

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

Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

☐ AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

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

¹ Operator Name and Address Grand Banks Energy Company		² OGRID Number 217817
		³ API Number 30-025-34272
⁴ Property Code 19372	⁵ Property Name Anderson Ranch Unit	⁶ Well No. 201

⁷ Surface Location

UL - Lot E	Section 14	Township 16S	Range 32E	Lot Idn	Feet from 1488	N/S Line NORTH	Feet From 1310	E/W Line WEST	County LEA
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⁸ Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
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⁹ Pool Information

ANDERSON RANCH MORROW ANDERSON RANCH;QUEEN	Pool Name	Pool Code 97027
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Additional Well Information

¹¹ Work Type RECOMPLETION	¹² Well Type OIL	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type S	¹⁵ Ground Level Elevation 4296'
¹⁶ Multiple NO	¹⁷ Proposed Depth 5500'	¹⁸ Formation PENROSE	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 pits²¹ Existing
Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
SURFACE	14 3/4	11 3/4	42#	550	500	SURFACE
INTER	11	8 5/8	32#	4500	2000	SURFACE
PROD	7 7/8	5 1/2	17#	13,750	2600	SURFACE

Casing/Cement Program: Additional Comments

Production casing to be plugged back to 5500' prior to recompletion in the Penrose
--

²² Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

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

Printed name: Chris Gaddy

Title: Engineer

E-mail Address: chris.gaddy@octane-energy.com

Date: 3-22-2024

Phone: 432-634-9337

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date:

Expiration Date:

Conditions of Approval Attached

Proposed Plug Back & Recompletion Procedure

ARU #201

API 30-025-34272

1. MIRU. ND WH, NU BOP, POOH Prod. Equip.
2. RIH WL & set 5-1/2" CIBP @ 12,113'
3. Run CBL from 12,113' - surf
4. RIH w/ tbg, tag BP & spot 30 SX cmt to 12,013'
5. Circulate hole with MLF
6. Spot 30 sx cmt @ 11,700' - 11,600'
7. Spot 70 sx cmt @ 10,820 - 10,320'
8. Spot 25 sx cmt @ 9,180' - 9,080'
9. Spot 25 sx cmt @ 7,656' - 7,506'
10. Spot 25 sx cmt @ 6,903' - 6,753'
11. Spot 25 sx cmt @ 5,720' - 5,570'
12. POOH
13. RIH WL & perf Penrose w/ 2 spf @ 3,712 to 3,688'.
14. RIH w/ treating packer on tbg, set packer 100' above top perf and acidize w/ 1000 gal 15% MCA @ 3 BPM
15. Flow back & POOH w/ packer & tbg
16. RIH w/ mud jts, 2-7/8" MHMA. SN, x jts 2-7/8" tbg, 2-7/8" x 5-1/2" TAC, tbg, install slips & flange up WH
17. RIH w/ pump, rods & space out well. Rig down and move off location to set pumping unit.



C-101 Attachment to Plug Back and Recomplete ARU #201

Grand Banks Energy Company

ARU #201

API: 30-025-34272

CASING: There will be no casing changes or additions to the existing

CLOSED LOOP: The work entails plugging back and recompleting so open and closed top steel tanks will be used for this operation.

FORMATION TOPS: Devonian 13,454, Atoka 11,646, Canyon 10,770, Wolfcamp 9130, Tubb 6853, Glorieta 5670, San Andres 4234, Grayburg 3812, Queen 3405, Seven Rivers 2810, Yates 560, Rustler 1305

BOP: Standard 5000 PSI Manual BOP used for workover operations



Current WELLBORE SKETCH
Grand Banks Energy Company

Date: February 15, 2024

RKB @ 4314'
DF @ 4312'
GL @ 4296'

14 3/4" Hole
11 3/4" @ 42# WC-40 @ 539'
Cmt'd w/ 450 sx, circ 115 sxs
TOC @ Surface

Subarea : Hobbs
Lease & Well No. : Anderson Ranch Unit 201
Legal Description : 1488 FNL & 1310 FWL, Sec. 14, T16S, R32E
County : Lea State : New Mexico
Field : Anderson Ranch (Morrow)
Date Spudded : 2/21/1998 Rig Released : 4/19/1998
API : 30-025-34272

OGRID No. 22351
Property Code 22322

Stimulation History:

Interval	Date	Type	Gals	Lbs. Sand	Max Press	Max ISIP	Max Rate	Down
Top of Salt @	5/1/1998	Set 4 1/2" Liner @ 13,465' w/ 77 sxs cmt; TOL @ 13279'						
	5/3/1998	DO to 13279'						
	5/8/1998	Deepen to 13480'						
11" Hole	5/19/1998	Set CIBP @ 13270' w/ 4 sxs cmt on top; TOC @ 13235'						
8 5/8" @ 32# HCK-55 @ 4490'	5/20/1998	NEA	150					
Cmt'd w/ 2010 sx, circ 52 sxs	5/23/1998	Perf 12592-12596, 12598-12607, 12614-12624,						
TOC @ Surface	5/23/1998	12635, 12643-12646, 12721-12724, 12726-12731, 12734-12739						
	5/27/1998	2% KCL	462					
	5/30/1998	Set CIBP @ 12430' w/ 35' cmt on top; TOC @ 12395'						
	5/31/1998	10% Acetic	100					
	6/2/1998	Perf 12213-12231,						
Base of Salt @	8/20/1999	Binary Foam	44,000	39,000				

12213-12231'

CIBP @ 12430' w/ 35' cmt on top; TOC @ 12395'
Pkr @ 12440'
12592-12596'

12598-12607'
12614-12646'
12721-12739'

TOL 4 1/2" @ 13279'

CIBP @ 13270' w/ 4 sxs cmt on top; TOC @ 13235'

7 7/8" Hole
5 1/2" 17# L-80 @ 13,363'
Cmt'd w/ 2656 sx, circ
TOC @ Surface

4 1/2" Liner 11.6# L-80 @ 13465
Cmt'd w/ 77 sxs cmt
TOL @ 13279'

3 7/8" Open Hole
13465-13480'

PBTD @ 12,395'
TD @ 13,470'
NTD @ 13,480'

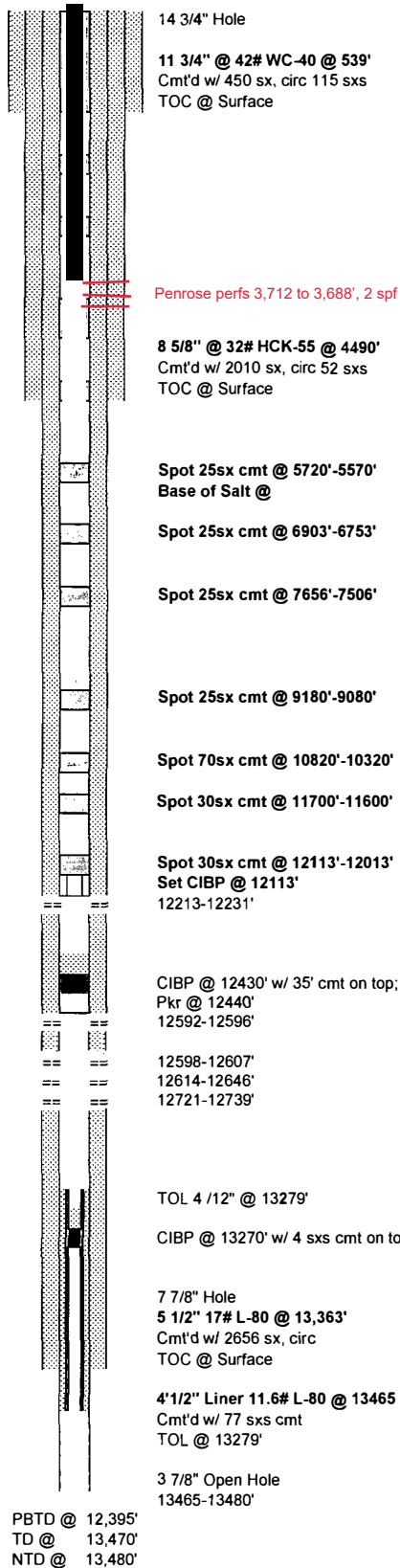
Formation Tops:

Rustler	1305'	Tubb	6853'
Yates	2560'	Abo	7606'
Seven Rivers	2810'	Wolfcamp	9130'
Queen	3405'	Cisco	10,370'
Grayburg	3812'	Canyon	10,770'
San Andres	4234'	Atoka	11,646'
Glorieta	5670'	Devonian	13,454'

FUTURE WELLBORE SKETCH
GRAND BANKS Company

Date: February 15 2024

RKB @ 4314'
 DF @ 4312'
 GL @ 4296'



Subarea : Hobbs
 Lease & Well No. : Anderson Ranch Unit 201
 Legal Description : 1488 FNL & 1310 FWL, Sec.14, T16S, R32E
 County : Lea State : New Mexico
 Field : Anderson Ranch (Morrow)
 Date Spudded : 2/21/1998 Rig Released: 4/19/1998
 API Number : 30-025-34272
 Status: g

OGRID No. 22351
 Property Code 22322

Stimulation History:

Interval	Date	Type	Gals	Lbs. Sand	Max Press	Max ISIP	Rate Down
	5/1/1998	Set 4 1/2" Liner @ 13,465' w/ 77 sxs cmt; TOL @ 13279'					
	5/3/1998	DO to 13279'					
	5/8/1998	Deepen to 13480'					
	5/19/1998	Set CIBP @ 13270' w/ 4 sxs cmt on top; TOC @ 13235'					
12596-12746	5/20/1998	NEA	150				
	5/23/1998	Perf 12592-12596, 12598-12607, 12614-12624, 12635, 12643-12646, 12721-12724, 12726-12731, 12734-12739					
12592-12739	5/27/1998	2% KCL	462				
	5/30/1998	Set CIBP @ 12430' w/ 35' cmt on top; TOC @ 12395'					
12213-12231	5/31/1998	10% Acetic	100				
	6/2/1998	Perf 12213-12231,					
12213-12231	8/20/1999	Binary Foam	44,000	39,000			

Formation Tops:

Rustler	1305'	Tubb	6853'
Yates	2560'	Abo	7606'
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Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-34272	² Pool Code 97027	³ Pool Name ANDERSON RANCH;QUEEN
⁴ Property Code 019372	⁵ Property Name Anderson Ranch Unit	⁶ Well Number 201
⁷ OGRID No. 217817	⁸ Operator Name Grand Banks Energy Company	⁹ Elevation 4296

¹⁰ Surface Location

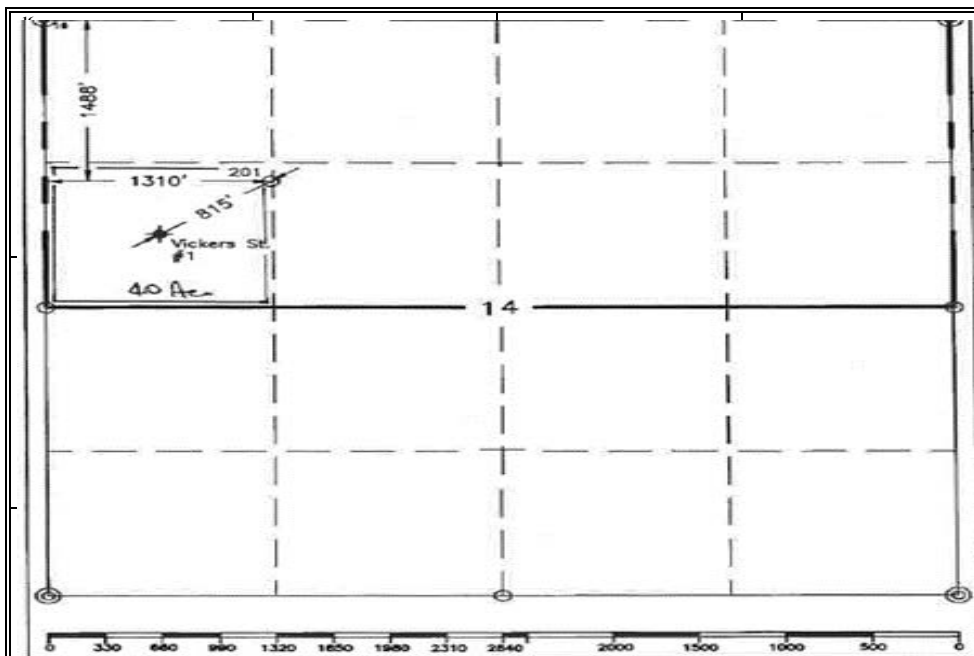
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	14	16S	32E		1488	North	1310	West	Lea

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 40	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.



○ = Staked Location ■ = Producing Well ✱ = Injection Well ◇ = Water Supply Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates	
Northing 700685.09 (1927=700619.99)	Easting 722955.20 (1927=722955.20)
Latitude 32°55'29.263"	Longitude 103°44'29.263"
Zone North American Datum	Combined Grid Factor 0.9997417
East 1983	Field Book
Drawing File	Certificate Number
Ander201	Lea Co. FB. 17, P. 1

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.

Socorro Hendry 04/01/2024
Signature Date

Socorro Hendry

Printed Name

socorro.hendry@octane-energy.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 DepartmentSubmit Electronically
Via E-permittingOil 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:** Grand Banks Energy Company **OGRID:** 217817 **Date:** 03 / 21 / 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
ARU #201	30-025-34272		3712'	20	5	1

IV. Central Delivery Point Name: TBD [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

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:	Chris J Gaddy
Title:	Engineer
E-mail Address:	chris.gaddy@octane-energy.com
Date:	4-2-2024
Phone:	432-634-9337
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

VI. Separation Equipment:

- Separation equipment is sized to allow for retention time and velocity to adequately separate oil, gas, and water at anticipated peak rates.
- All central tank battery equipment is designed to efficiently capture the remaining gas from the liquid phase.
- Valves and meter are designed to service without flow interruption or venting of gas.

VII. Operational Practices

(A) Grand Banks ARU presently produces <30 BOPD GOR is 100 scf/bbl or 10-12 mcf/day which is flared.

(B) Venting and flaring during drilling operations

*A properly sized flare stack will be located at a minimum 100' from the nearest surface hole location on the pad.

*All-natural gas produced during drilling operations will be flared. Venting will only occur if there is an equipment malfunction and/or to avoid risk of an immediate and substantial adverse impact on safety, public health, or the environment.

(C) Venting and Flaring during completions or recompletions operations.

* During all phases of flowback, wells will flow through a sand separator, or other appropriate flowback separation equipment, and the well stream will be directed to a central tank battery (CTB) through properly sized flowlines.

* The CTB will have properly sized separation equipment for maximum anticipated flowrates

* Multiple stages of separation will be used to separate gas from liquids. All gas will be routed to a sales outlet. Fluids will be routed to tanks equipped with a closed loop system that will recover any residual gas from the tanks and route such gas to a sales outlet.

(D) Venting and Flaring during production operations

* During production, the well stream will be routed to the CTB where of separation will separate gas from liquids.

* Flares are equipped with auto-ignition systems and continuous pilot operations.

* Automatic gauging equipment is installed on all tanks.

(E) Performance Standards

* Production equipment will be designed to handle maximum anticipated rates and pressure.

* Automatic gauging equipment is installed on all tanks to minimize venting.

* All flared gas will be combusted in a flare stack that is properly sized and designed to ensure proper combustion.

* Flares are equipped with continuous pilots and auto-ignitors along with remote monitoring of the pilot status.

* Weekly AVOs and monthly LDAR inspections will be performed on all wells and facilities that produce more than 60 Mcfd.

* Gas/H₂S detectors will be installed throughout the facilities and wellheads to detect leaks and enable timely repairs.

(F) Measurement or estimation of vented and flared natural gas

- * All high pressure flared gas is measured by equipment conforming to API 14.10.
- * No meter bypasses are installed.
- * When metering is not practical due to low pressure/low rate, the vented or flared volume will be estimated through flare flow curves with the assistance of air emissions consultants, as necessary.

VIII Best Management Practices

- *Grand Banks Energy will use best management practices to vent as minimally as possible during well intervention operations and downhole well maintenance.
- * All control equipment will be maintained to provide highest run-time possible
- * All procedures are drafted to keep venting and flaring to the absolute minimum

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

CONDITIONS

Action 325808

CONDITIONS

Operator: GRAND BANKS ENERGY CO 10 Desta Drive Midland, TX 79705	OGRID: 155471
	Action Number: 325808
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)

CONDITIONS

Created By	Condition	Condition Date
pkautz	None	4/3/2024