

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 329770

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

1. Operator Name and Address MARSHALL & WINSTON INC P.O. Box 50880 Midland, TX 79710		2. OGRID Number 14187
		3. API Number 30-025-50960
4. Property Code 39736	5. Property Name LOCO DINERO 36 STATE COM	6. Well No. 031H

7. Surface Location

UL - Lot D	Section 36	Township 21S	Range 33E	Lot Idn D	Feet From 200	N/S Line N	Feet From 960	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot M	Section 36	Township 21S	Range 33E	Lot Idn M	Feet From 60	N/S Line S	Feet From 970	E/W Line W	County Lea
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9. Pool Information

WC-025 G-06 S213326D;BONE SPRING	97929
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3661
16. Multiple N	17. Proposed Depth 16929	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 3/25/2023
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	13.375	54.5	1805	1550	0
Int1	12.25	9.625	40	5305	1300	0
Prod	8.75	5.5	20	16929	2750	0

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. I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable.	OIL CONSERVATION DIVISION	
Signature:		
Printed Name: Electronically filed by Sherry Roberts	Approved By: Paul F Kautz	
Title: Operations Secretary	Title: Geologist	
Email Address: sroberts@mar-win.com	Approved Date: 1/13/2023	Expiration Date: 1/13/2025
Date: 11/29/2022	Phone: 432-684-6373	Conditions of Approval Attached

DISTRICT I
1688 N. FRENCH DR., BOBBS, NM 88240
Phone: (505) 268-6161 Fax: (505) 268-6728

DISTRICT II
611 S. FIRST ST., ARTESEA, NM 88210
Phone: (505) 748-1293 Fax: (505) 748-0720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 834-6178 Fax: (505) 834-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3480 Fax: (505) 478-3483

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-50960	Pool Code 97929	Pool Name WC-025 G-06 S213326D:BONE SPRING
Property Code 39736	Property Name LOCO DINERO 36 STATE COM	Well Number 31H
GRID No. 14187	Operator Name MARSHALL & WINSTON, INC.	Elevation 3660.8'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	36	21-S	33-E		200	NORTH	960	WEST	LEA

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
M	36	21-S	33-E		60	SOUTH	670	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640			

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 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>[Signature]</i> 11/28/22 Signature Date Todd Passmore Printed Name tpassmore@mar-win.com E-mail Address
PEFTP 462' FNL & 670' FWL Y=525185.6 N X=788397.8 E LAT.=32.441254° N LONG.=103.532486° W GRID AZ. TO FTP 227°30'44"	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. NOVEMBER 15, 2022 Date of Survey
LTP 100' FSL & 670' FWL Y=520468.8 N X=788435.8 E LAT.=32.428289° N LONG.=103.532477° W	Signature & Seal of Professional Surveyor <i>[Signature]</i> 11/21/22 Certificate No. LUIS LANDAVERDE 26407 W.O. # 22-346 DRAWN BY: TS
NAD 83 NME SURFACE LOCATION Y=525449.3 N X=788685.7 E LAT.=32.441973° N LONG.=103.531546° W	
NAD 83 NME PROPOSED BOTTOM HOLE LOCATION Y=520428.8 N X=788436.1 E LAT.=32.428179° N LONG.=103.532477° W	

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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 329770

PERMIT COMMENTS

Operator Name and Address: MARSHALL & WINSTON INC [14187] P.O. Box 50880 Midland, TX 79710		API Number: 30-025-50960
		Well: LOCO DINERO 36 STATE COM #031H
Created By	Comment	Comment Date
pkautz	HOLD POTASH AREA	12/7/2022

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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 Conditions

Permit 329770

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MARSHALL & WINSTON INC [14187] P.O. Box 50880 Midland, TX 79710	API Number: 30-025-50960
	Well: LOCO DINERO 36 STATE COM #031H

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	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud
pkautz	CEMENT MUST COME TO THE SURFACE ON ALL STRINGS

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary Designate

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Division Director
Oil Conservation Division



December 7, 2022

BUREAU OF LAND MANAGEMENT
ATT: James S. Rutley
620 E Greene Street
Carlsbad, NM 88220

STATE LAND OFFICE
ATT: Paige Czoski
PO BOX 1148
Santa Fe, NM 87505

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: MARSHALL & WINSTON INC

LEASE NAME: LOCO DINERO 36 STATE COM #031H

PROPOSED LOCATION: U/L D Sec 36 T21S R33E 200 FNL 960 FWL

Lat. 32.441973 Long. -103.531546 NAD83

PROPOSED DEPTH: 15589' MD 10662' TVD

Gentleman:

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuant to the provisions of Oil Conservation Division Order R – 111 - P, please advise this office whether the location is within an established Life-of-Mine-Reserve that are filed with and approved by your office. If not, please advise whether it is within the buffer zone established by the order.

Thank you for your assistance. Please Return as soon as possible.

Very truly yours,

OIL CONSERVATION DIVISION

P. Kautz
Paul Kautz

Hobbs District Geologist, District I

RESONSE:

The above referenced location is in LMR (2012 year) -----Yes _____ No ☒

The above referenced location is within the Buffer Zone -----Yes _____ No ☒

Signed _____

Printed Signature JAMES S. RUTLEY

Representing BLM. SOLIAS. RUTLEY

Marshall & Winston, Inc.

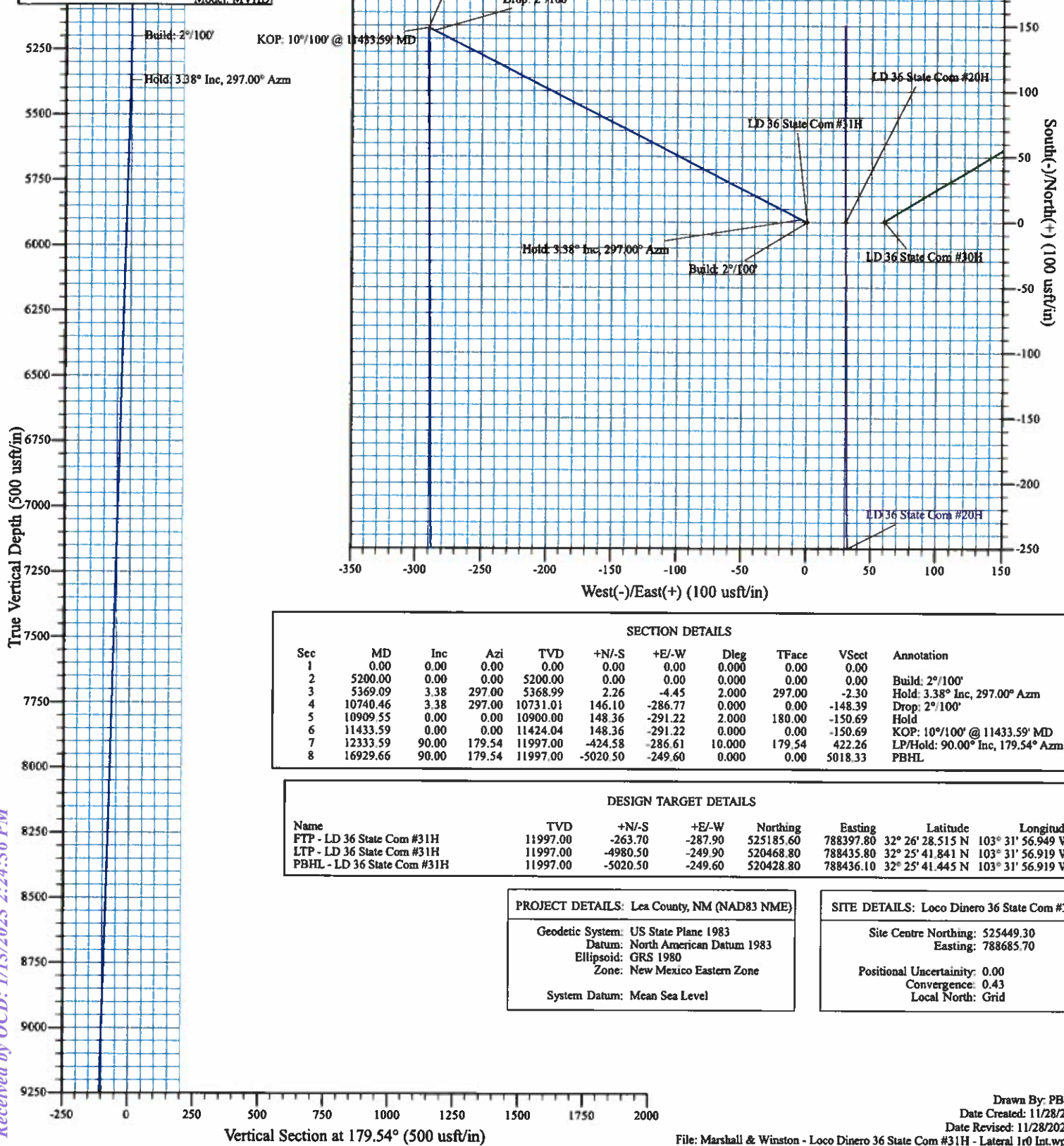
Loco Dinero 36 State Com #31H
Lea County, NM (NAD83 NME)
Job No. WT-22-***
Lateral 1r0



T G M

Azimuths to Grid North
True North: -0.43°
Magnetic North: 5.84°

Magnetic Field
Strength: 47715.9nT
Dip Angle: 60.12°
Date: 2/15/2023
Model: MVHD



SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
1	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.00	0.00	
2	5200.00	0.00	0.00	5200.00	0.00	0.00	0.000	0.00	0.00	Build: 2°/100'
3	5369.09	3.38	297.00	5368.99	2.26	-4.45	2.000	297.00	-2.30	Hold: 3.38° Inc, 297.00° Azm
4	10740.46	3.38	297.00	10731.01	146.10	-286.77	0.000	0.00	-148.39	Drop: 2°/100'
5	10909.55	0.00	0.00	10900.00	148.36	-291.22	2.000	180.00	-150.69	Hold
6	11433.59	0.00	0.00	11424.04	148.36	-291.22	0.000	0.00	-150.69	KOP: 10°/100' @ 11433.59' MD
7	12333.59	90.00	179.54	11997.00	-424.58	-286.61	10.000	179.54	422.26	LP/Hold: 90.00° Inc, 179.54° Azm
8	16929.66	90.00	179.54	11997.00	-5020.50	-249.60	0.000	0.00	5018.33	PBHL

DESIGN TARGET DETAILS							
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
FTP - LD 36 State Com #31H	11997.00	-263.70	-287.90	525185.60	788397.80	32° 26' 28.515 N	103° 31' 56.949 W
LTP - LD 36 State Com #31H	11997.00	-4980.50	-249.90	520468.80	788435.80	32° 25' 41.841 N	103° 31' 56.919 W
PBHL - LD 36 State Com #31H	11997.00	-5020.50	-249.60	520428.80	788436.10	32° 25' 41.445 N	103° 31' 56.919 W

PROJECT DETAILS: Lea County, NM (NAD83 NME)

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone
System Datum: Mean Sea Level

SITE DETAILS: Loco Dinero 36 State Com #31H

Site Centre Northing: 525449.30
Easting: 788685.70

Positional Uncertainty: 0.00
Convergence: 0.43
Local North: Grid



Loco Dinero 36 State Com #31H
Lea County, NM (NAD83 NME)
Job No. WT-22-***
Lateral 1r0

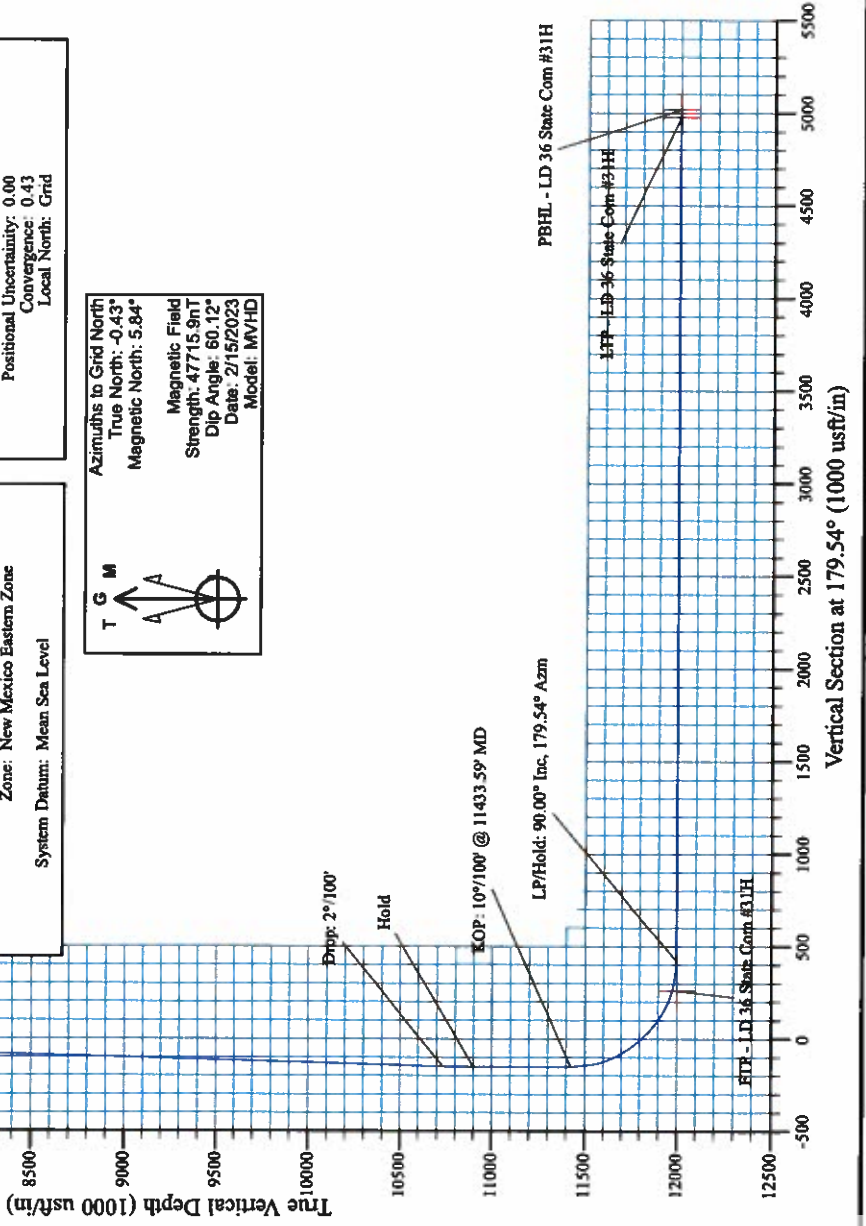
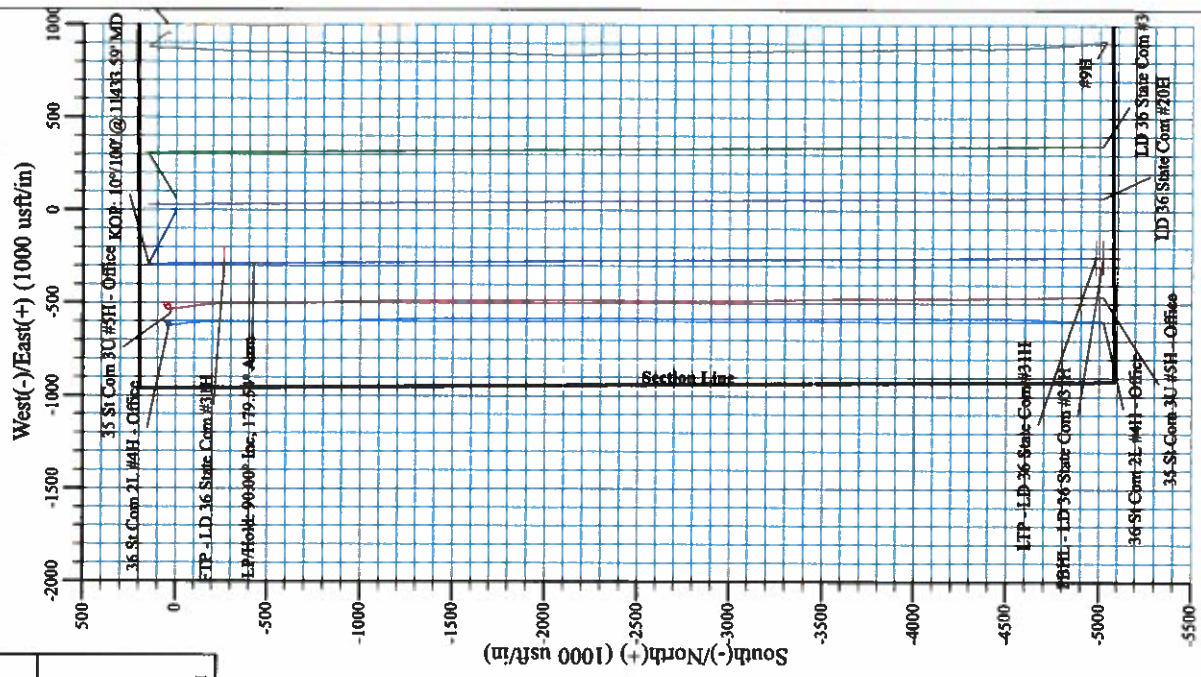
SECTION DETAILS									
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TPace	VSect Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	5200.00	0.00	0.00	5200.00	0.00	0.00	0.00	0.00	0.00
3	5369.09	3.38	297.00	5368.99	2.26	-4.45	2.000	297.00	-2.30
4	10740.46	3.38	297.00	10731.01	146.10	-286.77	0.000	0.00	-148.39
5	10909.55	0.00	0.00	10900.00	148.36	-291.22	2.000	180.00	-150.69
6	11433.59	0.00	0.00	11424.04	148.36	-291.22	0.000	0.00	-150.69
7	12333.59	90.00	179.54	11997.00	-424.58	-286.61	10.000	179.54	422.26
8	16929.66	90.00	179.54	11997.00	-5020.50	-249.60	0.000	0.00	5018.33

DESIGN TARGET DETAILS				
Name	TVd	+N/-S	+E/-W	Longitude
FTP - LD 36 State Com #31H	11997.00	-263.70	-287.90	525185.60
LTP - LD 36 State Com #31H	11997.00	-4980.50	-249.90	788435.80
PBHL - LD 36 State Com #31H	11997.00	-5020.50	-249.60	520428.80

PROJECT DETAILS: Lea County, NM (NAD83 NME)	
Geodetic System:	US State Plane 1983
Datum:	North American Datum 1983
Ellipsoid:	GRS 1980
Zone:	New Mexico Eastern Zone
System Datum:	Mean Sea Level

SITE DETAILS: Loco Dinero 36 State Com #31H	
Site Centre Northing:	525449.30
Easting:	788685.70
Positional Uncertainty:	0.00
Convergence:	0.43
Local North:	Grid

Azimuths to Grid North
 True North: -0.43°
 Magnetic North: 5.84°
 Magnetic Field
 Strength: 47715.8nT
 Dip Angle: 60.12°
 Date: 2/15/2023
 Model: MVHD



Marshall & Winston, Inc.

Lea County, NM (NAD83 NME)

Loco Dinero 36 State Com #31H

LD 36 State Com #31H

OH

Plan: Lateral 1r0

Standard Planning Report

28 November, 2022

Aim Directional Services

Planning Report

Database:	EDM 5000.15 Single User Db	Local Co-ordinate Reference:	Well LD 36 State Com #31H
Company:	Marshall & Winston, Inc.	TVD Reference:	Well @ 3681.10usft (25'KB)
Project:	Lea County, NM (NAD83 NME)	MD Reference:	Well @ 3681.10usft (25'KB)
Site:	Loco Dinero 36 State Com #31H	North Reference:	Grid
Well:	LD 36 State Com #31H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Lateral 1r0		

Project	Lea County, NM (NAD83 NME)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Loco Dinero 36 State Com #31H			
Site Position:		Northing:	525,449.30 usft	Latitude: 32° 26' 31.103 N
From:	Map	Easting:	788,685.70 usft	Longitude: 103° 31' 53.567 W
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16 "	Grid Convergence: 0.43 °

Well	LD 36 State Com #31H			
Well Position	+N/-S	0.00 usft	Northing:	525,449.30 usft
	+E/-W	0.00 usft	Easting:	788,685.70 usft
Position Uncertainty	0.00 usft		Wellhead Elevation:	
			Ground Level:	3,656.10 usft

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	MVHD	2/15/2023	6.27	60.12	47,715.891

Design	Lateral 1r0			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	179.54

Plan Survey Tool Program	Date 11/28/2022			
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	16,928.91 Lateral 1r0 (OH)	MWD+HDGM	
			OWSG MWD + HDGM	

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100ft)	Bulld Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	0.00	
5,200.00	0.00	0.00	5,200.00	0.00	0.00	0.000	0.000	0.000	0.00	
5,369.09	3.38	297.00	5,368.99	2.26	-4.45	2.000	2.000	0.000	297.00	
10,740.46	3.38	297.00	10,731.01	146.10	-286.77	0.000	0.000	0.000	0.00	
10,909.55	0.00	0.01	10,900.00	148.36	-291.22	2.000	-2.000	0.000	180.00	
11,433.59	0.00	0.01	11,424.04	148.36	-291.22	0.000	0.000	0.000	0.01	
12,333.59	90.00	179.54	11,997.00	-424.58	-286.61	10.000	10.000	19.948	179.54	
16,929.66	90.00	179.54	11,997.00	-5,020.50	-249.60	0.000	0.000	0.000	0.00	PBHL - LD 36 State

Aim Directional Services

Planning Report

Database:	EDM 5000.15 Single User Db	Local Co-ordinate Reference:	Well LD 36 State Com #31H
Company:	Marshall & Winston, Inc.	TVD Reference:	Well @ 3681.10usft (25'KB)
Project:	Lea County, NM (NAD83 NME)	MD Reference:	Well @ 3681.10usft (25'KB)
Site:	Loco Dinero 36 State Com #31H	North Reference:	Grid
Well:	LD 36 State Com #31H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Lateral 1r0		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.000	0.000	
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.000	0.000	0.000	
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.000	0.000	0.000	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.000	0.000	0.000	
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.000	0.000	0.000	
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.000	0.000	0.000	
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.000	0.000	0.000	
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.000	0.000	0.000	
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.000	0.000	0.000	
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.000	0.000	0.000	
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.000	0.000	0.000	
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.000	0.000	0.000	
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.000	0.000	0.000	
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.000	0.000	0.000	
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.000	0.000	0.000	
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.000	0.000	0.000	
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.000	0.000	0.000	
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.000	0.000	0.000	
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.000	0.000	0.000	
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.000	0.000	0.000	
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.000	0.000	0.000	
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.000	0.000	0.000	
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.000	0.000	0.000	
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.000	0.000	0.000	
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.000	0.000	0.000	
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.000	0.000	0.000	
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.000	0.000	0.000	
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.000	0.000	0.000	
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.000	0.000	0.000	
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.000	0.000	0.000	
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.000	0.000	0.000	
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.000	0.000	0.000	
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.000	0.000	0.000	
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.000	0.000	0.000	
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.000	0.000	0.000	
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.000	0.000	0.000	
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.000	0.000	0.000	
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.000	0.000	0.000	
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.000	0.000	0.000	
3,900.00	0.00	0.00	3,900.00	0.00	0.00	0.00	0.000	0.000	0.000	
4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.000	0.000	0.000	
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0.00	0.000	0.000	0.000	
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.000	0.000	0.000	
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0.00	0.000	0.000	0.000	
4,400.00	0.00	0.00	4,400.00	0.00	0.00	0.00	0.000	0.000	0.000	
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.000	0.000	0.000	
4,600.00	0.00	0.00	4,600.00	0.00	0.00	0.00	0.000	0.000	0.000	
4,700.00	0.00	0.00	4,700.00	0.00	0.00	0.00	0.000	0.000	0.000	
4,800.00	0.00	0.00	4,800.00	0.00	0.00	0.00	0.000	0.000	0.000	
4,900.00	0.00	0.00	4,900.00	0.00	0.00	0.00	0.000	0.000	0.000	
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.000	0.000	0.000	
5,100.00	0.00	0.00	5,100.00	0.00	0.00	0.00	0.000	0.000	0.000	
5,200.00	0.00	0.00	5,200.00	0.00	0.00	0.00	0.000	0.000	0.000	
Build: 2°/100'										

Aim Directional Services

Planning Report

Database:	EDM 5000.15 Single User Db	Local Co-ordinate Reference:	Well LD 36 State Com #31H
Company:	Marshall & Winston, Inc.	TVD Reference:	Well @ 3681.10usft (25'KB)
Project:	Lea County, NM (NAD83 NME)	MD Reference:	Well @ 3681.10usft (25'KB)
Site:	Loco Dinero 36 State Com #31H	North Reference:	Grid
Well:	LD 36 State Com #31H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Lateral 1r0		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,300.00	2.00	297.00	5,299.98	0.79	-1.55	-0.80	2.000	2.000	0.000
5,369.09	3.38	297.00	5,368.99	2.26	-4.45	-2.30	2.000	2.000	0.000
Hold: 3.38° Inc, 297.00° Azm									
5,400.00	3.38	297.00	5,399.85	3.09	-6.07	-3.14	0.000	0.000	0.000
5,500.00	3.38	297.00	5,499.67	5.77	-11.33	-5.86	0.000	0.000	0.000
5,600.00	3.38	297.00	5,599.50	8.45	-16.58	-8.58	0.000	0.000	0.000
5,700.00	3.38	297.00	5,699.33	11.13	-21.84	-11.30	0.000	0.000	0.000
5,800.00	3.38	297.00	5,799.15	13.80	-27.09	-14.02	0.000	0.000	0.000
5,900.00	3.38	297.00	5,898.98	16.48	-32.35	-16.74	0.000	0.000	0.000
6,000.00	3.38	297.00	5,998.80	19.16	-37.61	-19.46	0.000	0.000	0.000
6,100.00	3.38	297.00	6,098.63	21.84	-42.86	-22.18	0.000	0.000	0.000
6,200.00	3.38	297.00	6,198.46	24.51	-48.12	-24.90	0.000	0.000	0.000
6,300.00	3.38	297.00	6,298.28	27.19	-53.38	-27.62	0.000	0.000	0.000
6,400.00	3.38	297.00	6,398.11	29.87	-58.63	-30.34	0.000	0.000	0.000
6,500.00	3.38	297.00	6,497.93	32.55	-63.89	-33.06	0.000	0.000	0.000
6,600.00	3.38	297.00	6,597.76	35.23	-69.14	-35.78	0.000	0.000	0.000
6,700.00	3.38	297.00	6,697.58	37.90	-74.40	-38.50	0.000	0.000	0.000
6,800.00	3.38	297.00	6,797.41	40.58	-79.66	-41.22	0.000	0.000	0.000
6,900.00	3.38	297.00	6,897.24	43.26	-84.91	-43.94	0.000	0.000	0.000
7,000.00	3.38	297.00	6,997.06	45.94	-90.17	-46.66	0.000	0.000	0.000
7,100.00	3.38	297.00	7,096.89	48.61	-95.43	-49.38	0.000	0.000	0.000
7,200.00	3.38	297.00	7,196.71	51.29	-100.68	-52.10	0.000	0.000	0.000
7,300.00	3.38	297.00	7,296.54	53.97	-105.94	-54.82	0.000	0.000	0.000
7,400.00	3.38	297.00	7,396.37	56.65	-111.19	-57.54	0.000	0.000	0.000
7,500.00	3.38	297.00	7,496.19	59.32	-116.45	-60.26	0.000	0.000	0.000
7,600.00	3.38	297.00	7,596.02	62.00	-121.71	-62.98	0.000	0.000	0.000
7,700.00	3.38	297.00	7,695.84	64.68	-126.96	-65.70	0.000	0.000	0.000
7,800.00	3.38	297.00	7,795.67	67.36	-132.22	-68.42	0.000	0.000	0.000
7,900.00	3.38	297.00	7,895.49	70.04	-137.47	-71.14	0.000	0.000	0.000
8,000.00	3.38	297.00	7,995.32	72.71	-142.73	-73.86	0.000	0.000	0.000
8,100.00	3.38	297.00	8,095.15	75.39	-147.99	-76.58	0.000	0.000	0.000
8,200.00	3.38	297.00	8,194.97	78.07	-153.24	-79.30	0.000	0.000	0.000
8,300.00	3.38	297.00	8,294.80	80.75	-158.50	-82.02	0.000	0.000	0.000
8,400.00	3.38	297.00	8,394.62	83.42	-163.76	-84.74	0.000	0.000	0.000
8,500.00	3.38	297.00	8,494.45	86.10	-169.01	-87.46	0.000	0.000	0.000
8,600.00	3.38	297.00	8,594.28	88.78	-174.27	-90.18	0.000	0.000	0.000
8,700.00	3.38	297.00	8,694.10	91.46	-179.52	-92.90	0.000	0.000	0.000
8,800.00	3.38	297.00	8,793.93	94.14	-184.78	-95.62	0.000	0.000	0.000
8,900.00	3.38	297.00	8,893.75	96.81	-190.04	-98.34	0.000	0.000	0.000
9,000.00	3.38	297.00	8,993.58	99.49	-195.29	-101.06	0.000	0.000	0.000
9,100.00	3.38	297.00	9,093.41	102.17	-200.55	-103.78	0.000	0.000	0.000
9,200.00	3.38	297.00	9,193.23	104.85	-205.81	-106.49	0.000	0.000	0.000
9,300.00	3.38	297.00	9,293.06	107.52	-211.06	-109.21	0.000	0.000	0.000
9,400.00	3.38	297.00	9,392.88	110.20	-216.32	-111.93	0.000	0.000	0.000
9,500.00	3.38	297.00	9,492.71	112.88	-221.57	-114.65	0.000	0.000	0.000
9,600.00	3.38	297.00	9,592.53	115.56	-226.83	-117.37	0.000	0.000	0.000
9,700.00	3.38	297.00	9,692.36	118.23	-232.09	-120.09	0.000	0.000	0.000
9,800.00	3.38	297.00	9,792.19	120.91	-237.34	-122.81	0.000	0.000	0.000
9,900.00	3.38	297.00	9,892.01	123.59	-242.60	-125.53	0.000	0.000	0.000
10,000.00	3.38	297.00	9,991.84	126.27	-247.85	-128.25	0.000	0.000	0.000
10,100.00	3.38	297.00	10,091.66	128.95	-253.11	-130.97	0.000	0.000	0.000
10,200.00	3.38	297.00	10,191.49	131.62	-258.37	-133.69	0.000	0.000	0.000
10,300.00	3.38	297.00	10,291.32	134.30	-263.62	-136.41	0.000	0.000	0.000

Aim Directional Services

Planning Report

Database:	EDM 5000.15 Single User Db	Local Co-ordinate Reference:	Well LD 36 State Com #31H
Company:	Marshall & Winston, Inc.	TVD Reference:	Well @ 3681.10usft (25'KB)
Project:	Lea County, NM (NAD83 NME)	MD Reference:	Well @ 3681.10usft (25'KB)
Site:	Loco Dinero 36 State Com #31H	North Reference:	Grid
Well:	LD 36 State Com #31H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Lateral 1r0		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
10,400.00	3.38	297.00	10,391.14	136.98	-268.88	-139.13	0.000	0.000	0.000
10,500.00	3.38	297.00	10,490.97	139.66	-274.14	-141.85	0.000	0.000	0.000
10,600.00	3.38	297.00	10,590.79	142.33	-279.39	-144.57	0.000	0.000	0.000
10,700.00	3.38	297.00	10,690.62	145.01	-284.65	-147.29	0.000	0.000	0.000
10,740.46	3.38	297.00	10,731.01	146.10	-286.77	-148.39	0.000	0.000	0.000
Drop: 2°/100'									
10,800.00	2.19	297.00	10,790.48	147.41	-289.35	-149.73	2.000	-2.000	0.000
10,909.55	0.00	0.00	10,900.00	148.36	-291.22	-150.69	2.000	-2.000	57.511
Hold									
11,000.00	0.00	0.00	10,990.45	148.36	-291.22	-150.69	0.000	0.000	0.000
11,100.00	0.00	0.00	11,090.45	148.36	-291.22	-150.69	0.000	0.000	0.000
11,200.00	0.00	0.00	11,190.45	148.36	-291.22	-150.69	0.000	0.000	0.000
11,300.00	0.00	0.00	11,290.45	148.36	-291.22	-150.69	0.000	0.000	0.000
11,400.00	0.00	0.00	11,390.45	148.36	-291.22	-150.69	0.000	0.000	0.000
11,433.59	0.00	0.00	11,424.04	148.36	-291.22	-150.69	0.000	0.000	0.000
KOP: 10°/100' @ 11433.59' MD									
11,450.00	1.64	179.54	11,440.45	148.13	-291.22	-150.46	10.000	10.000	0.000
11,500.00	6.64	179.54	11,490.30	144.52	-291.19	-146.85	10.000	10.000	0.000
11,550.00	11.64	179.54	11,539.65	136.58	-291.13	-138.91	10.000	10.000	0.000
11,600.00	16.64	179.54	11,588.12	124.36	-291.03	-126.70	10.000	10.000	0.000
11,650.00	21.64	179.54	11,635.34	107.98	-290.89	-110.31	10.000	10.000	0.000
11,700.00	26.64	179.54	11,680.95	87.53	-290.73	-89.86	10.000	10.000	0.000
11,750.00	31.64	179.54	11,724.61	63.19	-290.53	-65.52	10.000	10.000	0.000
11,800.00	36.64	179.54	11,765.98	35.14	-290.31	-37.47	10.000	10.000	0.000
11,850.00	41.64	179.54	11,804.75	3.59	-290.05	-5.92	10.000	10.000	0.000
11,900.00	46.64	179.54	11,840.62	-31.22	-289.77	28.89	10.000	10.000	0.000
11,950.00	51.64	179.54	11,873.32	-69.02	-289.47	66.69	10.000	10.000	0.000
12,000.00	56.64	179.54	11,902.60	-109.53	-289.14	107.21	10.000	10.000	0.000
12,050.00	61.64	179.54	11,928.24	-152.44	-288.80	150.11	10.000	10.000	0.000
12,100.00	66.64	179.54	11,950.04	-197.41	-288.44	195.09	10.000	10.000	0.000
12,150.00	71.64	179.54	11,967.83	-244.12	-288.06	241.80	10.000	10.000	0.000
12,200.00	76.64	179.54	11,981.49	-292.20	-287.67	289.88	10.000	10.000	0.000
12,250.00	81.64	179.54	11,990.91	-341.29	-287.28	338.97	10.000	10.000	0.000
12,300.00	86.64	179.54	11,996.01	-391.01	-286.88	388.69	10.000	10.000	0.000
12,333.59	90.00	179.54	11,997.00	-424.58	-286.61	422.27	9.999	9.999	0.000
LP/Hold: 90.00° Inc, 179.54° Azm									
12,400.00	90.00	179.54	11,997.00	-490.99	-286.07	488.68	0.000	0.000	0.000
12,500.00	90.00	179.54	11,997.00	-590.98	-285.27	588.68	0.000	0.000	0.000
12,600.00	90.00	179.54	11,997.00	-690.98	-284.46	688.68	0.000	0.000	0.000
12,700.00	90.00	179.54	11,997.00	-790.98	-283.66	788.68	0.000	0.000	0.000
12,800.00	90.00	179.54	11,997.00	-890.97	-282.85	888.68	0.000	0.000	0.000
12,900.00	90.00	179.54	11,997.00	-990.97	-282.05	988.68	0.000	0.000	0.000
13,000.00	90.00	179.54	11,997.00	-1,090.97	-281.24	1,088.68	0.000	0.000	0.000
13,100.00	90.00	179.54	11,997.00	-1,190.96	-280.44	1,188.68	0.000	0.000	0.000
13,200.00	90.00	179.54	11,997.00	-1,290.96	-279.63	1,288.68	0.000	0.000	0.000
13,300.00	90.00	179.54	11,997.00	-1,390.96	-278.83	1,388.68	0.000	0.000	0.000
13,400.00	90.00	179.54	11,997.00	-1,490.96	-278.02	1,488.68	0.000	0.000	0.000
13,500.00	90.00	179.54	11,997.00	-1,590.95	-277.21	1,588.68	0.000	0.000	0.000
13,600.00	90.00	179.54	11,997.00	-1,690.95	-276.41	1,688.68	0.000	0.000	0.000
13,700.00	90.00	179.54	11,997.00	-1,790.95	-275.60	1,788.68	0.000	0.000	0.000
13,800.00	90.00	179.54	11,997.00	-1,890.94	-274.80	1,888.68	0.000	0.000	0.000
13,900.00	90.00	179.54	11,997.00	-1,990.94	-273.99	1,988.68	0.000	0.000	0.000
14,000.00	90.00	179.54	11,997.00	-2,090.94	-273.19	2,088.68	0.000	0.000	0.000
14,100.00	90.00	179.54	11,997.00	-2,190.93	-272.38	2,188.68	0.000	0.000	0.000

Aim Directional Services

Planning Report

Database:	EDM 5000.15 Single User Db	Local Co-ordinate Reference:	Well LD 36 State Com #31H
Company:	Marshall & Winston, Inc.	TVD Reference:	Well @ 3681.10usft (25'KB)
Project:	Lea County, NM (NAD83 NME)	MD Reference:	Well @ 3681.10usft (25'KB)
Site:	Loco Dinero 36 State Com #31H	North Reference:	Grid
Well:	LD 36 State Com #31H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Lateral 1r0		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
14,200.00	90.00	179.54	11,997.00	-2,290.93	-271.58	2,288.68	0.000	0.000	0.000
14,300.00	90.00	179.54	11,997.00	-2,390.93	-270.77	2,388.68	0.000	0.000	0.000
14,400.00	90.00	179.54	11,997.00	-2,490.92	-269.97	2,488.68	0.000	0.000	0.000
14,500.00	90.00	179.54	11,997.00	-2,590.92	-269.16	2,588.68	0.000	0.000	0.000
14,600.00	90.00	179.54	11,997.00	-2,690.92	-268.36	2,688.68	0.000	0.000	0.000
14,700.00	90.00	179.54	11,997.00	-2,790.91	-267.55	2,788.68	0.000	0.000	0.000
14,800.00	90.00	179.54	11,997.00	-2,890.91	-266.75	2,888.68	0.000	0.000	0.000
14,900.00	90.00	179.54	11,997.00	-2,990.91	-265.94	2,988.68	0.000	0.000	0.000
15,000.00	90.00	179.54	11,997.00	-3,090.90	-265.14	3,088.68	0.000	0.000	0.000
15,100.00	90.00	179.54	11,997.00	-3,190.90	-264.33	3,188.68	0.000	0.000	0.000
15,200.00	90.00	179.54	11,997.00	-3,290.90	-263.53	3,288.68	0.000	0.000	0.000
15,300.00	90.00	179.54	11,997.00	-3,390.89	-262.72	3,388.68	0.000	0.000	0.000
15,400.00	90.00	179.54	11,997.00	-3,490.89	-261.92	3,488.68	0.000	0.000	0.000
15,500.00	90.00	179.54	11,997.00	-3,590.89	-261.11	3,588.68	0.000	0.000	0.000
15,600.00	90.00	179.54	11,997.00	-3,690.88	-260.31	3,688.68	0.000	0.000	0.000
15,700.00	90.00	179.54	11,997.00	-3,790.88	-259.50	3,788.68	0.000	0.000	0.000
15,800.00	90.00	179.54	11,997.00	-3,890.88	-258.70	3,888.68	0.000	0.000	0.000
15,900.00	90.00	179.54	11,997.00	-3,990.87	-257.89	3,988.68	0.000	0.000	0.000
16,000.00	90.00	179.54	11,997.00	-4,090.87	-257.09	4,088.68	0.000	0.000	0.000
16,100.00	90.00	179.54	11,997.00	-4,190.87	-256.28	4,188.68	0.000	0.000	0.000
16,200.00	90.00	179.54	11,997.00	-4,290.86	-255.48	4,288.68	0.000	0.000	0.000
16,300.00	90.00	179.54	11,997.00	-4,390.86	-254.67	4,388.68	0.000	0.000	0.000
16,400.00	90.00	179.54	11,997.00	-4,490.86	-253.86	4,488.68	0.000	0.000	0.000
16,500.00	90.00	179.54	11,997.00	-4,590.85	-253.06	4,588.68	0.000	0.000	0.000
16,600.00	90.00	179.54	11,997.00	-4,690.85	-252.25	4,688.68	0.000	0.000	0.000
16,700.00	90.00	179.54	11,997.00	-4,790.85	-251.45	4,788.68	0.000	0.000	0.000
16,800.00	90.00	179.54	11,997.00	-4,890.85	-250.64	4,888.68	0.000	0.000	0.000
16,900.00	90.00	179.54	11,997.00	-4,990.84	-249.84	4,988.68	0.000	0.000	0.000
16,929.66	90.00	179.54	11,997.00	-5,020.50	-249.60	5,018.33	0.000	0.000	0.000
PBHL									

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL - LD 36 State C	0.00	0.00	11,997.00	-5,020.50	-249.60	520,428.80	788,436.10	32° 25' 41.445 N	103° 31' 56.919 W
- hit/miss target									
- plan hits target center									
- Point									
LTP - LD 36 State Cor	0.00	0.00	11,997.00	-4,980.50	-249.90	520,468.80	788,435.80	32° 25' 41.841 N	103° 31' 56.919 W
- plan misses target center by 0.02usft at 16889.66usft MD (11997.00 TVD, -4980.50 N, -249.92 E)									
- Point									
FTP - LD 36 State Co	0.00	0.00	11,997.00	-263.70	-287.90	525,185.60	788,397.80	32° 26' 28.515 N	103° 31' 56.949 W
- plan misses target center by 22.16usft at 12176.81usft MD (11975.68 TVD, -269.76 N, -287.85 E)									
- Point									

Aim Directional Services

Planning Report

Database:	EDM 5000.15 Single User Db	Local Co-ordinate Reference:	Well LD 36 State Com #31H
Company:	Marshall & Winston, Inc.	TVD Reference:	Well @ 3681.10usft (25'KB)
Project:	Lea County, NM (NAD83 NME)	MD Reference:	Well @ 3681.10usft (25'KB)
Site:	Loco Dinero 36 State Com #31H	North Reference:	Grid
Well:	LD 36 State Com #31H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Lateral 1r0		

Casing Points					
Measured Depth (usft)	Vertical Depth (usft)	Name	Casing Diameter (")	Hole Diameter (")	
16,929.66	11,997.00	20" Casing	20	24	

Plan Annotations					
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates			
		+N/-S (usft)	+E/-W (usft)	Comment	
5,200.00	5,200.00	0.00	0.00	Build: 2"/100'	
5,369.09	5,368.99	2.26	-4.45	Hold: 3.38° Inc, 297.00° Azm	
10,740.46	10,731.01	146.10	-286.77	Drop: 2"/100'	
10,909.55	10,900.00	148.36	-291.22	Hold	
11,433.59	11,424.04	148.36	-291.22	KOP: 10°/100' @ 11433.59' MD	
12,333.59	11,997.00	-424.58	-286.61	LP/Hold: 90.00° Inc, 179.54° Azm	
16,929.66	11,997.00	-5,020.50	-249.60	PBHL	

Intent ☒ As Drilled ☐

API #

Operator Name: Marshall & Winston, Inc.	Property Name: Loco Dinero 36 State Com	Well Number 31H
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Kick Off Point (KOP)

UL D	Section 36	Township 21S	Range 33E	Lot	Feet 50	From N/S N	Feet 960	From E/W WEST	County Lea
Latitude 32° 26' 32.593 N					Longitude 103° 31' 56.952 W			NAD 83	

First Take Point (FTP)

UL D	Section 36	Township 21S	Range 33E	Lot	Feet 462	From N/S North	Feet 670	From E/W WEST	County Lea
Latitude 32° 26' 28.515 N					Longitude 103° 31' 56.949 W			NAD 83	

Last Take Point (LTP)

UL M	Section 36	Township 21S	Range 33E	Lot	Feet 100	From N/S South	Feet 670	From E/W WEST	County Lea
Latitude 32° 25' 41.841 N					Longitude 103° 31' 56.919 W			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
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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: Marshall & Winston, Inc. **OGRID:** 14187 **Date:** 11 / 28 / 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
Loco Dinero 36 State Com 31H		UL D, Sec 36	200 FNL	750	750	1000
		T21S, R33E	960 FWL			

IV. Central Delivery Point Name: Loco Dinero CTB [See 19.15.27.9(D)(1) NMAC]

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

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
<u>Loco Dinero 36 State Com 31H</u>		<u>3/25/23</u>	<u>5/15/23</u>	<u>10/53/23</u>	<u>11/7/23</u>	<u>11/7/23</u>
						Estimated

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: Todd Passmore
Title: Operations Manager
E-mail Address: tpassmore@mar-win.com
Date: 11/29/2022
Phone: 432-684-6373

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

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

Marshall & Winston, Inc.

Natural Gas Management Plan ~ Attachment

- VI. Marshall & Winston, Inc. (M&W) engineering staff will utilize separation equipment based on capacities suggested by the manufacturer in conjunction with anticipated daily production rates. Engineered design of the VRU system along with pipe sizing will be verified by COMM Engineering Services to ensure maximum efficiency for anticipated volumes.
- VII. M&W will take the following actions to comply with the regulations listed in 19.15.28.8:
- A. M&W plans to efficiently recover natural gas by minimizing waste gas as defined in 19.15.2 NMAC. M&W will ensure each new well drilled and completed is connected to a natural gas gathering system before the well is on line. If the natural gas gathering infrastructure is not in place the well will be delayed or shut in until the gathering system is available.
 - B. Drilling operations are equipped with a flare located at least 100 ft from the wellbore. The flare will be used to combust any gas the is circulated to surface during drilling operations. Estimated volumes will be reported appropriately.
 - C. During completion operations and natural gas brought to surface will be flared. Following completion operations all fluids and gases flowed/pumped from the well will be directed to designed separation equipment at the central tank battery. All natural gas will be sent directly to the sales line. If the initial gas production does not meet gathering sales line specifications it will be flared for no more than 60 days. Gas analysis will be ran twice a week and once gas meets sales specifications the gas will be sent to the sales line. Flared volumes will be reported accordingly.
 - D. M&W will not flare natural gas unless it follows the provisions and exceptions list in 19.15.27.8. If the gas gathering system is unavailable each well(s) will be shut in the gathering system is back in service.
 - E. M&W will comply with required standards listed in 19.5.27.8 A-F.
 - F. The volume of natural gas that is vented or flared as a result of a malfunction or emergency during operations will be estimated and reported accordingly. The volume of natural gas that is vented, flared or used beneficially during production operations will measured or estimated. M&W will install meters to measure the volume of natural gas flared from the facility. Measuring devices will conform to industry stands as well as NMOCD regulations.
- VIII. During maintenance operations that involve separation equipment venting will controlled by shutting in well(s). During VRU maintenance operations natural gas will be diverted to the flare to avoid venting the natural gas.