

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 MORNINGSTAR OPERATING LLC, 400 W 7TH ST, FORT WORTH, TX 76102		² OGRID Number 330132
		³ API Number 30-025-30971
⁴ Property Code 331886	⁵ Property Name VACUUM GLORIETA WEST UNIT	⁶ Well No. 059

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	36	17S	34E		990'	N	1880	W	LEA

⁸ Proposed Bottom Hole Location N/A

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

⁹ Pool Information

Pool Name	Pool Code
VACUUM; GRAYBURG-SAN ANDRES	62180

Additional Well Information

¹¹ Work Type P, A	¹² Well Type O	¹³ Cable/Rotary	¹⁴ Lease Type S	¹⁵ Ground Level Elevation 4003'
¹⁶ Multiple N	¹⁷ Proposed Depth	¹⁸ Formation GRAYBURG-SAN ANDRES	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 Proposed Casing and Cement Program N/A

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC

Casing/Cement Program: Additional Comments

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²² Proposed Blowout Prevention Program N/A

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 <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: <i>Connie Blaylock</i>		OIL CONSERVATION DIVISION	
Printed name: CONNIE BLAYLOCK		Approved By:	
Title: REGULATORY ANALYST		Title:	
E-mail Address: CBLAYLOCK@TXOPARTNERS.COM		Approved Date:	Expiration Date:
Date: 10/03/2025	Phone: 817-334-7882	Conditions of Approval Attached	

Santa Fe Main Office Phone: (505) 476-3441 Fax: (55) 476-3462 General Information Phone: (505) 629-6116 Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION Plug back, Recomplete	C-102 Revised July 9, 2024 Submit Electronically via OCD Permitting	
		Submittal Type:	<input type="checkbox"/> Initial Submittal
			<input type="checkbox"/> XAmended Report
		<input type="checkbox"/> As Drilled	

WELL LOCATION INFORMATION

API Number 30-025-30971	Pool Code 62180	Pool Name VACUUM; GRAYBURG- SAN ANDRES
Property Code 331883	Property Name STATE BA	Well Number 16
OGRID No. 330132	Operator Name MORNINGSTAR OPERATING LLC	Ground Level Elevation 4003'
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
C	36	17S	34E		990 FNL	1880 FWL	32.7960396	-103.516571	LEA

Bottom Hole Location LATERAL PLUGGED BACK

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

Dedicated Acres 40	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N) N	Consolidation Code O
Order Numbers. N/A			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP) N/A

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

First Take Point (FTP) N/A

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

Last Take Point (LTP) N/A

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> XVertical	Ground Floor Elevation:
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OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Connie Blaylock 10/02/2025
Signature Date

CONNIE BLAYLOCK
Printed Name

CBLAYLOCK@TXOPARTNERS.COM
Email Address

SURVEYOR CERTIFICATIONS

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.

Signature and Seal of Professional Surveyor

Certificate Number

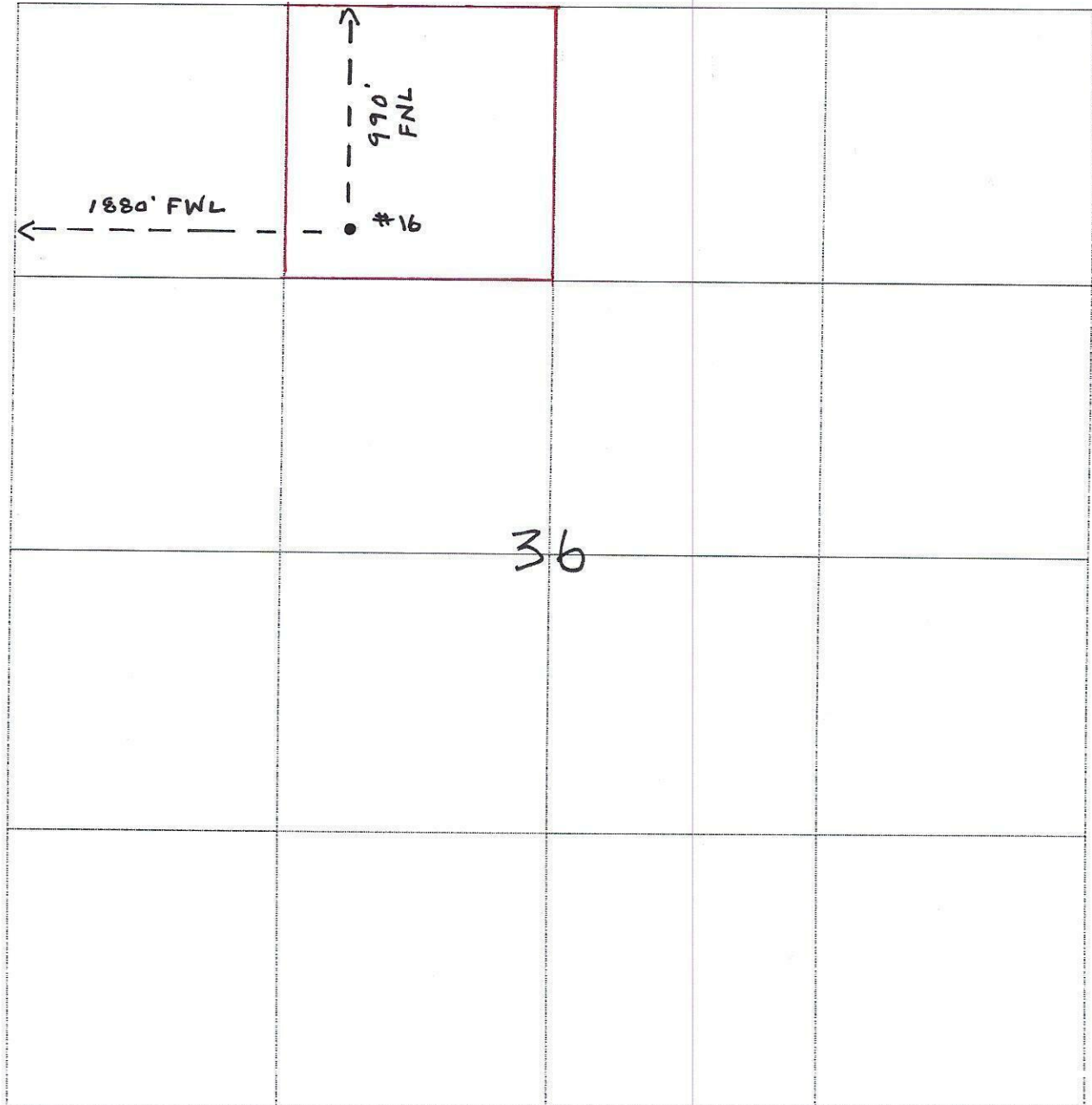
Date of Survey

Note: 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.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



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: MORNINGSTAR OPERATING LLC **OGRID:** 330132
Date: 10/02/2025

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
STATE BA 16	30-025-30971	C-36-17S-34E	990 FNL 1880 FWL	75	150	175

IV. Central Delivery Point Name: NEW MEXICO N,Q,O, BA STATE CTB [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
STATE BA 16	30-025-30971			11/03/2025	N/A	11/17/2025

VI. Separation Equipment: ☐X Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☐X 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: ☐X 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.

☐ XOperator 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:

☐ XOperator 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>Connie Blaylock</i>
Printed Name:	CONNIE BLAYLOCK
Title:	REGULATORY ANALYST
E-mail Address:	cblaylock@txopartners.com
Date:	10/02/2025
Phone:	817-334-7882
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

MorningStar Operating LLC
30-025-30971

VI. Separation Equipment: Attach a complete description of how Operator will size separation equipment to optimize gas capture.

Surface facilities for the well are located at a central site. Process equipment includes a 3-phase separator tester, a 3-phase production separator, oil tanks, and a water tank. Vessels are sized based on historical and predicted well performance and provide adequate time for separation. Natural gas will be sold to the sales pipeline and vented/flared during emergency/non-scheduled issues.

VII. Operational Practices: Attach a complete description of the action Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

- **Drilling Operations:** Any natural gas produced during drilling operations will be combusted with a flare line. A properly sized flare stack will be located a minimum of 100 feet from the nearest surface hole location. If flaring isn't possible or poses a risk, Operator will vent natural gas to avoid any safety or environmental risks and report natural gas.
- **Completion Operations:** Hydrocarbon production will be minimized during completion and flowback operations. No flowback will occur until the well is connected to a properly sized system. When feasible, natural gas will be flared rather than vented. When sustained producible volumes are obtained, operations will turn to separation facilities and gathering pipeline.
- **Production Operations:** Efforts will be made to minimize waste. Process equipment (separator and tanks) is designed for efficient separation and routing produced gas to the sales pipeline. Flaring rather than venting will be the preferred method to handle emergencies and malfunctions. Equipment will be properly maintained with routine inspections and preventative maintenance. Weekly AVOs will be performed at facilities.

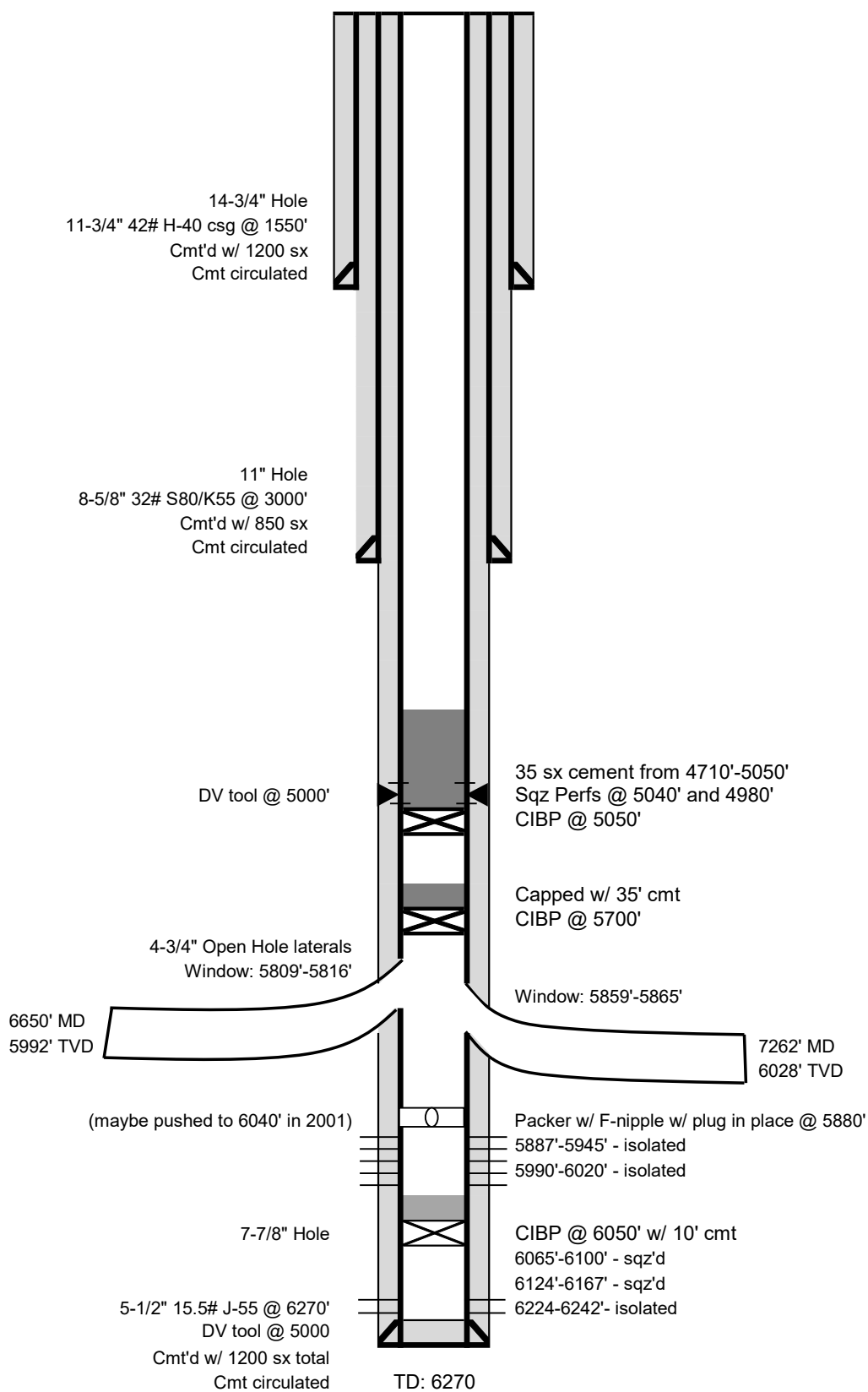
VIII. Best Management Practices: Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

- Best management practices are used to minimize venting and flaring during downhole operations.
- Flaring will be used in lieu of venting when feasible.
- Adequate well control during completion operations will be employed to minimize oil and gas production.
- Tanks and vessels are isolated from their respective facilities prior to inspection, maintenance, and repairs.
- The preventive maintenance program includes weekly AVO inspections, identification of failures or malfunctions, and repairs as needed.
- Coordinate with third-party gathering and sales operators to minimize downtime and the need for venting/flaring during downstream pipeline and gas plant events.

VGWU #59 (Will be renamed State BA #16)
Recomplete Procedure

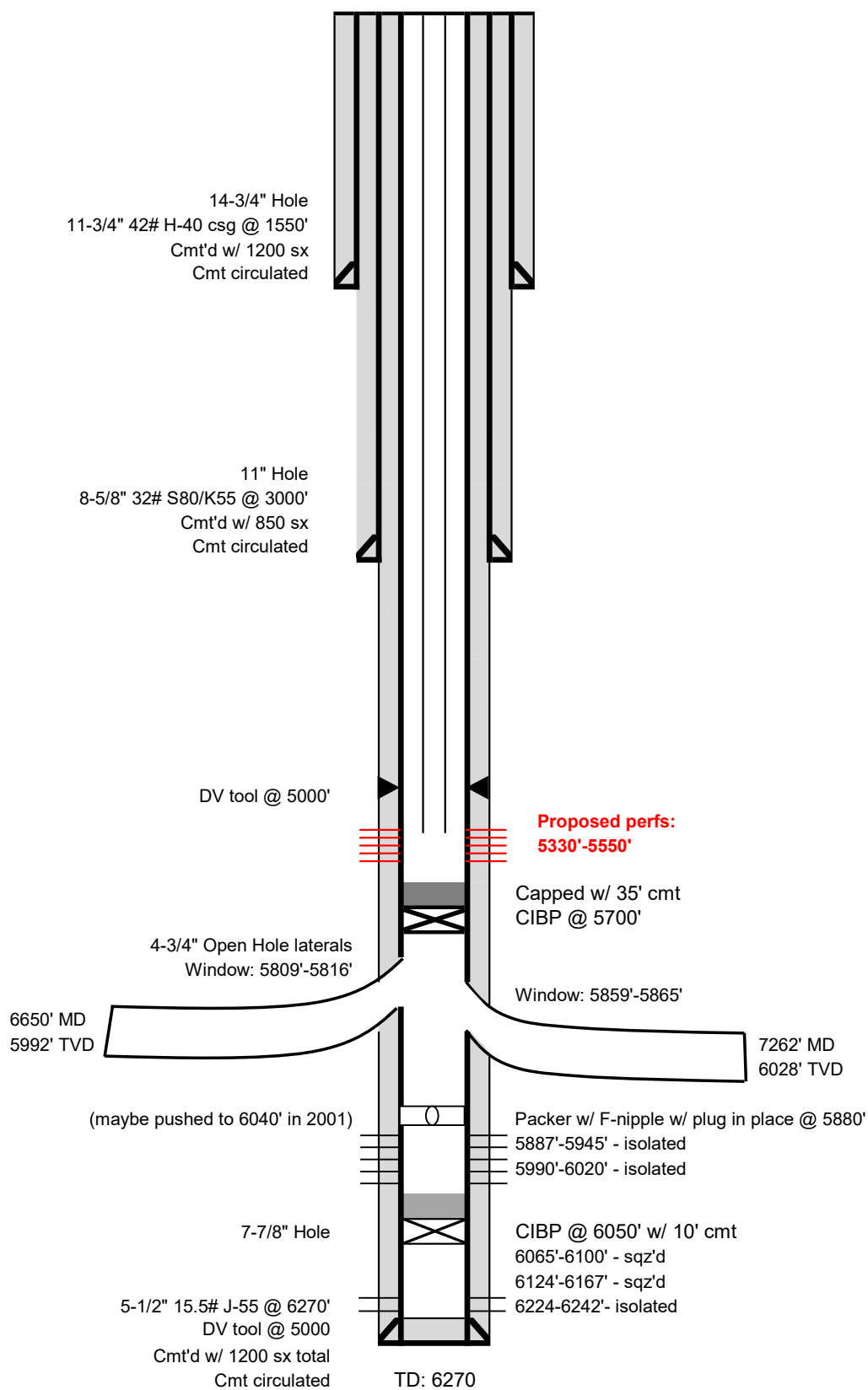
1. MIRU workover rig.
2. Run bit and drill out cement and CIBP @ 5050'. Continue in well and tag PBTD @ 5663'.
3. Load and test casing. If necessary identify and repair any casing issue.
4. MIRU WLU. Perforate selectively from 5330'-5550'.
5. Run in hole packer and workstring. Set packer. Frac new perforations.
6. Pull workstring and packer.
7. Run bit and clean out any fill down to PBTD. Pull bit.
8. Run production tubing.
9. Run downhole pump and rods.

VGWU #59H
API No. 30-025-30971
 Current WBD



VGWU #59H (to be renamed State BA #16)

API No. 30-025-30971

Proposed WBD

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

ACKNOWLEDGMENTS

Action 519424

ACKNOWLEDGMENTS

Operator: MorningStar Operating LLC 400 W 7th St Fort Worth, TX 76102	OGRID: 330132
	Action Number: 519424
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)

ACKNOWLEDGMENTS

<input checked="" type="checkbox"/>	I hereby certify that no additives containing PFAS chemicals will be added to the completion or recompletion of this well.
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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 519424

CONDITIONS

Operator: MorningStar Operating LLC 400 W 7th St Fort Worth, TX 76102	OGRID: 330132
	Action Number: 519424
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)

CONDITIONS

Created By	Condition	Condition Date
matthew.gomez	Name change contingent on completion of proposed operations.	10/28/2025
matthew.gomez	Notify the OCD inspection supervisor via email 24 Hours Prior to beginning operations.	10/28/2025
matthew.gomez	The appropriate compliance officer supervisor shall be consulted and remedial action conducted as directed if the cement sheath around the casing is not adequate to protect the casing and isolate strata from: (a) the uppermost perforation in each added pool to at least 150 feet above that perforation; and (b) the lowermost perforation in each added pool to at least 100 feet below that perforation.	10/28/2025
matthew.gomez	Prior to perforating test the casing 500psi/30min.	10/28/2025
matthew.gomez	Run casing inspection log 5663' to Surface – Vacuum Field.	10/28/2025
matthew.gomez	A CBL shall be run from PBTD to surface prior to perforating.	10/28/2025
matthew.gomez	Must submit frac focus report to the OCD.	10/28/2025
matthew.gomez	A new C-104 packet is required prior to production of the newly added pool.	10/28/2025
matthew.gomez	All conducted logs shall be submitted to the OCD.	10/28/2025