

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

Form C-103
Revised July 18, 2013

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

WELL API NO. 30-015-49487
5. Indicate Type of Lease STATE [] FEE [x]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Elm Fee
8. Well Number 1H
9. OGRID Number 330211
10. Pool name or Wildcat Red Lake; Glorieta - Yeso
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3361.8'

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.)
1. Type of Well: Oil Well [x] Gas Well [] Other []
2. Name of Operator Redwood Operating LLC
3. Address of Operator P.O. Box 1370 Artesia, NM 88211-1370
4. Well Location Unit Letter J : 2455 feet from the South line and 2080 feet from the East line
Section 16 Township 18S Range 26E NMPM County Eddy
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3361.8'

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

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

Redwood Operating LLC request the following changes to the Elm Fee 1H APD:

SHL - Unit J, Sec. 16 T18S R26E 2455 FSL 2080 FEL

Surface - Drill 12 1/4" hole to 900'. Run 9 5/8", 36#, J-55, ST&C csg to 900'. Cmt w/ 400 sx class C to surface.
Production - Drill 8 3/4" hole to 9,359'. Run 7", 26#, L-80, LTC csg 0 to 1,000', 7", 26#, L-80, BTC csg 1,000 to 3,825', 5 1/2", 17#, L-80, BTC 3,825' to 9,359'. Cmt w/ 200 sx 35/65 Perlite, 1930 sx PVL to surface.

Spud Date:

[Empty box for Spud Date]

Rig Release Date:

[Empty box for Rig Release Date]

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

SIGNATURE Delilah Flores TITLE Regulatory Technician I DATE 10/19/2022

Type or print name Delilah Flores E-mail address: delilah@mec.com PHONE: 575-748-1288

For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

Intent As Drilled

API #		
Operator Name: REDWOOD OPERATING, LLC	Property Name: ELM FEE	Well Number 1H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
E	15	18S	26E		1750	NORTH	100	WEST	EDDY
Latitude 32.7504369					Longitude 104.3780351				NAD 83

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
H	15	18S	26E		1750	NORTH	100	EAST	EDDY
Latitude 32.7504287					Longitude 104.3614262				NAD 83

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

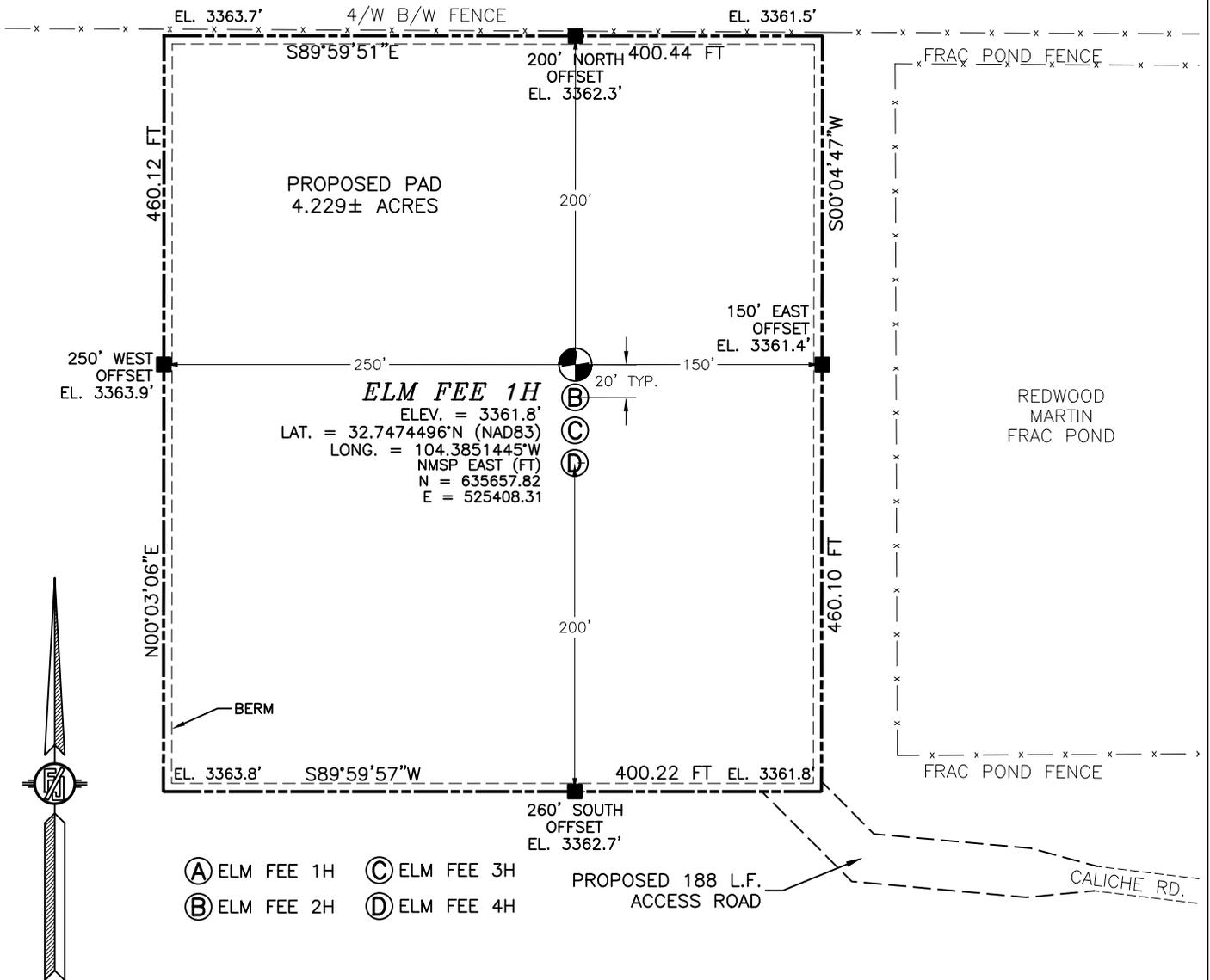
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

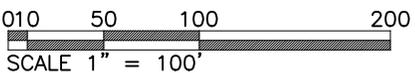
KZ 06/29/2018

SECTION 16, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO SITE MAP

NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE. ELEVATION VALUES ARE NAVD88.



- (A) ELM FEE 1H (C) ELM FEE 3H
- (B) ELM FEE 2H (D) ELM FEE 4H



DIRECTIONS TO LOCATION
 FROM THE INTERSECTION OF CO. RD. 39 (FOUR DINKUS) & CO. RD. 34 (LAKE), GO SOUTH ON CO. RD. 34 APPROX. 0.8 MILES, TURN RIGHT (WEST) ON CALICHE ROAD AND GO APPROX. 500', TURN RIGHT (NORTH) AND GO APPROX. 974', TURN LEFT AND GO WEST APPROX. 200' TO A ROAD SURVEY, FOLLOW ROAD SURVEY WEST 131' THEN NORTHWEST 57' TO THE SOUTHEAST PAD CORNER FOR THIS LOCATION.

I, FILIMON F. JARAMILLO, A NEW MEXICO LICENSED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND SUPERVISED THE WORK OF THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT I AM A MEMBER OF THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

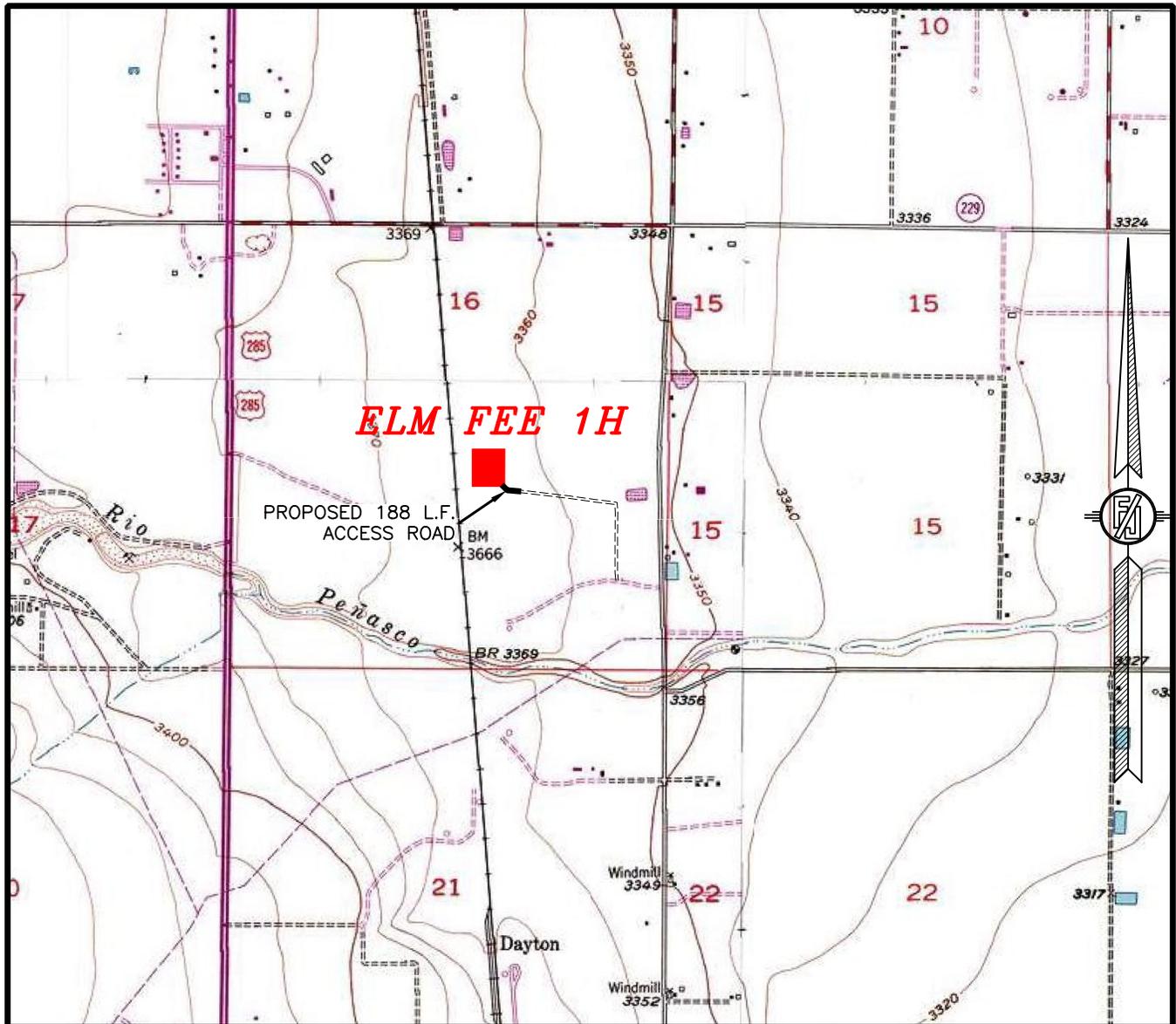
FILIMON F. JARAMILLO, PLS. 10000 SOUTH
MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
 (575) 234-3347

REDWOOD OPERATING, LLC
ELM FEE 1H
 LOCATED 2455 FT. FROM THE SOUTH LINE
 AND 2080 FT. FROM THE EAST LINE OF
 SECTION 16, TOWNSHIP 18 SOUTH,
 RANGE 26 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

OCTOBER 4, 2022

SURVEY NO. 9386B

SECTION 16, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
LOCATION VERIFICATION MAP



USGS QUAD MAP:
DAYTON ARTESIA

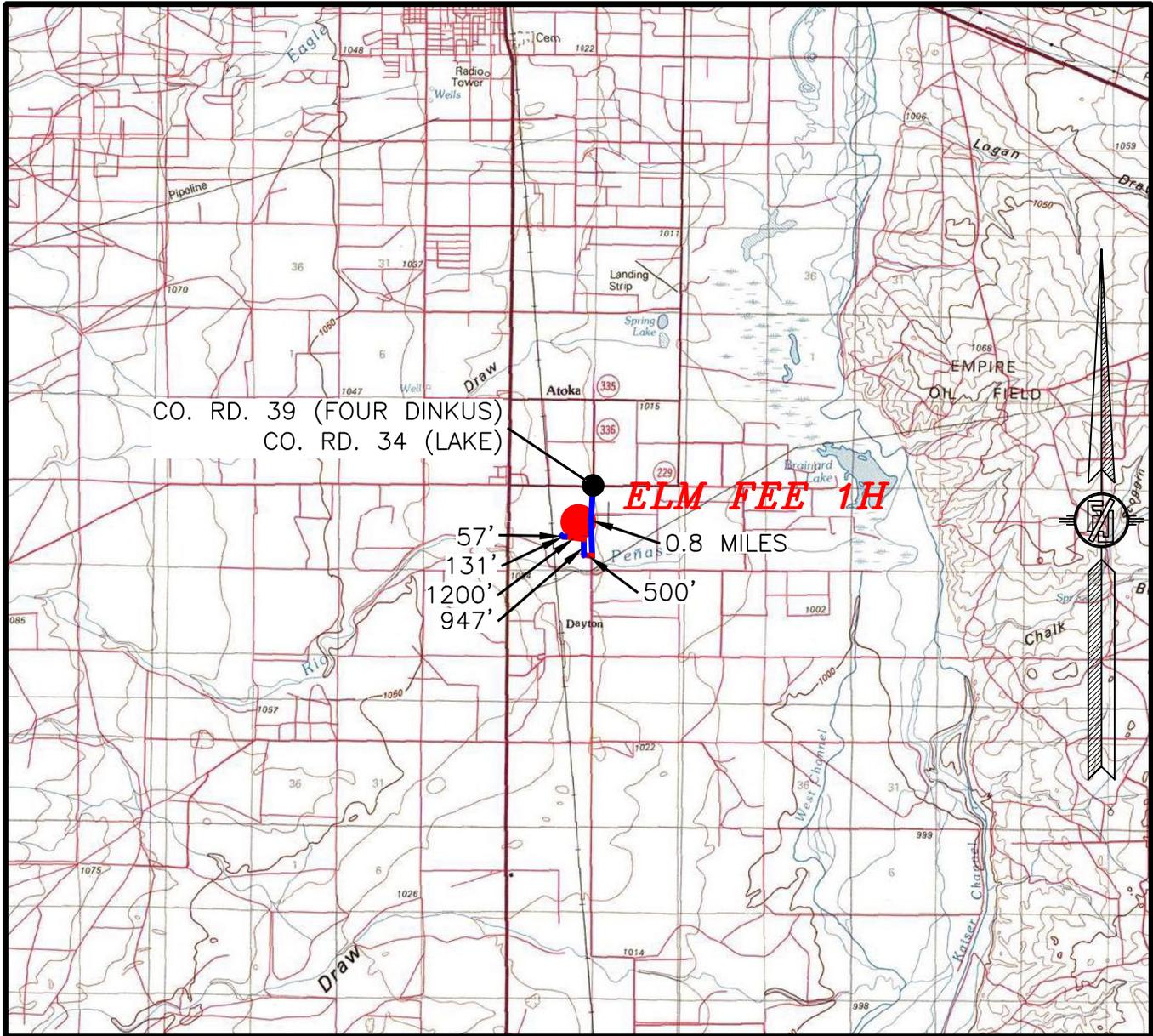
NOT TO SCALE

REDWOOD OPERATING, LLC
ELM FEE 1H
LOCATED 2455 FT. FROM THE SOUTH LINE
AND 2080 FT. FROM THE EAST LINE OF
SECTION 16, TOWNSHIP 18 SOUTH,
RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

OCTOBER 4, 2022

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 234-3347 SURVEY NO. 9386B

SECTION 16, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
VICINITY MAP



DISTANCES IN MILES

NOT TO SCALE

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF CO. RD. 39 (FOUR DINKUS) & CO. RD. 34 (LAKE), GO SOUTH ON CO. RD. 34 APPROX. 0.8 MILES, TURN RIGHT (WEST) ON CALICHE ROAD AND GO APPROX. 500', TURN RIGHT (NORTH) AND GO APPROX. 974', TURN LEFT AND GO WEST APPROX 1200' TO A ROAD SURVEY, FOLLOW ROAD SURVEY WEST 131' THEN NORTHWEST 57' TO THE SOUTHEAST PAD CORNER FOR THIS LOCATION.

REDWOOD OPERATING, LLC
ELM FEE 1H
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AND 2080 FT. FROM THE EAST LINE OF
SECTION 16, TOWNSHIP 18 SOUTH,
RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

OCTOBER 4, 2022

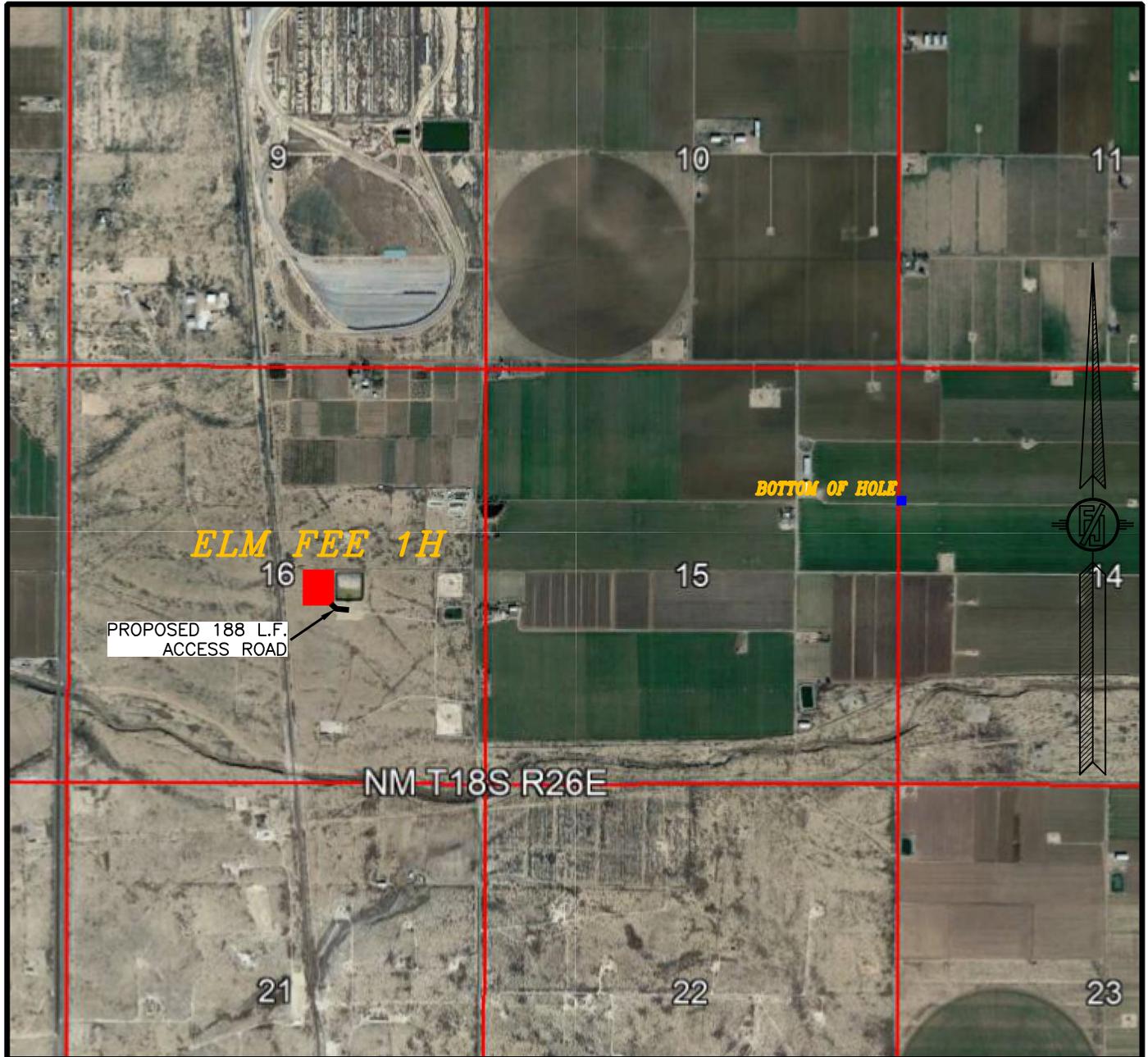
MADRON SURVEYING, INC.

301 SOUTH CANAL
(575) 234-3347

CARLSBAD, NEW MEXICO

SURVEY NO. 9386B

SECTION 16, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
AERIAL PHOTO



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
DEC. 2019

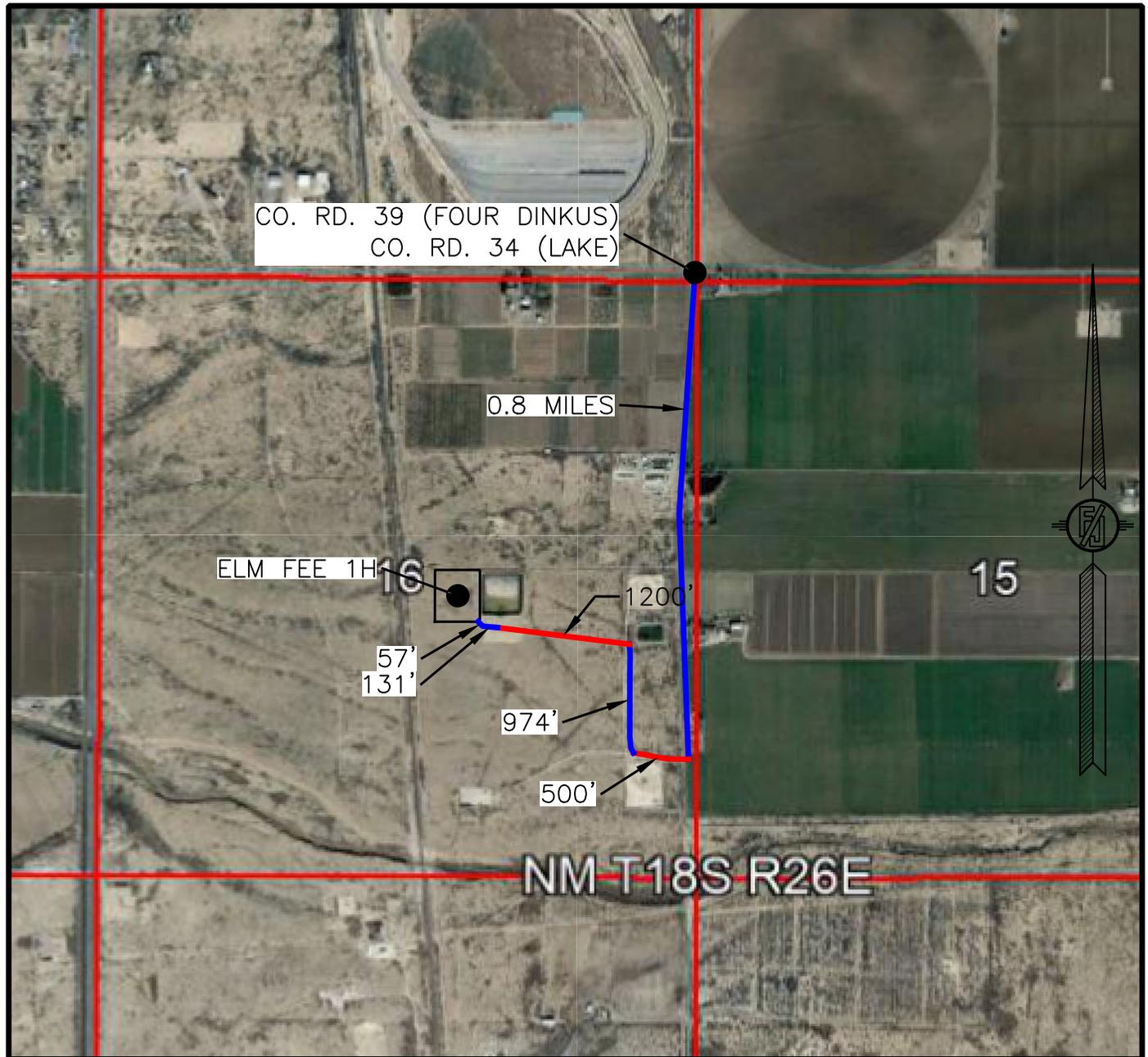
REDWOOD OPERATING, LLC
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RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

OCTOBER 4, 2022

SURVEY NO. 9386B

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 234-3347

SECTION 16, TOWNSHIP 18 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
AERIAL ACCESS ROUTE MAP



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
DEC. 2019

REDWOOD OPERATING, LLC
ELM FEE 1H
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OCTOBER 4, 2022

SURVEY NO. 9386B

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 234-3347

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: Redwood Operating LLC **OGRID:** 330211 **Date:** 10 / 19 / 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
Elm Fee 1H	30-015-49487	Unit J Sec. 16 T18S R26E	2455 FSL 2080 FEL	100	100	1,000

IV. Central Delivery Point Name: DCP Midstream Linam Ranch Processing Plant/ Durango Midstream [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
Elm Fee 1H	30-015-49487	12/1/2022	12/20/2022	1/20/2023	1/20/2023	1/20/2023

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:	<i>Delilah Flores</i>
Printed Name:	Delilah Flores
Title:	Regulatory Technician I
E-mail Address:	delilah@mec.com
Date:	10/19/2022
Phone:	575-748-1288
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

VI. Separation Equipment:

Redwood Operating LLC production facilities 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 of our completion project. Redwood Operating LLC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the completion to optimize gas capture and send gas to sales or flare based on analytical composition. Redwood Operating LLC operates facilities that are typically multi-well facilities. Redwood Operating LLC will upgrade production separation equipment, if necessary prior to new wells being completed, if determined to be undersized or inadequate. This equipment is already on-site and tied into our sales gas lines prior to the new drill operations.

VII. Operational Practices:

1. Subsection (A) Venting and Flaring of Natural Gas. Redwood Operating LLC understands the requirements of NMAC 19.15.27.8 which outlines that the venting and flaring of natural gas during drilling, completion or production operations that constitutes waste as defined in 19.15.2 are prohibited.
2. Subsection (B) Venting and Flaring during drilling operations. This gas capture plan is for a well being drilled.
3. Subsection (C) Venting and flaring during completion or recompletion. Flow lines will be routed for flow back 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.
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
4. Subsection (D) Venting and flaring during production operations
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
 - 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.
 - Redwood Operating LLC will not vent or flare except during the approved activities listed in NMAC 19.15.27.8 (D) 14.
5. Subsection (E) Performance standards. All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.
 - If a flare is utilized during production operations it will have a continuous pilot and is located more than 100 feet from any known well or storage tanks.
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D

of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.

6. Subsection (F) Measurement or estimation of vented and flared natural gas
 - Measurement equipment is installed to measure the volume of natural gas flared from process piping.
 - When measurement is not practicable, estimation of vented and flared natural gas will be completed as noted in 19.15.27.8 (F) 5-6.

VIII. Best Management Practices:

1. Redwood Operating LLC has adequate storage and takeaway capacity for wells it chooses to complete as the flow lines at the sites are already in place and tied into a gathering system.
2. Redwood Operating LLC will flare rather than vent vessel blowdown gas when technically feasible during active and/or planned maintenance to equipment on-site.
3. Redwood Operating LLC combusts natural gas that would otherwise be vented or flared, when technically feasible.
4. Redwood Operating LLC will shut in wells in the event of a takeaway disruption, emergency situations, or other operations where venting or flaring may occur due to equipment failures.

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 152071

CONDITIONS

Operator: Redwood Operating LLC PO Box 1370 Artesia, NM 88210	OGRID: 330211
	Action Number: 152071
	Action Type: [C-103] NOI Change of Plans (C-103A)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Adhere to previous NMOCD Conditions of Approval	10/24/2022