

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 Empire New Mexico, LLC 2200 S. Utica Place, Suite 150 Tulsa, OK 74114 918-404-4202		² OGRID Number 330679 ³ API Number 30-025-34533
⁴ Property Code 330854	⁵ Property Name Monument 36 State	⁶ Well No. 3

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
H	18	18 S	36 E		2178	N	620	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
H	36	18 S	36 E		2178	N	620	E	Lea

⁹ Pool Information

Pool Name WC-025 G-03 S183636H;PADDOCK	Pool Code 98389
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Additional Well Information

¹¹ Work Type A	¹² Well Type O	¹³ Cable/Rotary R	¹⁴ Lease Type S	¹⁵ Ground Level Elevation 4078'
¹⁶ Multiple Y	¹⁷ Proposed Depth 7468'	¹⁸ Formation Abo	¹⁹ Contractor TBD	²⁰ Spud Date April 22, 2024
Depth to Ground water 100' in L 01108 POD 3		Distance from nearest fresh water well 587' SW of L 01108 POD 3		Distance to nearest surface water ~875' N of nameless playa

☒ 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
Surface	12.25"	11.75"	42# H-40	GL – 431'	400	GL
Intermediate	11"	8.625"	24# K-55	GL – 2810'	900	GL
Production	7.875"	5.5"	15.5# K-55	GL – 7249'	800	2600'
Open Hole	7.875"	N/A	N/A	7249' – 7468'	N/A	N/A

Casing/Cement Program: Additional Comments

Will perforate (6085' – 6102') and (6118' – 6132') Paddock. If successful, the Abo (OH) and Drinkard (existing perms) will be abandoned.
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²² Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular & Double Rams	5000	5000	TBD

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable. Signature: <i>Nathan Sandel</i>	OIL CONSERVATION DIVISION	
Printed name: Nathan Sandel	Approved By:	
Title: Production Engineer	Title:	
E-mail Address: nsandel@empirepetrocorp.com	Approved Date:	Expiration Date:
Date: 03/25/2024	Phone: 918-404-4202	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 30-025-34533	² Pool Code 98389	³ Pool Name WC-025 G-03 S183636H;PADDOCK
⁴ Property Code 330854	⁵ Property Name MONUMENT 36 STATE	⁶ Well Number 3
⁷ OGRID No. 330679	⁸ Operator Name EMPIRE NEW MEXICO, LLC	⁹ Elevation

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
H	36	18 S	36 E		2178	NORTH	620	EAST	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
H	36	18 S	36 E		2178	NORTH	620	EAST	LEA

¹² Dedicated Acres 40.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <div style="text-align: right;">03/25/2024</div> <hr/> Signature _____ Date _____ Nathan Sandel Printed Name nsandel@mepirepetrocorp.com E-mail Address
	¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>
	Date of Survey _____ Signature and Seal of Professional Surveyor: <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> Original Survey by Ron Edison (3239) on file with NMOCD. </div>
	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: EMPIRE NEW MEXICO LLC **OGRID:** 330679 **Date:** 03/25/2024

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
Monument 36 State 3	30-025-34533	H-36-18S-36E	2178 FNL	30	100	200
			620 FEL			

IV. Central Delivery Point Name: EXISTING TARGA PIPELINE ON MONUMENT 36 STATE 2 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
Monument 36 State 3	30-025-34533	06/02/1999	06/16/1999	12/04/2023	04/29/2024	04/30/2024

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: <i>Nathan Sandel</i>
Printed Name: Nathan Sandel
Title: Production Engineer
E-mail Address: nsandel@empirepetrocorp.com
Date: 03/25/2024
Phone: 918-404-4202
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

VI. Separation Equipment

Existing separation equipment on Empire's Monument 36 State 2 pad will be used. Separated gas will then be piped into an existing Targa pipeline on the same pad.

VII. Operational Practices

NMAC 19.15.27.8 (A) Venting & Flaring of Natural Gas

1. Empire New Mexico 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. Empire New Mexico LLC 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, Empire New Mexico LLC will vent gas in order to avoid substantial impact. Empire New Mexico LLC 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 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. Empire New Mexico LLC analyzes gas samples twice a week.
 - c. Empire New Mexico LLC flows the gas into a gather line as soon as the line specifications are met.
 - d. Empire New Mexico LLC provides the NMOCD with pipeline specification and natural gas data.

NMAC 19.15.27.8 (D) Venting & Flaring During Production

Empire New Mexico LLC 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. Empire New Mexico LLC does not vent after the well achieves a stabilized rate and pressure
 - b. Empire New Mexico LLC 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. Empire New Mexico LLC 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. Empire New Mexico LLC receives approval from the NMOCD.
 - b. Empire New Mexico LLC stays in compliance with the NMOCD gas capture requirements.
 - c. Empire New Mexico LL 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 operations 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. Empire New Mexico LLC will use a safety factor to design the separation and storage equipment. The equipment will be routed to a vapor recovery system and use a flare as back up for a startup, shutdown, maintenance, or malfunction of the VRU system.
2. Empire New Mexico LLC 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 Empire New Mexico LLC 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 mcf/d of natural gas.
 - d. Flare stacks will be located >100 feet from well head and tanks and securely anchored.
4. Empire New Mexico LLC will conduct an AVO inspection on all components for leaks and defects every week.
5. Empire New Mexico LLC will make and keep records of AVO inspections available to the NMOCD for at least 5 years.
6. Empire New Mexico LLC 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. Empire New Mexico LLC will resolve emergencies as promptly as possible.

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

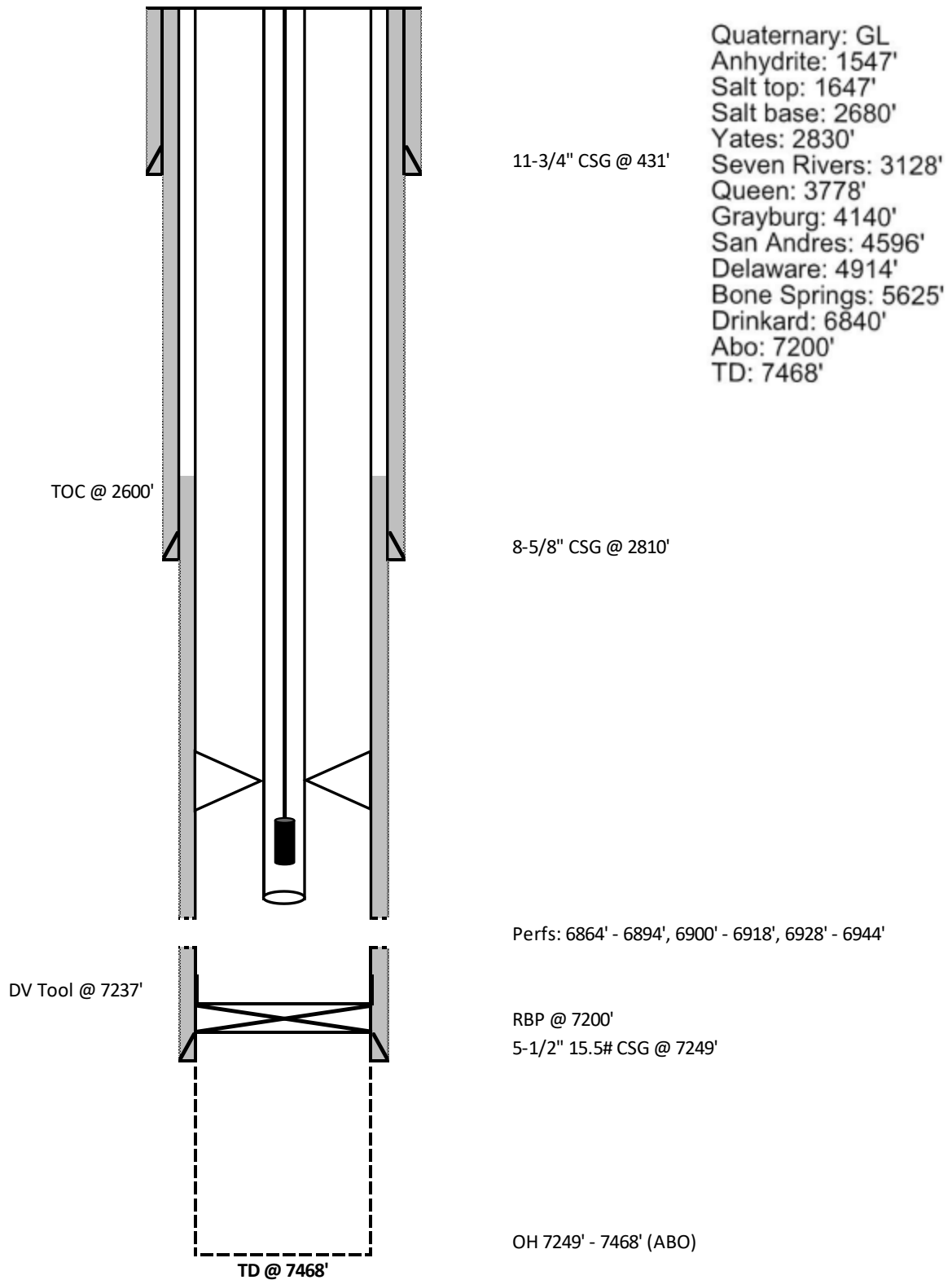
1. Empire New Mexico LLC will have meters on both the low and high-pressure sides of the flares. Volumes will be recorded in the SCADA systems.
2. Empire New Mexico LLC will install equipment to measure the volume of flared natural gas that has an average production of ≥ 60 mcf/d.
3. Empire New Mexico LLC's measuring equipment will conform to the industry standards.
4. Measurement system will be designed such that it cannot be bypassed except for inspections and servicing meters.
5. Empire New Mexico LLC 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. Empire New Mexico LLC 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. Empire New Mexico LLC will install measuring equipment whenever the NMOCD determines that metering is necessary.

VIII. Best Management Practices

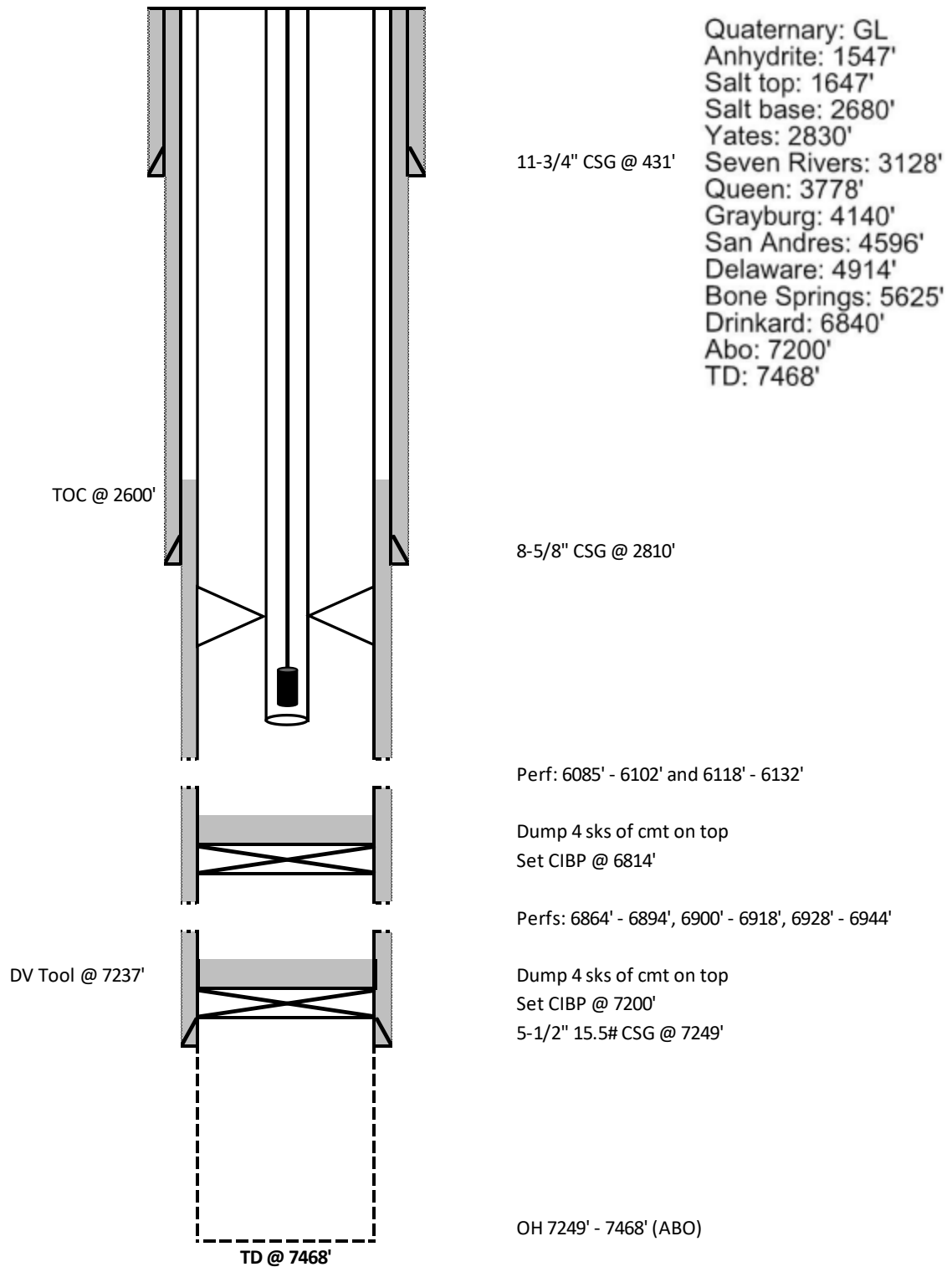
Empire New Mexico LLC will minimize venting during maintenance by:

1. System will be designed and operated to route storage tank and process equipment emissions to the VRU. If the VRI 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.

Current WBD



Proposed WBD



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CONDITIONS

Action 327254

CONDITIONS

Operator: Empire New Mexico LLC 2200 S. Utica Place Tulsa, OK 74114	OGRID: 330679
	Action Number: 327254
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)

CONDITIONS

Created By	Condition	Condition Date
pkautz	None	4/2/2024