

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

Submit Electronically  
Via E-permitting

## NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

### Section 1 – Plan Description Effective May 25, 2021

**I. Operator:** SIMCOE, LLC **OGRID:** 329739 **Date:** 07 / 10 / 2025

**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 |
|-----------------|-----|-------------|-----------------|-----------------------|-----------------------|----------------------------------|
| NEBU 605 COM 3H | TBA | P-11-31N-7W | 504 FSL-874 FEL | 0                     | 20,000                | 600                              |
| NEBU 605 COM 4H | TBA | P-11-31N-7W | 481 FSL-887 FEL | 0                     | 20,000                | 600                              |
| NEBU 605 COM 3H | TBA | P-11-31N-7W | 460 FSL-899 FEL | 0                     | 20,000                | 600                              |
|                 |     |             |                 |                       |                       |                                  |
|                 |     |             |                 |                       |                       |                                  |
|                 |     |             |                 |                       |                       |                                  |

**IV. Central Delivery Point Name:** Harvest Midstream [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 |
|-----------------|-----|-----------|-----------------|------------------------------|------------------------|-----------------------|
| NEBU 605 COM 3H | TBA | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| NEBU 605 COM 4H | TBA | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
| NEBU 605 COM 5H | TBA | TBD       | TBD             | TBD                          | TBD                    | TBD                   |
|                 |     |           |                 |                              |                        |                       |
|                 |     |           |                 |                              |                        |                       |
|                 |     |           |                 |                              |                        |                       |

**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**

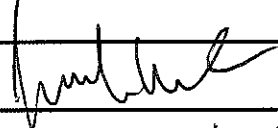
1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(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:                                                                      | Jeremiah Rector                                                                   |
| Title:                                                                             | VP Simcoe LLC                                                                     |
| E-mail Address:                                                                    | jeremiah.rector@ikavenergy.com                                                    |
| Date:                                                                              | 7-15-2025                                                                         |
| Phone:                                                                             | 505-793-2834                                                                      |
| OIL CONSERVATION DIVISION<br>(Only applicable when submitted as a standalone form) |                                                                                   |
| Approved By:                                                                       |                                                                                   |
| Title:                                                                             |                                                                                   |
| Approval Date:                                                                     |                                                                                   |
| Conditions of Approval:                                                            |                                                                                   |

## **VI. Separation Equipment**

- SIMCOE production locations include separation equipment designed to separate gas from liquid phases. Equipment sizing is based on estimated volumes and pressures, as well as historical basin knowledge. Flowback separation equipment and production separation equipment will be utilized. Both of which are built and maintained to industry standards. Following the completion, gas will be sent to sales, depending on the gas composition. Since SIMCOE is performing work at an existing location, the well will be tied into an existing gas line. Therefore, once the well is shown to meet pipeline specification, it will go to sales.

## **VII. Operational Practices**

### **1. Subsection (A) Venting and Flaring of Natural Gas**

- SIMCOE understands the requirements of NMAC 19.15.27.8 which outlines that the venting or flaring of natural gas during drilling, completion, or production operations that constitutes waste as defined in 19.15.2 NMAC is prohibited. SIMCOE does not plan to flare.

### **2. Subsection (B) Venting and flaring during drilling operations**

- If technically feasible SIMCOE will capture or combust natural gas using best industry practices and control technologies.
- A properly-sized flare stack shall be located at a minimum of 100 feet from the nearest surface hole location unless otherwise approved by the division.
- Should an emergency or malfunction occur, natural gas may be vented to avoid a risk of an immediate and substantial adverse impact on safety, public health, or the environment. The appropriate reporting will be made to the division pursuant to Paragraph (1) of Subsection G of 19.15.27.8 NMAC.

### **3. Subsection (C) Venting and flaring during completion or recompletion operations.**

- During initial flowback, SIMCOE will route flowback fluids into a completion or storage tank and, if technically feasible under the applicable well conditions, flare rather than vent and commence operation of a separator as soon as it is technically feasible for a separator to function.
- During separation flowback, SIMCOE will capture and route natural gas from the separation equipment to a gas flowline or collection system or use on-site as a fuel source or other purpose that a purchased fuel or raw material would serve.
- Should natural gas not meet gathering pipeline quality specifications, rule 19.15.27.8.C.3 will be met.

### **4. Subsection (D) Venting and flaring during production operations.**

- For liquids unloading by manual purging, an operator will remain present on-site or remain within 30 minutes' drive time of location. Will take reasonable action to not vent after the well achieves a stabilized rate and pressure.
- Plunger lift system will be optimized to minimize the venting of natural gas.
- During downhole well maintenance, venting of natural gas will be minimized.

### **5. Subsection (E) Performance Standards**

- Completion and production separation equipment and storage tanks will be designed appropriately for anticipated throughput and pressure to minimize waste.
- No flare stacks will be installed or operating at a production location.
- AVO inspections will be conducted in accordance with 19.15.27.8.E.5

### **6. Subsection (F) Measurement or estimation of vented and flared natural gas**

- The estimation of vented natural gas will be completed in accordance with 19.15.27.8.F.5-6

## **VIII. Best Management Practices**

1. During drilling operations, a Managed Pressure Drilling system will be utilized to control the surface pressure while drilling which minimizes the amount of vented natural gas.
2. For completion and recompletion activities, production facilities will be in place and the gathering system will be tied in so once the gas is sellable it will be sent down the line.
3. Non-emitting pneumatic devices will be installed at the production location.
4. The well will be shut in in the event of an emergency situation, or other operations where venting or flaring may occur due to equipment failures.

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/oed/contact-us>

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

CONDITIONS

Action 485596

CONDITIONS

|                                                                           |                                                     |
|---------------------------------------------------------------------------|-----------------------------------------------------|
| Operator:<br>SIMCOE LLC<br>1199 Main Ave., Suite 101<br>Durango, CO 81301 | OGRID:<br>329736                                    |
|                                                                           | Action Number:<br>485596                            |
|                                                                           | Action Type:<br>[C-103] NOI General Sundry (C-103X) |

CONDITIONS

| Created By  | Condition | Condition Date |
|-------------|-----------|----------------|
| ward.rikala | None      | 7/16/2025      |