

**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**

Form C-101  
August 1, 2011  
Permit 324008

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

1. Operator Name and Address Moran-Lavaca, LLC 7330 Fern Ave. Shreveport, LA 71134		2. OGRID Number 329413
		3. API Number 30-009-20030
4. Property Code 333257	5. Property Name WESLEY GRAU	6. Well No. 001

**7. Surface Location**

UL - Lot D	Section 8	Township 06N	Range 34E	Lot Idn D	Feet From 699	N/S Line S	Feet From 658	E/W Line W	County Curry
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**8. Proposed Bottom Hole Location**

UL - Lot M	Section 8	Township 06N	Range 34E	Lot Idn M	Feet From 699	N/S Line S	Feet From 658	E/W Line W	County Curry
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**9. Pool Information**

WC-09 G-06 N063408D;PRECAMBRIAN	98375
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**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 4684
16. Multiple N	17. Proposed Depth 1000	18. Formation PreCambrian	19. Contractor	20. Spud Date 9/23/2022
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 pits

**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	10.75	40.5	800	150	0
Prod	10.125	0.875	17	10000	500	3000

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	cameron

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. <b>I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.</b>  Signature:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Scott M Payn	Approved By: Paul F Kautz
Title: Regulatory Manager	Title: Geologist
Email Address: smpayn1@gmail.com	Approved Date: 9/6/2022      Expiration Date: 9/6/2024
Date: 8/24/2022      Phone: 318-272-6376	Conditions of Approval Attached

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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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-20030</b>	<sup>2</sup> Pool Code <b>98375</b>	<sup>3</sup> Pool Name <b>WC-09 G-06 N063408D;PRECAMBRIAN</b>
<sup>4</sup> Property Code <b>333257</b>	<sup>5</sup> Property Name <b>Wesley Grau</b>	
<sup>7</sup> OGRID No. <b>329413</b>	<sup>8</sup> Operator Name <b>Moran Lavaca llc</b>	<sup>6</sup> Well Number <b>1</b>
		<sup>9</sup> Elevation <b>4684</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<del>XX</del> <b>M</b>	<b>8</b>	<b>6 N</b>	<b>34E</b>		<b>658</b>	<b>South</b>	<b>669</b>	<b>West</b>	<b>Curry</b>

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<sup>16</sup>	<b><sup>17</sup> OPERATOR CERTIFICATION</b>		
	<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>		
	Signature <i>Scott Payn</i>		Date <i>9/6/22</i>
	Printed Name <i>Scott Payn</i>		
	E-mail Address <i>Smpayn1@gmail.com</i>		
<b>X</b>	<b><sup>18</sup> SURVEYOR CERTIFICATION</b>		
	<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>		
	Date of Survey <i>06/17/2022</i>		
	Signature and Seal of Professional Surveyor:		
	Certificate Number  <b>5955</b>		

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

Form APD Comments

Permit 324008

**PERMIT COMMENTS**

Operator Name and Address: Moran-Lavaca, LLC [329413] 7330 Fern Ave. Shreveport, LA 71134	API Number: 30-009-20030
	Well: WESLEY GRAU #001

Created By	Comment	Comment Date
pkautz	HOLD FOR C-102	9/6/2022
pkautz	HOLD FOR C-102	9/6/2022
pkautz	HOLD FOR NGMP	9/6/2022
pkautz	RECIEVED C-102 09/06/2022 APD IS STILL ON HOLD FOR REVISED NGMP	9/6/2022

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Form APD Conditions

Permit 324008

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: Moran-Lavaca, LLC [329413] 7330 Fern Ave. Shreveport, LA 71134	API Number: 30-009-20030
	Well: WESLEY GRAU #001

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing
pkautz	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud

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:**  Moran-Lavaca llc  **OGRID:**  329413  **Date:**  07/14  /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:  incomplete original

**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
Wesley Grau #1	30-009-					

**IV. Central Delivery Point Name:** \_\_\_\_\_ [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
<u>Wesley Grau #1</u>	<u>30009</u>	<u>8-31-22</u>				

**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: Scott Payn
Title: VP
E-mail Address: smpayn1@gmail.com
Date: 07/14/22
Phone: 318-272-6376

**OIL CONSERVATION DIVISION**  
**(Only applicable when submitted as a standalone form)**

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

## VI. Separation Equipment:

Moran Lavaca, LLC. production tank batteries include separation equipment designed to efficiently separate gas from liquid phases to optimize gas capture based on projected and estimated volumes from the targeted pool in conjunction with the total number of wells planned to or existing within the facility. Separation equipment is upgraded prior to well being drilled or completed, if determined to be undersized or needed. The separation equipment is designed and built according to the relevant industry specifications (API Specification 12J and ASME Sec VIII Div I). Other recognized industry publications such as the Gas Processors Suppliers Association (GPSA) are referenced when designing separation equipment to optimize gas capture.

## VII. Operational Practices:

### 1. Subsection B.

- o During drilling, flare stacks will be located a minimum of 150 feet from the nearest surface hole location. All gas is captured or combusted. If an emergency or malfunction occurs, gas will be flared or vented for public health, safety and the environment and be properly reported to the NMOCD pursuant to 19.15.27.8.G.

- o Measure or estimate the volume of natural gas that is vented, flared or beneficially used during drilling, completion and production operations, regardless of the reason or authorization for such venting or flaring.

- o At any point in the well life (drilling, completion, production, inactive) an audio, visual and olfactory (AVO) inspection will be performed weekly (at minimum) to confirm that all production equipment is operating properly and there are no leaks or releases except as allowed in Subsection D of 19.15.27.8 NMAC.

### 2. Subsection C.

- o During completion operations, operator does not produce oil or gas but maintains adequate well control through completion operations.

For emergencies, equipment malfunction, or if the operator decides to produce oil and gas during well completion:

- o Flowlines will be routed for flowback fluids into a completion or storage tank and, if feasible under well conditions, flare rather than vent and commence operation of a separator as soon as it is technically feasible for a separator to function.

- o Measure or estimate the volume of natural gas that is vented, flared or beneficially used during drilling, completion and production operations, regardless of the reason or authorization for such venting or flaring.

- o At any point in the well life (drilling, completion, production, inactive) an audio, visual and olfactory (AVO) inspection will be performed weekly (at minimum) to confirm that all production equipment is operating properly and there are no leaks or releases except as allowed in Subsection D of 19.15.27.8 NMAC.

### 3. Subsection D.

- o At any point in the well life (drilling, completion, production, inactive) an audio, visual and olfactory (AVO) inspection will be performed weekly (at minimum) to confirm that all production equipment is operating properly and there are no leaks or releases except as allowed in Subsection D of 19.15.27.8 NMAC.

- o Monitor manual liquid unloading for wells on-site or in close proximity (<30 minutes' drive time), take reasonable actions to achieve a stabilized rate and pressure at the earliest practical time, and take reasonable actions to minimize venting to the maximum extent practicable.

- o Measure or estimate the volume of natural gas that is vented, flared or beneficially used during drilling, completion and production operations, regardless of the reason or authorization for such venting or flaring.

### 4. Subsection E.

- o All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.

- o Flare stack was installed prior to permanent production but has been designed for proper size and combustion efficiency. Flare currently has a continuous pilot and is located more than 100 feet from any known well and storage tanks.

- o At any point in the well life (drilling, completion, production, inactive) an audio, visual and olfactory (AVO) inspection will be performed weekly (at minimum) to confirm that all production equipment is operating properly and there are no leaks or releases except as allowed in Subsection D of 19.15.27.8 NMAC.

### 5. Subsection F.

o Measurement equipment is installed to measure the volume of natural gas flared from process piping or a flowline piped from the equipment associated with a well and facility associated with the approved application for permit to drill that has an average daily production greater than 60 mcf of natural gas.

o Measurement equipment installed is not designed or equipped with a manifold to allow diversion of natural gas around the metering equipment, except for the sole purpose of inspecting and servicing the measurement equipment, as noted in NMAC 19.15.27.8 Subsection G.

#### VIII. Best Management Practices:

1. During completion operations, operator does not produce oil or gas but maintains adequate well control through completion operations.

2. Operator does not flow well (well shut in) during initial production until all flowlines, tank batteries, and oil/gas takeaway are installed, tested, and determined operational.

3. Operator equips storage tanks with an automatic gauging system to reduce venting of natural gas.

4. Operator reduces the number of blowdowns by looking for opportunities to coordinate repair and maintenance activities.

5. Operator combusts natural gas that would otherwise be vented or flared, when feasible.

6. Operator has a flare stack designed in accordance with need and to handle sufficient volume to ensure proper combustion efficiency. Flare stacks are equipped with continuous pilots and securely anchored at least 100 feet (at minimum) from storage tanks and wells.

7. Operator minimizes venting (when feasible) through pump downs of vessels and reducing time required to purge equipment before returning equipment to service.

8. Operator will shut in wells (when feasible) in the event of a takeaway disruption, emergency situation, or other operations where venting or flaring may occur due to equipment failures.