

1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-0720
District II
 811 S. First St., Artesia, NM 88210
 Phone: (575) 748-1283 Fax: (575) 748-9720
District III
 1000 Rio Brazos Road, Aztec, NM 87410
 Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

 Form C-101
 Revised July 18, 2013
☐ AMENDED REPORT

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

¹ Operator Name and Address V-F Petroleum Inc. P. O. Box 1889 Midland TX 79702 (432) 683-3344		² OGRID Number 24010
		³ API Number 30-025-26372
⁴ Property Code 40081	⁵ Property Name Getty 1 State	⁶ Well No. 1

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
F	1	22 S	34 E		1650	N	1650	W	Lea

⁸ Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
F	1	22 S	34 E		1650	N	1650	W	Lea

⁹ Pool Information

Pool Name	Pool Code
Grama Ridge; Strawn, East (Gas)	77706

¹¹ Work Type P	¹² Well Type S	¹³ Cable/Rotary R	¹⁴ Lease Type S	¹⁵ Ground Level Elevation 3607'
¹⁶ Multiple N	¹⁷ Proposed Depth PBDT: 12650'	¹⁸ Formation PBDT: Strawn	¹⁹ Contractor to be determined	²⁰ Spud Date May 1, 2021
Depth to Ground water 42' in CP 00934		Distance from nearest fresh water well 0.51 mi. southwest of CP 00934		Distance to nearest surface water ≈ 1400' NW of drainage

A closed-loop system will be used instead of lined pits.

²¹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	17.5"	13.375"	48# / H-40	GL - 1019'	1200	GL (circ 300 sx)
Intermed.	12.25"	9.625"	36# / S-80 & K-55	GL - 5609'	2650	GL (circ 300 sx)
Production	8.5"	7"	26# / S-95 & N-80	GL - 11075'	1700	GL (circ 150 sx)
Liner	6"	5"	18# / N-80	10743' - 13434'	250	10743' (CBL)

Casing/Cement Program: Additional Comments

Will set CIBP @ 12700' & top with 50' cement. Perforate Strawn 11719' - 11789'. See attachment for completion procedures.

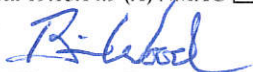
²² Proposed Blowout Prevention Program

Type	Working Pressure (psi)	Test Pressure (psi)	Manufacturer
Double ram	5000	3000	to be determined

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: Brian Wood

Title: Consultant

E-mail Address: brian@permitswest.com

Date: 4-23-21

Phone: 505 466-8120

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date:

Expiration Date:

Conditions of Approval Attached

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

X AMENDED REPORT
(plug back Morrow
& add Strawn)

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33282	² Pool Code 77706	³ Pool Name GRAMA RIDGE; STRAWN, EAST (GAS)
⁴ Property Code 40081	⁵ Property Name GETTY 1 STATE	
⁷ OGRID No. 24010	⁸ Operator Name V-F PETROLEUM INC.	⁶ Well Number 1
		⁹ Elevation 3607'

¹⁰ Surface Location

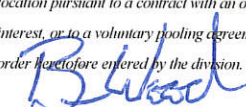
UL or lot no. F	Section 1	Township 22 S	Range 34 E	Lot Idn	Feet from the 1650	North/South line NORTH	Feet from the 1650	East/West line WEST	County LEA
---------------------------	---------------------	-------------------------	----------------------	---------	------------------------------	----------------------------------	------------------------------	-------------------------------	----------------------

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 324.91	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--	-------------------------------	----------------------------------	-------------------------

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.

	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  4-23-21 Signature Date BRIAN WOOD Printed Name brian@permitswest.com E-mail Address (505) 466-8120
	¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> 7-2-79 Date of Survey Signature and Seal of Professional Surveyor: Original survey by Hershel L. Jones #3640 is in OCD's well file. Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 11/22/2020

☐ Original

Operator & OGRID No.: V – F Petroleum Inc. 024010

☒ Amended - Reason for Amendment: Attachment for plug back C-101 submittal. Gas sales line already in place on Location.

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flare or Vent	Comments
Getty 1 State 1	30-25-26372	F-1-22S-34E	1650 FNL 1650 FWL	200	Sold	Gas line in place

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Targa Midstream Services LLC (24650) and is connected to Targa low/high pressure gathering system located in Lea County, New Mexico. It will require no new pipeline to connect the facility to low/high pressure gathering system. V – F provides (periodically) to Targa a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, V – F and Targa have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Gas Transporter Processing Plant located in Sec. 28, Twn. 21S, Rng. 37E, Lea County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

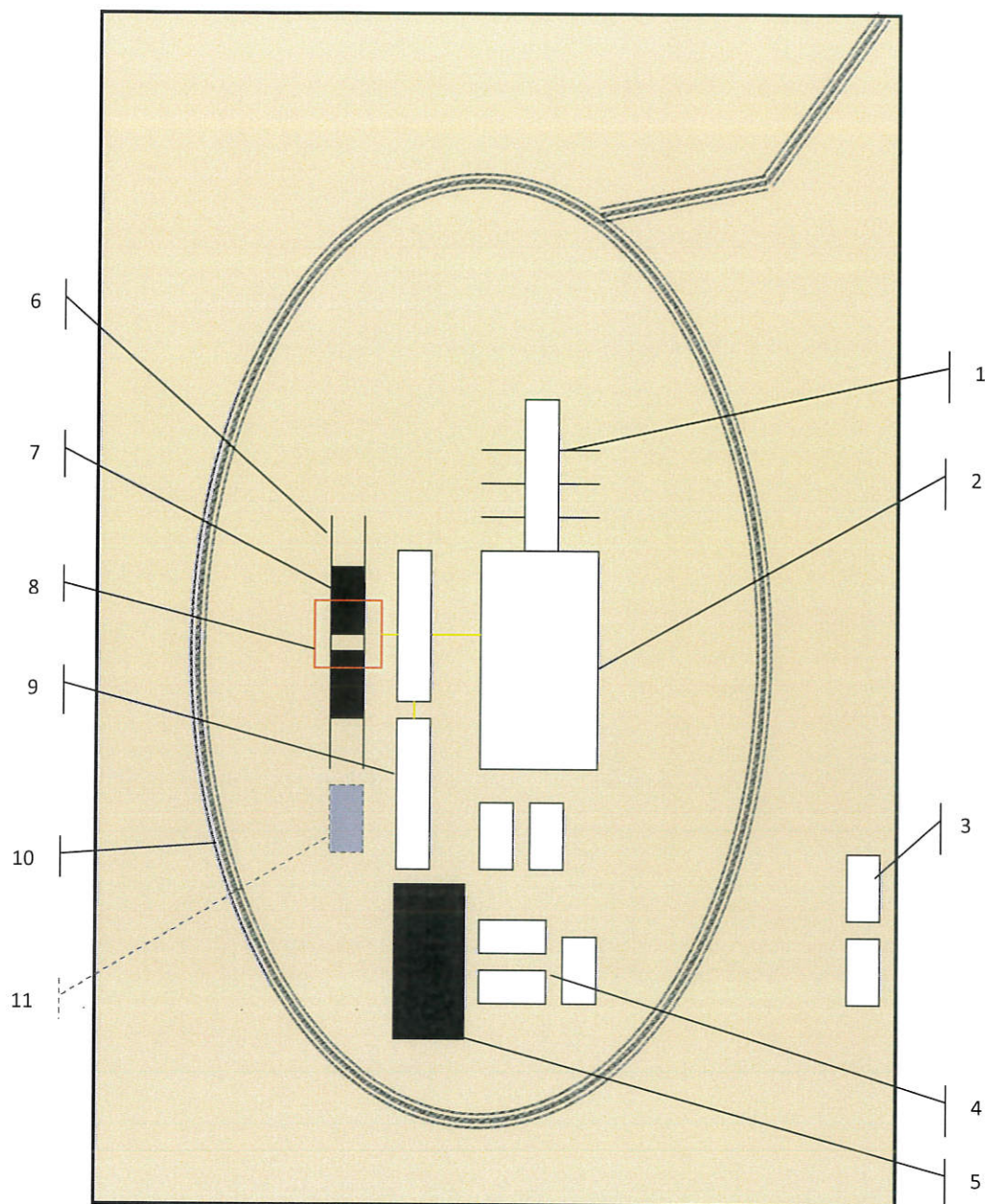
After the fracture treatment/completion operations, well(s) will be produced to flowback tanks and gas will be sold through existing gas meter. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to permanent production facilities. Gas sales will occur as soon as the wells start flowing through the flowback - production facilities, unless there are operational issues on the Targa system at that time. Based on current information, it is V – F's belief the system WILL take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines



Schematic Closed Loop Drilling Rig*

1. Pipe Rack
2. Drill Rig
3. House Trailers/ Offices
4. Generator/Fuel/Storage
5. Overflow-Frac Tank
6. Skids
7. Roll Offs
8. Hopper or Centrifuge
9. Mud Tanks
10. Loop Drive
11. Generator (only for use with centrifuge)

*Not drawn to scale: Closed loop system requires at least 30 feet beyond mud tanks. Ideally 60 feet would be available

PERMITS WEST, INC.
 PROVIDING PERMITS for LAND USERS
 37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

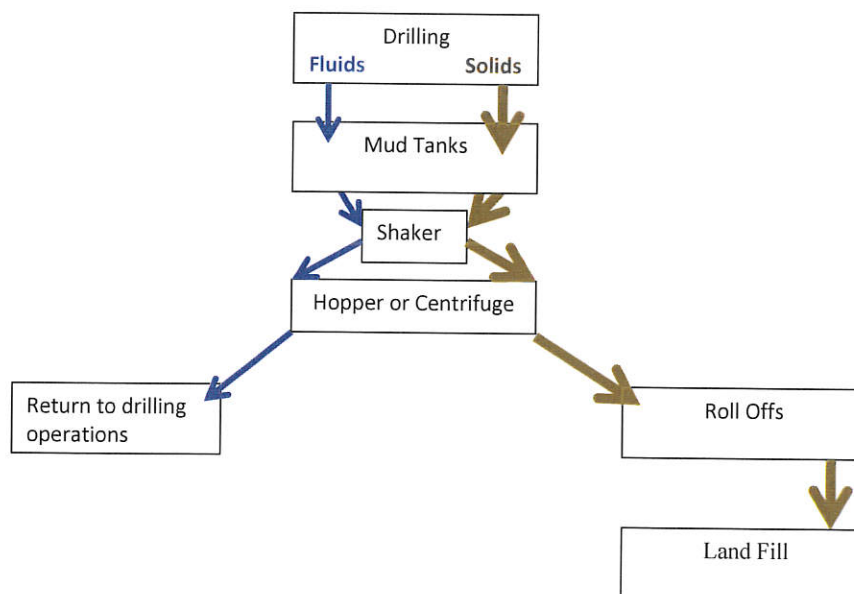


Above: Centrifugal Closed Loop System



Closed Loop Drilling System: Mud tanks to right (1)
 Hopper in air to settle out solids (2)
 Water return pipe (3)
 Shaker between hopper and mud tanks (4)
 Roll offs on skids (5)

Flow Chart for Drilling Fluids and Solids



Photos Courtesy of Gandy Corporation Oil
 Field Service

PERMITS WEST, INC.
 PROVIDING PERMITS for LAND USERS
 37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

V-F Petroleum Inc.

Getty 1 State #1

1650' FNL & 1650' FWL

Section 1 - T22S - R34E

Lea County, New Mexico

(15 miles W of Eunice, New Mexico)

API #: 30-025-26372

STRAWN COMPLETION

April 12, 2021

NMOCD PLUG BACK & RECOMPLETION PROCEDURE

MIRU WSU, TOO H w/tubing; set CIBP @ 12,700' KB measurement. Cap same with 50' of cement to permanently plug back wellbore. This will permanently abandon the current Morrow producing interval 12,820' – 12,830'.

Perforate Strawn formation (11,719', 721, 731, 749', 752', 767', 769', 771', 781', 789') and production test same. If commercial production is established, production test same for minimum of 14 days. Run BHP bombs and acquire minimum 72 hour pressure data. If commercial production is not established, set CIBP @ depth of 11,690' & cap same w/50' of cement. Submit paperwork to plug-back and proceed to Penn completion.

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 25415

CONDITIONS OF APPROVAL

Operator:	V-F PETROLEUM INC	P.O. Box 1889	Midland, TX79702	OGRID:	24010	Action Number:	25415	Action Type:	APD
OCD Reviewer	Condition								
pkautz	None								