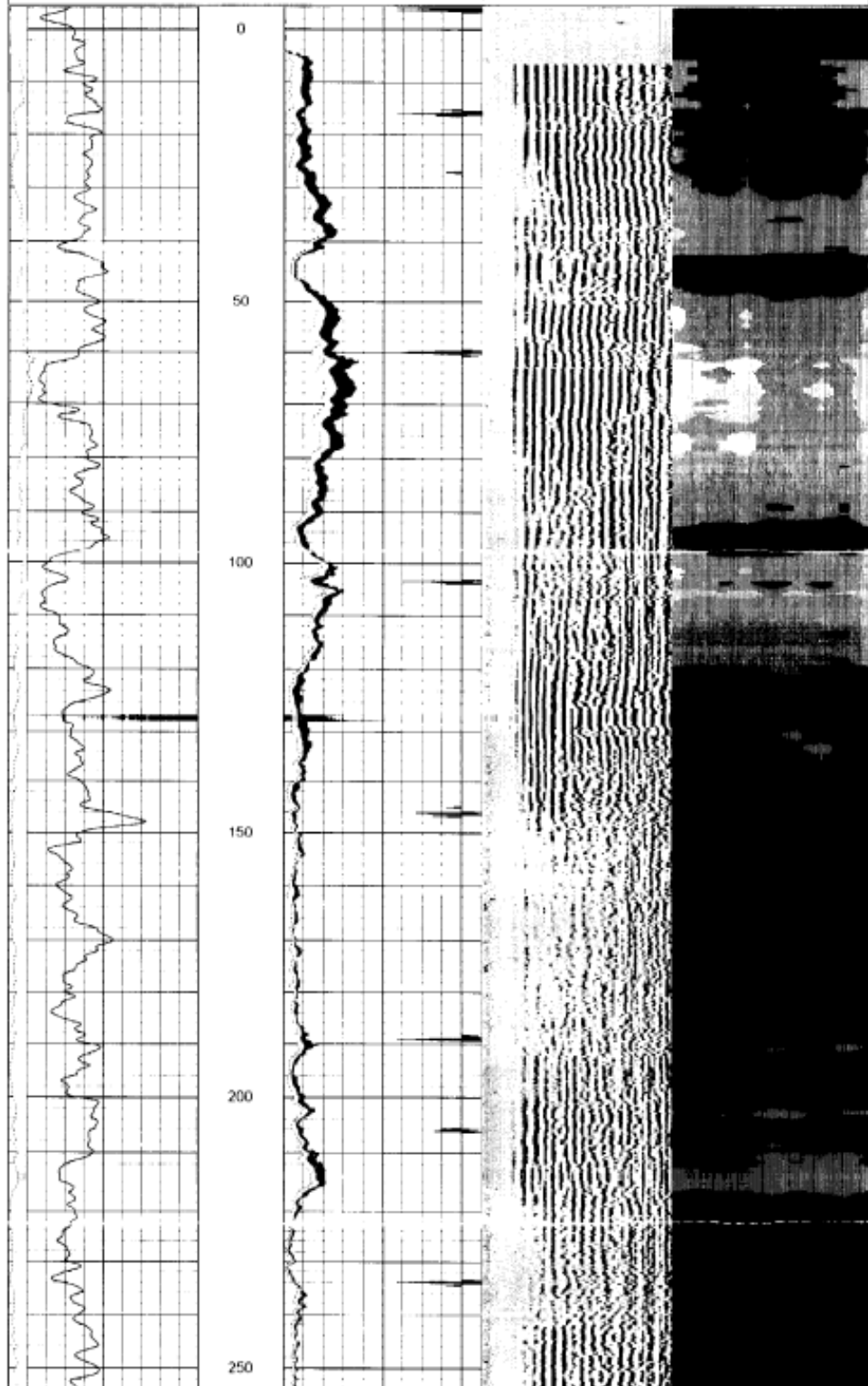




Patterson**Main Pass**

Database File: vd31sb.db
Dataset Pathname: pass2
Presentation Format: sector
Dataset Creation: Tue Apr 03 10:54:14 2001 by Log 6.0
Created by: Depth in Feet scaled 1.240

0	GR (GAPI)	200	0	AMPMAX (mV)	100	200	WVF5FT	1200	1	Sector Map	8
400	TT3FT (usec)	200	0	AMPAVG (mV)	100						
0	AMP3FT (mV)	100	0	AMPMIN (mV)	100						
			18	CCL	-2						





VPR D-31

API: 30-007-20211

Colfax County, NM

S-T-R: 18-30N-18E

WELLBORE DIAGRAM: 5/5/2010

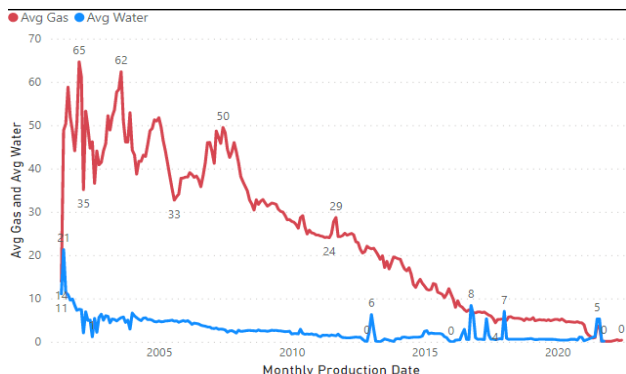
GL: 8,256'
 RKB:
 Spud: 3/12/2001
 TD'd well: 3/13/2001
 Completed: 4/3/2001
 Last workover: 5/5/2010
 Last modified: 8/29/2022 ES

PRODUCTION TUBING DETAIL: (4/17/2003)

KB:	0.00	0.00
69 jts of 2-7/8" 6.5# J-55 tbg	2136.5	2136.50
2-7/8" seat nipple	1.10	2137.60
2-7/8" perf-sub	3.40	2141.00
2-7/8" 6.5# J-55 tbg	31.20	2172.20
End of tubing:		2172.20

ROD AND PUMP DETAIL: (4/17/2003)

1-1/4" x 16' polish rod	16	11 (landed 11')
3/4" Pony Rods (6,8,8')	22	33
74 jts 3/4" rods	1850	1883
10 jts 7/8" rods	250	2133
1 7/8" guided pony rod	4	2137
<u>1-1/4" X 8' insert pump</u>		



5-1/2" 15.5# J-55 LTC CASING SPECS:

ID: 4.950 inches
 Drift: 4.825 inches
 Burst: 4,810 psi
 Collapse: 4,040 psi
 Capacity: 0.0238 bbl/ft
 rparham

11" hole

7-7/8" hole

PBTD - 2,242'
 TD - 2,310'
 TVD - 2,310'

Current as of 8/29/2022

8 5/8" 23# J-55 surface casing set at 304'. Cemented with 100 sacks.
 Circulated 9 bbls to surface (full returns)

STAGE #7: 1,741-43' + 1,748-50' 4 SPF 120 DEG PHASING W/ 4" CSG GUN 5/9/2021
 12,132 gal 20# linear + 39,724 lbs 16/30 (.25-4ppg) + 330,400 scf N2 @ 8-16 bpm. ISIP 1,450 psi w/ COBRA

STAGE #6: 1,784-86' 4 SPF 120 DEG PHASING W/ 4" CSG GUN 5/9/2021
 5,506 gal 20# linear + 8,359 lbs 16/30 (.25-4ppg) + 100,800 scf N2 @ 8-16 bpm. ISIP 1,750 psi w/ COBRA

STAGE #5: 1,876-79' 4 SPF 120 DEG PHASING W/ 4" CSG GUN 5/9/2021
 10,276 gal 20# linear + 25,437 lbs 16/30 (.25-4ppg) + 157,400 scf N2 @ 8-16 bpm. Screenout w/ COBRA

STAGE #4: 1,917-19' + 1,932-34' 4 SPF 120 DEG PHASING W/ 4" CSG GUN 5/9/2021
 8,275 gal 20# linear + 16,927 lbs 16/30 (.25-4ppg) + 180,800 scf N2 @ 8-16 bpm. ISIP 1,600 psi w/ COBRA

STAGE #3: 1,954-57' 4 SPF 120 DEG PHASING W/ 4" CSG GUN 5/9/2021
 9,760 gal 20# linear + 25,926 lbs 16/30 (.25-4ppg) + 293,100 scf N2 @ 8-16 bpm. ISIP 1,700 psi w/ COBRA

STAGE #2: 2,004-06' 4 SPF 120 DEG PHASING W/ 4" CSG GUN 5/9/2021
 7,651 gal 20# linear + 16,437 lbs 16/30 (.25-4ppg) + 242,000 scf N2 @ 8-16 bpm. ISIP 3,400 psi w/ COBRA

STAGE #1: 2,032-34' 4 SPF 120 DEG PHASING W/ 4" CSG GUN 5/9/2021
 6,051 gal 20# linear + 8,635 lbs 16/30 (.25-4ppg) + 145,500 scf N2 @ 8-16 bpm. ISIP 4,600 psi w/ COBRA

5-1/2" 15.5# M-50 LTC production casing set at 2,242'. Cemented with 355 sx of cement.
 Circ 19 bbls cmt to surface. CBL TOC @ SURFACE



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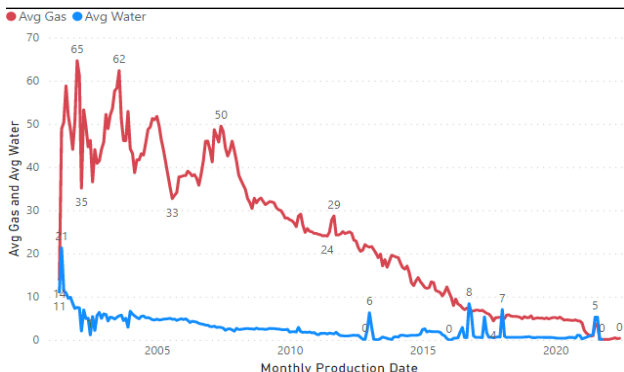
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11" hole

7-7/8" hole

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PROPOSED

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STAGE #3: 1,023-25' 4 SPF 120 DEG PHASING W/ 3-1/8" CSG GUN PROPOSED

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CBP @ 1600' PROPOSED

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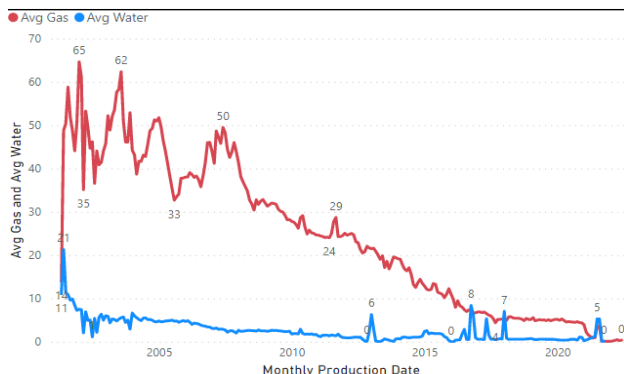
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API: 30-007-20211

Colfax County, NM

S-T-R: 18-30N-18E

WELLBORE DIAGRAM: 5/5/2010

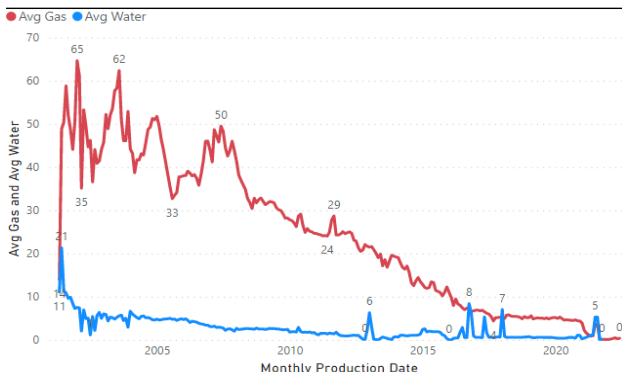
GL: 8,256'
 RKB:
 Spud: 3/12/2001
 TD'd well: 3/13/2001
 Completed: 4/3/2001
 Last workover: 5/5/2010
 Last modified: 8/29/2022 ES

PRODUCTION TUBING DETAIL (4/17/2003)

KB:	0.00	0.00
69 jts of 2-7/8" 6.5# J-55 tbg	2136.5	2136.50
2-7/8" seat nipple	1.10	2137.60
2-7/8" perf-sub	3.40	2141.00
2-7/8" 6.5# J-55 tbg	31.20	2172.20
End of tubing:	2172.20	

ROD AND PUMP DETAIL: (4/17/2003)

1-1/4" x 16' polish rod	16	11 (landed 11')
3/4" Pony Rods (6,8,8')	22	33
74 jts 3/4" rods	1850	1883
10 jts 7/8" rods	250	2133
1 7/8" guided pony rod	4	2137
<u>1-1/4" X 8' insert pump</u>		



5-1/2" 15.5# J-55 LTC CASING SPECS:

ID: 4.950 inches
 Drift: 4.825 inches
 Burst: 4,810 psi
 Collapse: 4,040 psi
 Capacity: 0.0238 bbl/ft
 rparham

11" hole

7-7/8" hole

PBTD - 2,242'
 TD - 2,310'
 TVD - 2,310'

PROPOSED

8 5/8" 23# J-55 surface casing set at 304'. Cemented with 100 sacks.
 Circulated 9 bbls to surface (full returns)

STAGE #6: 418-20' + 353-55' + 332-34' 4 SPF 120 DEG PHASING W/ 3-1/8" CSG GUN PROPOSED

STAGE #5: 704-07' + 562-64' 4 SPF 120 DEG PHASING W/ 3-1/8" CSG GUN PROPOSED

STAGE #4: 851-53' + 814-16' 4 SPF 120 DEG PHASING W/ 3-1/8" CSG GUN PROPOSED

STAGE #3: 1,023-25' 4 SPF 120 DEG PHASING W/ 3-1/8" CSG GUN PROPOSED

STAGE #2: 1,394-96' + 1,383-88' + 1,329-31' + 1,300-02' 4 SPF 120 DEG PHASING W/ 3-1/8" CSG GUN PROPOSED

STAGE #1: 1,469-71' + 1,445-47' 4 SPF 120 DEG PHASING W/ 3-1/8" CSG GUN PROPOSED

CBP @ 1600' PROPOSED

STAGE #7: 1,741-43' + 1,748-50' 4 SPF 120 DEG PHASING W/ 4" CSG GUN 5/9/2021
 12,132 gal 20# linear + 39,724 lbs 16/30 (.25-4ppg) + 330,400 scf N2 @ 8-16 bpm. ISIP 1,450 psi w/ COBRA

STAGE #6: 1,784-86' 4 SPF 120 DEG PHASING W/ 4" CSG GUN 5/9/2021
 5,506 gal 20# linear + 8,359 lbs 16/30 (.25-4ppg) + 100,800 scf N2 @ 8-16 bpm. ISIP 1,750 psi w/ COBRA

STAGE #5: 1,876-79' 4 SPF 120 DEG PHASING W/ 4" CSG GUN 5/9/2021
 10,276 gal 20# linear + 25,437 lbs 16/30 (.25-4ppg) + 157,400 scf N2 @ 8-16 bpm. Screenout w/ COBRA

STAGE #4: 1,917-19' + 1,932-34' 4 SPF 120 DEG PHASING W/ 4" CSG GUN 5/9/2021
 8,275 gal 20# linear + 16,927 lbs 16/30 (.25-4ppg) + 180,800 scf N2 @ 8-16 bpm. ISIP 1,600 psi w/ COBRA

STAGE #3: 1,954-57' 4 SPF 120 DEG PHASING W/ 4" CSG GUN 5/9/2021
 9,760 gal 20# linear + 25,926 lbs 16/30 (.25-4ppg) + 293,100 scf N2 @ 8-16 bpm. ISIP 1,700 psi w/ COBRA

STAGE #2: 2,004-06' 4 SPF 120 DEG PHASING W/ 4" CSG GUN 5/9/2021
 7,651 gal 20# linear + 16,437 lbs 16/30 (.25-4ppg) + 242,000 scf N2 @ 8-16 bpm. ISIP 3,400 psi w/ COBRA

STAGE #1: 2,032-34' 4 SPF 120 DEG PHASING W/ 4" CSG GUN 5/9/2021
 6,051 gal 20# linear + 8,635 lbs 16/30 (.25-4ppg) + 145,500 scf N2 @ 8-16 bpm. ISIP 4,600 psi w/ COBRA

5-1/2" 15.5# M-50 LTC production casing set at 2,242'. Cemented with 355 sx of cement.
 Circ 19 bbls cmt to surface. CBL TOC @ SURFACE

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: WAPITI OPERATING, LLC **OGRID:** 328741 **Date:** 09 / 07 / 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
VPR D 031	30-007-20211	C-18-30N-18E	1048 FNL	ZERO	200	100
			2335 FWL			

IV. Central Delivery Point Name: EXISTING PIPELINES ON SAME PAD [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
VPR D 031	30-007-20211	3-11-01	3-12-01	10-1-22	10-15-22	10-20-22

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:	BRIAN WOOD
Title:	CONSULTANT
E-mail Address:	brian@permitswest.com
Date:	9-7-22
Phone:	505 466-8120
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

VI. SEPARATION EQUIPMENT

Gas is produced up the casing and water is produced up the tubing. Both are then piped via existing buried pipelines to one of five existing central production facilities. Wapiti has ≈ 30 MMcfd and $\approx 3,000$ bwpd spare capacity in its system. No venting or flaring are planned.

VII. Operational Practices

NMAC 19.15.27.8 (A) Venting & Flaring of Natural Gas

1. Wapiti Operating, LLC will comply with NMAC 19.15.27.8 – venting and flaring of gas during drilling, completion, or production that constitutes waste as defined in 19.15.2 is banned.

NMAC 19.15.27.8 (B) Venting & Flaring During Drilling

1. Wapiti will capture or combust gas if technically feasible during drilling operations using best industry practices.
2. A flare stack with a 100% capacity for expected volume will be set on the pad ≥ 100 feet from the nearest well head and storage tank.
3. In an emergency, Wapiti will vent gas in order to avoid substantial impact. Wapiti will report vented or flared gas to the NMOCD.

NMAC 19.15.27.8 (C) Venting & Flaring During Completion or Recompletion

1. Facilities will be built and ready from the first day of flowback
2. Test separator will be properly separate gas and liquids. Temporary test separator will be used initially to process volumes. In addition, separator will be tied into flowback tanks which will be tied into the gas processing equipment for sale down a pipeline.
3. Should the facility not be ready to process gas, or the gas does not meet quality standards, then storage tanks will be set that are tied into gas busters or a temporary flare to manage all gas. This flare would meet the following requirements:
 - a) An appropriately sized flare stack with an automatic igniter
 - b) Wapiti analyzes gas samples twice a week
 - c) Wapiti flows the gas into a gathering line as soon as the line specifications are met
 - d) Wapiti provides the NMOCD with pipeline specifications and natural gas data.

NMAC 19.15.27.8 (D) Venting & Flaring During Production

Wapiti will not vent or flare natural gas except:

1. During an emergency or malfunction
2. To unload or clean-up liquid holdup in a well to atmospheric pressure, provided

- a) Wapiti does not vent after the well achieves a stabilized rate and pressure
 - b) Wapiti will be on-site while unloading liquids by manual purging and take all reasonable actions to achieve a stabilized rate and pressure as soon as possible
 - c) Wapiti will optimize the system to minimize gas venting if the well is equipped with a plunger lift or auto control system
 - d) Best management practices will be used during downhole well maintenance.
3. During the first year of production from an exploratory well provided
- a) Wapiti receives approval from the NMOCD
 - b) Wapiti stays in compliance with NMOCD gas capture requirements
 - c) Wapiti submits an updated C-129 form to the NMOCD
4. During the following activities unless prohibited
- a) Gauging or sampling a storage tank or low-pressure production vessel
 - b) Loading out liquids from a storage tank
 - c) Repair and maintenance
 - d) Normal operation of a gas-activated pneumatic controller or pump
 - e) Normal operation of a storage tank but not including venting from a thief hatch
 - f) Normal operation of dehydration units
 - g) Normal operations of compressors, engines, turbines, valves, flanges, & connectors
 - h) During a bradenhead, packer leakage test, or production test lasting <24 hours
 - i) When natural gas does not meet the gathering line specifications
 - j) Commissioning of pipes, equipment, or facilities only for as long as necessary to purge introduced impurities.

NMAC 19.15.27.8 (E) Performance Standards

1. Wapiti used a safety factor to design the separation and storage equipment. The equipment will be routed to a vapor recovery system and uses a flare as back up for startup, shutdown, maintenance, or malfunction of the VRU system.
2. Wapiti will install a flare that will handle the full volume of vapors from the facility in case of VRU failure. It will have an auto-ignition system.
3. Flare stacks will be appropriately sized and designed to ensure proper combustion efficiency
 - a) Flare stacks installed or replaced will be equipped with an automatic ignitor or continuous pilot.
 - b) Previously installed flare stacks will be retrofitted within 18 months of May 25, 2021, with an automatic ignitor, continuous pilot, or technology that alerts Wapiti to flare malfunction.
 - c) Flare stacks replaced after May 25, 2021, will be equipped with an automatic ignitor or continuous pilot if at a well or facility with an average production of ≤ 60 Mcfd of natural gas.
 - d) Flare stacks will be located >100 feet from well head and storage tanks and securely anchored.

4. Wapiti will conduct an AVO inspection on all components for leaks and defects every week.
5. Wapiti will make and keep records of AVO inspections available to the NMOCD for at least 5 years.
6. Wapiti may use a remote or automated monitoring technology to detect leaks and releases in lieu of AVO inspections with prior NMOCD approval.
7. Facilities will be designed to minimize waste.
8. Wapiti will resolve emergencies as promptly as possible.

NMAC 19.15.27.8 (F) Measuring or Estimating Vented & Flared Natural Gas

1. Wapiti will have meters on both the low pressure and high-pressure sides of the flares. Volumes will be recorded in the SCADA system.
2. Wapiti will install equipment to measure the volume of flared natural gas that has an average production of ≥ 60 Mcfd.
3. Wapiti's measuring equipment will conform to industry standards.
4. Measurement system will be designed such that it cannot be bypassed except for inspections and servicing the meters.
5. Wapiti will estimate the volume of vented or flared gas using a methodology that can be independently verified if metering is not practicable due to low flow rate or pressure.
6. Wapiti will estimate the volume of vented and flared gas based on the results of an annual GOR test for wells that do not require measuring equipment reported on form C-116.
7. Wapiti will install measuring equipment whenever the NMOCD determines that metering is necessary.

VIII. Best Management Practices

Wapiti Operating, LLC will minimize venting during maintenance by:

1. System will be designed and operated to route storage tank and process equipment emissions to the VRU. If the VRU is not operable, then vapors will be routed to the flare.
2. Scheduling maintenance for multiple tasks to minimize the need for blowdowns.
3. After completion of maintenance, gas will be flared until it meets pipeline specifications.

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

CONDITIONS

Action 142028

CONDITIONS

Operator: Wapiti Operating, LLC 1310 W Sam Houston PKWY N Houston, TX 77043	OGRID: 328741
	Action Number: 142028
	Action Type: [C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	9/27/2022