Submit 1 Copy To Appropriate District 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

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

DHC-5243

Form C-103
Revised July 18, 2013

WELL API NO. 30-045-23490

5. Indicate Type of Lease STATE [x] FEE [ ]

6. State Oil & Gas Lease No. SF 078415

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.)

7. Lease Name or Unit Agreement Name: Roelofs

1. Type of Well: Oil Well [ ] Gas Well [x] Other

8. Well Number 4

2. Name of Operator: SIMCOE LLC

9. OGRID Number: 329736

3. Address of Operator: 1199 Main Avenue, Ste 101, Durango, CO 81301

10. Pool name or Wildcat: Blanco Mesaverde/Basin Dakota

4. Well Location
Unit Letter B : 990 feet from the NORTH line and 1580 feet from the EAST line
Section 22 Township 29N Range 08W NMPM County SAN JUAN

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 6730' GL

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[ ]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	P AND A	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPL	[ ]	CASING/CEMENT JOB	[ ]		
DOWNHOLE COMMINGLE	[x]						
CLOSED-LOOP SYSTEM	[ ]						
OTHER:	[ ]			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.

It is intended to recomplete the subject well in the Blanco Mesaverde (pool 72319) and downhole commingle the existing Basin Dakota (pool 71599) with the Mesaverde. The production will be commingled per Oil Conservation Division Order Number 11363. Allocation and methodology will be provided after the well is completed. Commingling will not reduce the value of the production. Proposed perforations are: MV – 5015'- 5746' These perforations are in MD.

Ownership is identical in both pools. No notice is required.
The BLM was notified in writing.

Allocation shall be conducted as proposed within the supplemental documents.

Spud Date: | Rig Release Date:

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

SIGNATURE Gina Doerner TITLE Regulatory Analyst DATE 5/23/2022

Type or print name Gina Doerner E-mail address: gina.doerner@ikavenergy.com PHONE: 970-852-0082

For State Use Only

APPROVED BY: Dean R McClure TITLE Petroleum Engineer DATE 11/21/2022

Conditions of Approval (if any):

CONDITIONS OF APPROVAL

If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Permit to become inaccurate, then no later than sixty (60) days after that event, the Operator shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Permit shall terminate on the date of such action.

If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred the Operator shall submit a new downhole commingling application to OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if OCD denies the application, this Permit shall terminate on the date of such action.

If a completed interval of the Well is altered from what is submitted within this application, then no later than sixty (60) days after the alteration, the Operator shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

The Operator shall calculate the oil and gas production average during the fourth year after the commencement of commingling, which shall be used to establish a fixed percentage of the total oil and gas production that shall be allocated to each of the Pools ("fixed percentage allocation plan"). No later than ninety (90) days after the fourth year, the Operator shall submit a Form C-103 to the OCD Engineering Bureau that includes the fixed percentage allocation plan and all data used to determine it. If the Operator fails to do so, this Permit shall terminate on the following day. If OCD denies the fixed percentage allocation plan, this Permit shall terminate on the date of such action. If OCD approves the percentage allocation plan with or without modifications, then the approved percentage allocation plan shall be used to determine oil and gas allocation starting on the date of such action until the Well is plugged and abandoned.

Roelofs #004

B-22-29N-08W 990 FNL & 1580 FEL

API: 30-045-23490

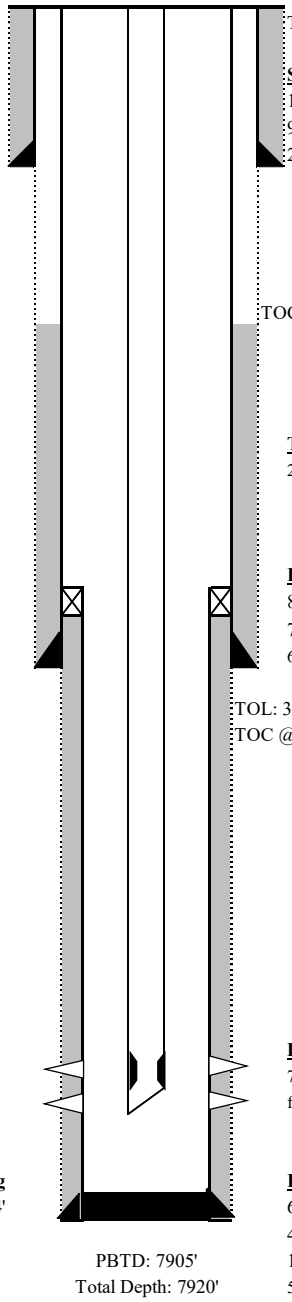
MESAVERDE RECOMPLETION PROCEDURE

Procedure

1. MIRU service rig and equipment
2. NU BOPs. POOH w/ production tubing.
3. Set a CIBP 100' above top DK perf.
4. Load the casing and pressure test casing to max frac pressure.
5. Run CBL through lined section.
6. If necessary, perforate liner and pump Class G cement behind the liner to get good cement bond across MV interval.
7. ND BOPs. NU frac stack and test to max frac pressure.
8. RDMO service rig. MIRU frac spread.
9. Perforate and frac the MV from 5015' – 5746'. RDMO frac spread.
10. MIRU service rig.
11. NU BOPs. RIH and clean out to DK CIBP.
12. When water and sand rates are acceptable, flow test the MV.
13. Drill out DK CIBP. POOH w/ tubing.
14. RIH and land production tubing. Obtain a commingled flow rate.
15. ND BOPs, NUWH.
16. RDMO service rig and put well on production.

ROELOFS 004-DK
Dakota
API # 300452349000
SEC 22, T29N, R8W
NEW MEXICO

GL: 6730'
KB: 12'



TOC: Surface (circ.)

Surface Casing Data
13-3/4" Hole
9-5/8", 36#, K-55 ST&C @ 224'
220 sxs cls B cmt

TOC: Unknown (lost returns w/ 66bbls displaced)

Tubing Details
2-3/8", 4.7#, J-55 @ 7664'

Production Casing Data
8-3/4" Hole
7", 23#, K-55 @ 3774'
630sxs 50/50poz, tail w/ 150sxs cls H

TOL: 3603'
TOC @ TOL (reverse out 12 bbls)

Nipple Data
Stop @ 7618'wlm 10/2/13
1.780" seat nipple @ 7633'

End of Tubing
7664'

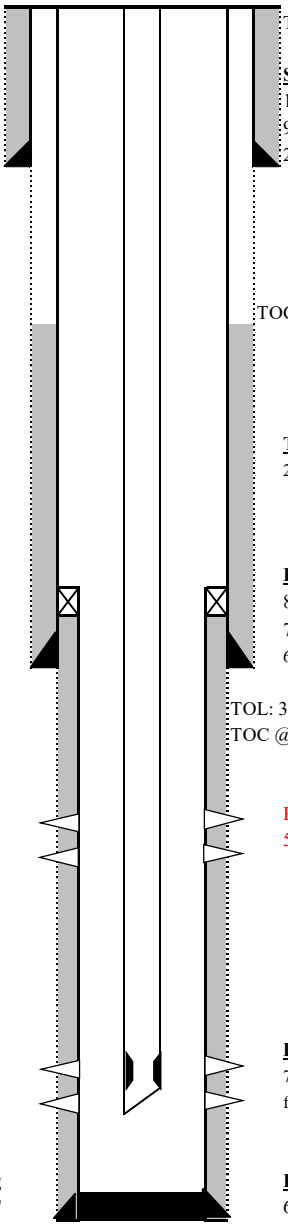
DK COMPLETION
7654'-7678', 7834'-7842', 7852'-7854', 7870'-7874', 7890'-7892' (2spf, 80 shots)
frac'd w/ 90,000# 20/40 snd, 20,000# 10/20 snd, 30# X-L gel

Production Liner Data
6-1/4" Hole
4-1/2", 10.5 & 11.6#, K-55 ST&C @ 3603'-7917'
10.5# @ 3603' - 6960'; 26 jts 11.6# @ 6960'-7917'
525sxs 50/50poz, tail w/ 100sxs cls B cmt

PBTD: 7905'
Total Depth: 7920'

ROELOFS 004-DK
Dakota
API # 300452349000
SEC 22, T29N, R8W
NEW MEXICO

GL: 6730'
KB: 12'



TOC: Surface (circ.)

Surface Casing Data
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220 sxs cls B cmt

TOC: Unknown (lost returns w/ 66bbls displaced)

Tubing Details
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Production Casing Data
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7", 23#, K-55 @ 3774'
630sxs 50/50poz, tail w/ 150sxs cls H

TOL: 3603'
TOC @ TOL (reverse out 12 bbls)

Proposed MV Perfs
5015'-5746' gross interval

DK COMPLETION
7654'-7678', 7834'-7842', 7852'-7854', 7870'-7874', 7890'-7892' (2spf, 80 shots)
frac'd w/ 90,000# 20/40 snd, 20,000# 10/20 snd, 30# X-L gel

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1.780" seat nipple @ 7633'

End of Tubing
7664'

Production Liner Data
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4-1/2", 10.5 & 11.6#, K-55 ST&C @ 3603'-7917'
10.5# @ 3603' - 6960'; 26 jts 11.6# @ 6960'-7917'
525sxs 50/50poz, tail w/ 100sxs cls B cmt

PBTD: 7905'
Total Depth: 7920'

District I
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District II
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District III
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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

Form C-102
August 1, 2011

Permit 315484

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name
30-045-23490	72319	BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code	**5. Property Name**	**6. Well No.**
327695	Roelofs	004
7. OGRID No.	**8. Operator Name**	**9. Elevation**
329736	SIMCOE LLC	6730

10. Surface Location

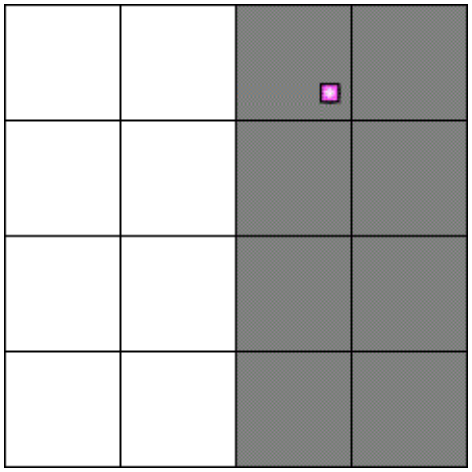
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	22	29N	08W		990	N	1580	E	San Juan

11. Bottom Hole Location If Different From Surface

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

12. Dedicated Acres	13. Joint or Infill	14. Consolidation Code	15. Order No.
320.00 E/2			

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



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(s) 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.

E-Signed By: Gina Doerner
Title: Regulatory Analyst
Date: 5/4/2022

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.

Surveyed By: Fred Kerr, Jr.
Date of Survey: 3/22/1979
Certificate Number: 3950

Well Name: ROELOFS

Well Location: T29N / R8W / SEC 22 / NWNE / 36.71544 / -107.65945

County or Parish/State: SAN JUAN / NM

Well Number: 4

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMSF078415

Unit or CA Name:

Unit or CA Number:

US Well Number: 3004523490

Well Status: Producing Gas Well

Operator: SIMCOE LLC

Notice of Intent

Sundry ID: 2670106

Type of Submission: Notice of Intent

Type of Action: Recompletion

Date Sundry Submitted: 05/04/2022

Time Sundry Submitted: 02:13

Date proposed operation will begin: 06/13/2022

Procedure Description: It is intended to recomplete the subject well in the Blanco Mesaverde (pool 72319) and downhole commingle the existing Basin Dakota (pool 71599) with the Mesaverde. The production will be commingled per Oil Conservation Division Order Number 11363. Allocation and methodology will be provided after the well is completed. Commingling will not reduce the value of the production. Proposed perforations are: MV – 3830'-4530' These perforations are in MD. Please see the attached Procedure, Current and proposed WBD, Reclamation plan, and NGMP.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

ROELOFS_004_DK_Proposed_Schematic_20220504141244.pdf

ROELOFS_004_DK_Current_Schematic_20220504141231.pdf

Roelofs_004_Procedure_20220504141215.pdf

Roelofs_004_Recomplete_Reclamation_Plan_20220504141158.pdf

Roelofs_004_NGMPForm_Final_Signed_20220504141130.pdf

NM_APD_Air_Plan_2022_20220504141106.pdf

Well Name: ROELOFS

Well Location: T29N / R8W / SEC 22 / NWNE / 36.71544 / -107.65945

County or Parish/State: SAN JUAN / NM

Well Number: 4

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMSF078415

Unit or CA Name:

Unit or CA Number:

US Well Number: 3004523490

Well Status: Producing Gas Well

Operator: SIMCOE LLC

Conditions of Approval

Specialist Review

2670106_RCMPLTN_4_3004523490_KR_05052022_20220505100055.pdf

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: GINA DOERNER

Signed on: MAY 04, 2022 02:12 PM

Name: SIMCOE LLC

Title: Regulatory Analyst

Street Address: 1199 MAIN AVENUE SUITE 101

City: DURANGO **State:** CO

Phone: (970) 852-0082

Email address: GINA.DOERNER@IKAVENERGY.COM

Field

Representative Name:

Street Address:

City: **State:** **Zip:**

Phone:

Email address:

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5055647742

BLM POC Email Address: krennick@blm.gov

Disposition: Approved

Disposition Date: 05/05/2022

Signature: Kenneth Rennick

Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised July 18, 2013

WELL API NO. 30-045-23490

5. Indicate Type of Lease STATE [x] FEE [ ]

6. State Oil & Gas Lease No. SF 078415

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.)

7. Lease Name or Unit Agreement Name: Roelofs

1. Type of Well: Oil Well [ ] Gas Well [x] Other

8. Well Number 4

2. Name of Operator: SIMCOE LLC

9. OGRID Number: 329736

3. Address of Operator: 1199 Main Avenue, Ste 101, Durango, CO 81301

10. Pool name or Wildcat: Blanco Mesaverde/Basin Dakota

4. Well Location
Unit Letter B : 990 feet from the NORTH line and 1580 feet from the EAST line
Section 22 Township 29N Range 08W NMPM County SAN JUAN

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 6730' GL

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]	CHANGE PLANS [ ]	COMMENCE DRILLING OPNS. [ ]	P AND A [ ]
PULL OR ALTER CASING [ ]	MULTIPLE COMPL [ ]	CASING/CEMENT JOB [ ]	
DOWNHOLE COMMINGLE [ ]			
CLOSED-LOOP SYSTEM [ ]			
OTHER:	RECOMPLETE [x]	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.

It is intended to recomplete the subject well in the Blanco Mesaverde (pool 72319) and downhole commingle the existing Basin Dakota (pool 71599) with the Mesaverde. The production will be commingled per Oil Conservation Division Order Number 11363. Allocation and methodology will be provided after the well is completed. Commingling will not reduce the value of the production. Proposed perforations are: MV – 5015-5746' These perforations are in MD.

Spud Date: Rig Release Date:

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

SIGNATURE Gina Doerner TITLE Regulatory Analyst DATE

Type or print name Gina Doerner E-mail address: gina.doerner@ikavenergy.com PHONE: 970-852-0082

For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

District I
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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

Form C-102
August 1, 2011

Permit 315484

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name
30-045-23490	72319	BLANCO-MESAVERDE (PRORATED GAS)
4. Property Code	**5. Property Name**	**6. Well No.**
327695	Roelofs	004
7. OGRID No.	**8. Operator Name**	**9. Elevation**
329736	SIMCOE LLC	6730

10. Surface Location

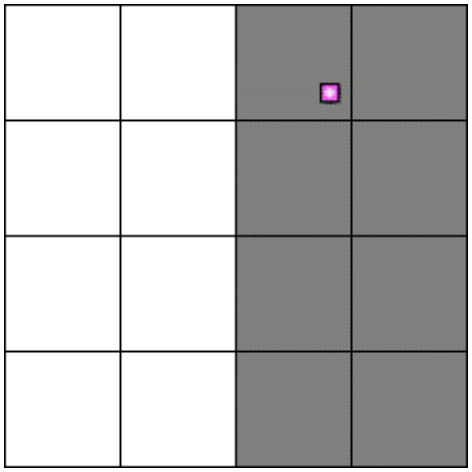
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	22	29N	08W		990	N	1580	E	San Juan

11. Bottom Hole Location If Different From Surface

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

12. Dedicated Acres	13. Joint or Infill	14. Consolidation Code	15. Order No.
320.00 E/2			

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



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(s) 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.

E-Signed By: Gina Doerner
Title: Regulatory Analyst
Date: 5/4/2022

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.

Surveyed By: Fred Kerr, Jr.
Date of Survey: 3/22/1979
Certificate Number: 3950

Roelofs #004

B-22-29N-08W 990 FNL & 1580 FEL

API: 30-045-23490

MESAVERDE RECOMPLETION PROCEDURE

Procedure

1. MIRU service rig and equipment
2. NU BOPs. POOH w/ production tubing.
3. Set a CIBP 100' above top DK perf.
4. Load the casing and pressure test casing to max frac pressure.
5. Run CBL through lined section.
6. If necessary, perforate liner and pump Class G cement behind the liner to get good cement bond across MV interval.
7. ND BOPs. NU frac stack and test to max frac pressure.
8. RDMO service rig. MIRU frac spread.
9. Perforate and frac the MV from 5015' – 5746'. RDMO frac spread.
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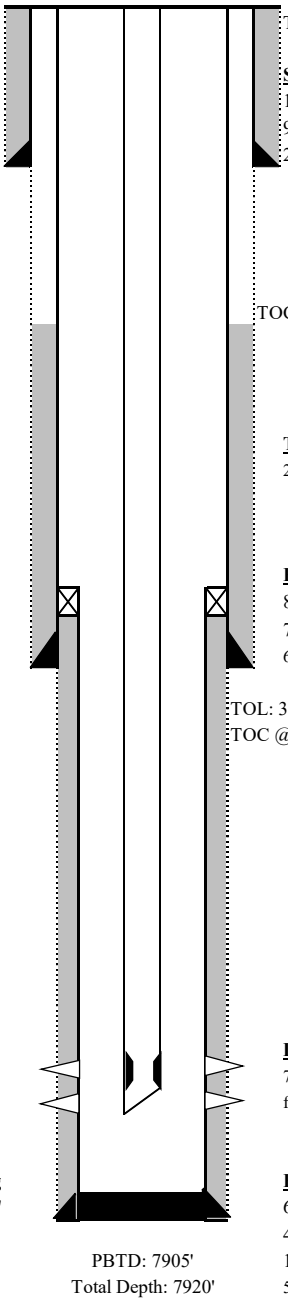
11. NU BOPs. RIH and clean out to DK CIBP.
12. When water and sand rates are acceptable, flow test the MV.
13. Drill out DK CIBP. POOH w/ tubing.
14. RIH and land production tubing. Obtain a commingled flow rate.
15. ND BOPs, NUWH.
16. RDMO service rig and put well on production.

ROELOFS 004-DK
Dakota
API # 300452349000
SEC 22, T29N, R8W
NEW MEXICO

GL: 6730'
KB: 12'



TOC: Surface (circ.)

Surface Casing Data
13-3/4" Hole
9-5/8", 36#, K-55 ST&C @ 224'
220 sxs cls B cmt

TOC: Unknown (lost returns w/ 66bbls displaced)

Tubing Details
2-3/8", 4.7#, J-55 @ 7664'

Production Casing Data
8-3/4" Hole
7", 23#, K-55 @ 3774'
630sxs 50/50poz, tail w/ 150sxs cls H

TOL: 3603'
TOC @ TOL (reverse out 12 bbls)

Nipple Data
Stop @ 7618'wlm 10/2/13
1.780" seat nipple @ 7633'

End of Tubing
7664'

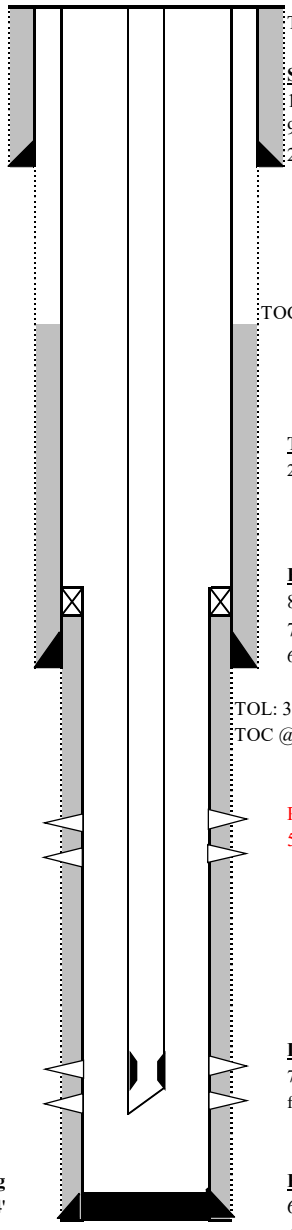
DK COMPLETION
7654'-7678', 7834'-7842', 7852'-7854', 7870'-7874', 7890'-7892' (2spf, 80 shots)
frac'd w/ 90,000# 20/40 snd, 20,000# 10/20 snd, 30# X-L gel

Production Liner Data
6-1/4" Hole
4-1/2", 10.5 & 11.6#, K-55 ST&C @ 3603'-7917'
10.5# @ 3603' - 6960'; 26 jts 11.6# @ 6960'-7917'
525sxs 50/50poz, tail w/ 100sxs cls B cmt

PBTD: 7905'
Total Depth: 7920'

ROELOFS 004-DK
Dakota
API # 300452349000
SEC 22, T29N, R8W
NEW MEXICO

GL: 6730'
KB: 12'



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8-3/4" Hole
7", 23#, K-55 @ 3774'
630sxs 50/50poz, tail w/ 150sxs cls H

TOL: 3603'
TOC @ TOL (reverse out 12 bbls)

Proposed MV Perfs
5015'-5746' gross interval

DK COMPLETION
7654'-7678', 7834'-7842', 7852'-7854', 7870'-7874', 7890'-7892' (2spf, 80 shots)
frac'd w/ 90,000# 20/40 snd, 20,000# 10/20 snd, 30# X-L gel

Nipple Data
Stop @ 7618'wlm 10/2/13
1.780" seat nipple @ 7633'

End of Tubing
7664'

Production Liner Data
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4-1/2", 10.5 & 11.6#, K-55 ST&C @ 3603'-7917'
10.5# @ 3603' - 6960'; 26 jts 11.6# @ 6960'-7917'
525sxs 50/50poz, tail w/ 100sxs cls B cmt

PBTD: 7905'
Total Depth: 7920'

IV. Separation Equipment: A complete description of how Operator will size separation equipment to optimize gas capture.

- 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 recompletion, gas will be sent to sales, depending on the gas composition. Since SIMCOE is performing work at an existing well location, which includes separation equipment, the well is already tied into an existing gas line therefore once the well is shown to meet pipeline spec 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**
   - This application is not for drilling operations.
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 throughout 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

VII. Best Management Practices

1. For recomplete activities, production facilities are already in place and the gathering system is already tied in so once the gas is sellable it will be sent down the line.
2. Low-bleed pneumatic devices will be installed at the production location.
3. 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.

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: SIMCOE LLC **OGRID:** 329736 **Date:** 4 /6 / 2022

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
Roelofs 004	3004523490	B-22-29N-08W	990FNL 1580FEL			

IV. Central Delivery Point Name: SAN JUAN GAS PLANT [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
Roelofs 004	3004523490	NA	NA	NA	NA	NA

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:	Julie Best
Printed Name:	Julie Best
Title:	HSE Manager Operations
E-mail Address:	julie.best@ikavenergy.com
Date:	4/26/22
Phone:	970-822-8924

OIL CONSERVATION DIVISION

(Only applicable when submitted as a standalone form)

Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

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 106620

CONDITIONS

Operator: SIMCOE LLC 1199 Main Ave., Suite 101 Durango, CO 81301	OGRID: 329736
	Action Number: 106620
	Action Type: [C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
kpickford	DHC required	5/17/2022
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	5/17/2022

IKAV Energy Inc./SIMCOE LLC
1199 Main Avenue, Ste. 101
Durango, Colorado 81301

Land Letter

Date: November 2, 2022
To: Gina Doerner, Regulatory Analyst
From: Michelle Blankenship, Landman RPL
Re: Application to DHC, NMAC 19.15.12.11 (A)
Well: Roelofs #4, API: 3004523490
Location: NWNE Section 22, Township 29N, Range 08W, San Juan County, NM

On behalf of SIMCOE LLC ("SIMCOE"), Operator of the subject well, I have reviewed SIMCOE's Title Records (including Lease records) and Division Order records for the subject well. I have determined that ownership is identical in both the currently producing Dakota pool and the targeted Mesaverde pool.

In both the Dakota and Mesaverde pools, the Working Interest is SIMCOE LLC - 50%, HILCORP SAN JUAN LP - 50%. The Royalty Interest is Federal only, and there exist a 3% Overriding Royalty Interest.

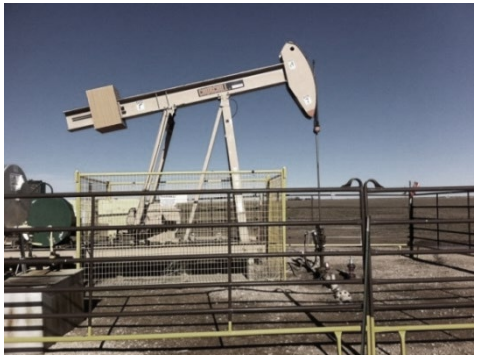
SIMCOE LLC
IKAV Energy Inc.

Michelle Blankenship
Landman, RPL

IKAV

MV-DK Production Allocation Method

October 2022



Gas Production Allocation Method

- Allocation of gas production allocation between the Mesaverde and Dakota reservoirs will initially be determined by the subtraction method.
  - Dakota production volume will be based on a forecast of gas production determined by the historical decline rate.
  - Mesaverde production volume will be equal to the difference between total gas production from the well and the forecast Dakota gas volume.
  - The allocation will be calculated on a quarterly basis and will be updated each quarter.

Condensate Production Allocation Method

- Condensate production will be allocated based on the average condensate yields for other wells in the same Section and reservoir.
  - Condensate yield (CGR, BBLS/MMSCF) is based on current yield and is assumed to be constant in future.
  - Condensate production will depend on the allocation of gas production and therefore the condensate allocation will change over time.
  - Condensate allocation will be calculated on a quarterly basis and will be updated each quarter.
  - The formulas for allocating condensate production are:

$$\text{MV Condensate \%} = \frac{(\text{Allocated MV Gas Volume} * \text{MV CGR})}{(\text{Allocated MV Gas Volume} * \text{MV CGR}) + (\text{Allocated DK Gas Volume} * \text{DK CGR})}$$

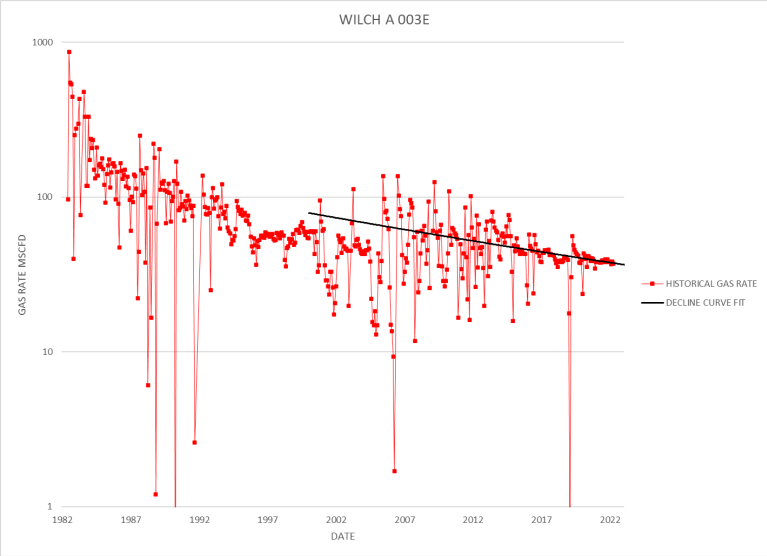
$$\text{DK Condensate \%} = \frac{(\text{Allocated DK Gas Volume} * \text{MV CGR})}{(\text{Allocated MV Gas Volume} * \text{MV CGR}) + (\text{Allocated DK Gas Volume} * \text{DK CGR})}$$

Condensate Yield Factors by Section

API10	RECOMPLETED WELL NAME	TOWNSHIP	RANGE	SECTION	MV CGR, BBLS/MMSCF	DK CGR, BBLS/MMSCF
3004523559	JAQUEZ GAS COM A 003E	29N	09W	05	2.082	0.500
3004524951	DAY 003E	29N	08W	17	3.077	3.790
3004525189	ROELOFS 004E	29N	08W	22	3.341	2.432
3004523490	ROELOFS 004	29N	08W	22	3.341	2.432
3004525847	VANDEWART B 002E	29N	08W	24	3.326	3.987
3004523340	VANDEWART B 001	29N	08W	14	4.065	0.974
3004524687	WILCH A 005E	29N	08W	23	4.348	1.470
3004525284	WILCH A 003E	29N	08W	23	4.348	1.470
3004524971	ROELOFS 001E	29N	08W	15	2.316	1.499

Example: Wilch 003E Gas and Condensate Allocation

Dakota Production Forecast



START DATE	1/1/2000
Q(i)	79 MSCFD
D(i) / YR	3.55%
B exponent	0.2

Condensate Yield by Reservoir Bbls/MMSCF

API10	RESERVOIR	WELL NAME	CGR, Bbls/MMCF
3004507946	MESAVERDE	HARDIE LS 005	5.39
3004508054	MESAVERDE	HARDIE LS 004	4.45
3004522749	MESAVERDE	HARDIE LS 005A	3.94
3004522810	MESAVERDE	HARDIE LS 004A	6.73
3004523342	MESAVERDE	WILCH A 003	2.14
3004529714	MESAVERDE	HARDIE LS 005B	1.38
3004529715	MESAVERDE	HARDIE LS 004B	1.65
		AVERAGE	3.67

API10	RESERVOIR	WELL NAME	CGR, Bbls/MMCF
3004523342	DAKOTA	WILCH A 003	2.18
3004523343	DAKOTA	WILCH A 005	0.80
3004524687	DAKOTA	WILCH A 005E	1.08
3004525284	DAKOTA	WILCH A 003E	0.34
		AVERAGE	1.10

Estimated Allocation Factors

- The below estimates are based on forecasted production volumes for the Mesaverde and Dakota. The allocation will likely change depending on actual well performance once commingled operations begin.
- The Wilch A 003E is currently producing only from the Mesaverde. Commingled production is expected to begin before the end of October 2022.

PERIOD	DK GASVOL MSCF	DK OILVOL BBLS	MV GASVOL MSCF	MV OILVOL BBLS	TOTAL GASVOL MSCF	TOTAL OILVOL BBLS	DK GAS%	DK OIL%	MV GAS%	MV OIL%
4Q2022	2307.25	2.538	11215.25	41.144	13522.51	43.682	17.06%	5.81%	82.94%	94.19%
1Q2023	3378.86	3.717	9351.80	34.308	12730.66	38.024	26.54%	9.77%	73.46%	90.23%
2Q2023	3386.04	3.725	5404.77	19.828	8790.81	23.552	38.52%	15.81%	61.48%	84.19%
3Q2023	3392.55	3.732	3447.73	12.648	6840.28	16.380	49.60%	22.78%	50.40%	77.22%
4Q2023	3362.02	3.698	2333.36	8.560	5695.38	12.258	59.03%	30.17%	40.97%	69.83%

District I
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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 109633

CONDITIONS

Operator: SIMCOE LLC 1199 Main Ave., Suite 101 Durango, CO 81301	OGRID: 329736
	Action Number: 109633
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Allocation shall be conducted as proposed within the supplemental documents.	11/21/2022
dmcclure	If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Permit to become inaccurate, then no later than sixty (60) days after that event, the Operator shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Permit shall terminate on the date of such action.	11/21/2022
dmcclure	If the downhole commingling of the Pools reduces the value of the oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred the Operator shall submit a new downhole commingling application to OCD to amend this Permit to remove the pool that caused the decrease in value. If the Operator fails to submit a new application, this Permit shall terminate on the following day, and if OCD denies the application, this Permit shall terminate on the date of such action.	11/21/2022
dmcclure	If a completed interval of the Well is altered from what is submitted within this application, then no later than sixty (60) days after the alteration, the Operator shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.	11/21/2022
dmcclure	The Operator shall calculate the oil and gas production average during the fourth year after the commencement of commingling, which shall be used to establish a fixed percentage of the total oil and gas production that shall be allocated to each of the Pools (“fixed percentage allocation plan”). No later than ninety (90) days after the fourth year, the Operator shall submit a Form C-103 to the OCD Engineering Bureau that includes the fixed percentage allocation plan and all data used to determine it. If the Operator fails to do so, this Permit shall terminate on the following day. If OCD denies the fixed percentage allocation plan, this Permit shall terminate on the date of such action. If OCD approves the percentage allocation plan with or without modifications, then the approved percentage allocation plan shall be used to determine oil and gas allocation starting on the date of such action until the Well is plugged and abandoned.	11/21/2022