

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

Revised July 18, 2013

☒ AMENDED REPORT
ADD A ZONE

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

¹ Operator Name and Address Wapiti Operating, LLC 1251 Lumpkin Rd. Houston TX 77043-4011 (713) 365-8500		² OGRID Number 328741
		³ API Number 30-007-20215
⁴ Property Code 326244	⁵ Property Name VPR D	⁶ Well No. 035

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	16	30 N	18 E		1052	N	1571	W	Colfax

⁸ Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	16	30 N	18 E		1052	N	1571	W	Colfax

⁹ Pool Information

Pool Name	Pool Code
WILDCAT RATON	

¹¹ Work Type A	¹² Well Type G	¹³ Cable/Rotary R	¹⁴ Lease Type P	¹⁵ Ground Level Elevation 8415'
¹⁶ Multiple Y	¹⁷ Proposed Depth 2495' (PBDT 2369')	¹⁸ Formation Trinidad	¹⁹ Contractor to be determined	²⁰ Spud Date May 15, 2025
Depth to Ground water > 100'		Distance from nearest fresh water well 2.24 miles (CR06467 POD 3)		Distance to nearest surface water > 300' to nameless canyon

☒ 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	11"	8.625"	24# J-55	GL - 323'	100	GL (circ 6 bbl)
Production	7.875"	5.5"	15.5# J-55	GL - 2475'	400	GL (CBL)

Casing/Cement Program: Additional Comments

Will isolate Vermejo coal, add perms (340' - 1867') in Raton coal, & DHC all. C-103 approved. C-107A being prepared.

²² Proposed Blowout Prevention Program

Type	Working Pressure (psi)	Test Pressure (psi)	Manufacturer
Hydraulic rams	5000	5000	tbd

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: *Cory Walk*

Printed name: Cory Walk

Title: Consultant

E-mail Address: cory@permitswest.com

Date: 4-22-25

Phone: 505 466-8120

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date:

Expiration Date:

Conditions of Approval Attached



Vermejo Park Ranch D-35
S-T-R: 16-T30N-R18E
Colfax County, New Mexico
API #: 30-007-20215
AFE: TBD

CURRENT: The D-35 is currently producing 40 mcf/d and 6 bwpd. The well was originally spud in March of 2001, then completed originally between 1,996' and 2,249' in four stages using plug and perf and frac'd with N2 and a 30# linear gel. The well has cumulative production of 1,158 MMCF and 74 MBW.

OBJECTIVE: Move in a workover rig and pull the rods and tubing on this well. Afterwards will perforate various coal seams throughout the wellbore then fracture stimulate utilizing coiled tubing and an isolation tool to individually treat the zones throughout the wellbore.

WELLBORE (see attached WBD):

8-5/8" 24# J-55 casing set at 323'. Cemented with 100 sx. Circulated 6 bbls cmt to surface.

5-1/2" 15.5# J-55 LTC casing set at 2,475'. Burst of 5-1/2" csg is 4,810 psi. Cemented with 400 sx cement, circ 30 bbls cmt to surface. PBTd is 2,437'.

Tubing string: 2-7/8" 6.5# J-55 tubing. EOT at 2,369'.

Current Perforations: 1,996' to 2,249' (overall).

PROPOSED RECOMPLETION INTERVALS:

340-342, 420-422, 470-473, 503-506, 510-513, 530-532, 536-540, 593-598, 620-623, 627-630, 652-654, 676-679, 692-695, 717-719, 737-739, 754-758, 799-805, 855-858, 888-890, 965-968, 1012-1014, 1017-1020, 1062-1065, 1096-1098, 1161-1163, 1644-1646, 1658-1660, 1688-1691, 1850-1857

PROCEDURE:

ISOLATE LOWER ZONES THEN PERFORATE NEW ZONES

1. Check all equipment is function tested and rated to appropriate working pressure. Pull test ground anchors prior to workover rig moving on location. Plan to perform daily JSA's.
2. MIRU workover rig. Unhang rods. POOH standing back.
3. ND wellhead. Screw on 7-1/16" X 5M BOPE. Pressure test BOPS to 4,000 psi.
4. POOH standing back tubing.
5. P/U 4.75" bit and scraper and rbiH to 2,369'. POOH.
6. Top connection on lwr master valve is 5-1/2" 8rd/LTC. MIRU e-line. RIH and perforate the following intervals:
 - a. 340-342
 - b. 420-422
 - c. 470-473
 - d. 503-506 + 510-513
 - e. 530-532 + 536-540
 - f. 593-598
 - g. 620-623 + 627-630
 - h. 652-654
 - i. 676-679 + 692-695
 - j. 717-719
 - k. 737-739 + 754-758
 - l. 799-805
 - m. 855-858
 - n. 888-890
 - o. 965-968
 - p. 1012-1014 + 1017-1020
 - q. 1062-1065
 - r. 1096-1098
 - s. 1161-1163
 - t. 1644-1646 + 1658-1660
 - u. 1688-1691
 - v. 1850-1857
 - w. ALL 3 SPF / 120 DEG PHASING WITH 3-1/8" GUN
7. RDMO e-line.
8. RBIH with tubing and bit and scraper to 2,369'.

9. POOH laying down tubing. ND BOPE, NU 5-1/2" lwr master valve. RDMO workover rig and all auxiliary equipment to make room for frac equipment.

FRACTURE STIMULATE VIA STRADDLE PACKER SYSTEM

10. Spot frac tanks (# determined by total estimated fluid volume for job) and sand king.
11. MIRU 2-7/8" CTU with straddle packer isolation tool. MIRU frac pumps, nitrogen unit, chem add and frac van. Get on depth by tagging btm and adjusting counter.
12. Fracture stimulate all additional perforations in pre-determined stages based on perforation proximity.
13. Once all stages have been pumped, RIH to PBTD and circulate well clean. POOH with CTU and close in master valve. RDMO CTU and all auxiliary equipment.

RUN TUBING AND RODS AND RETURN TO PRODUCTION

14. MIRU workover rig. ND lower master, NU bope.
15. RBIH mill to 2,369'. Then run rods and tbg to same depths as prior to workover.
16. N/D BOPE, N/U wellhead/flow tee. RIH with pump and rods and space out as needed.
17. Load tubing with FSW. Verify pump action. Open well up as per flowback program.

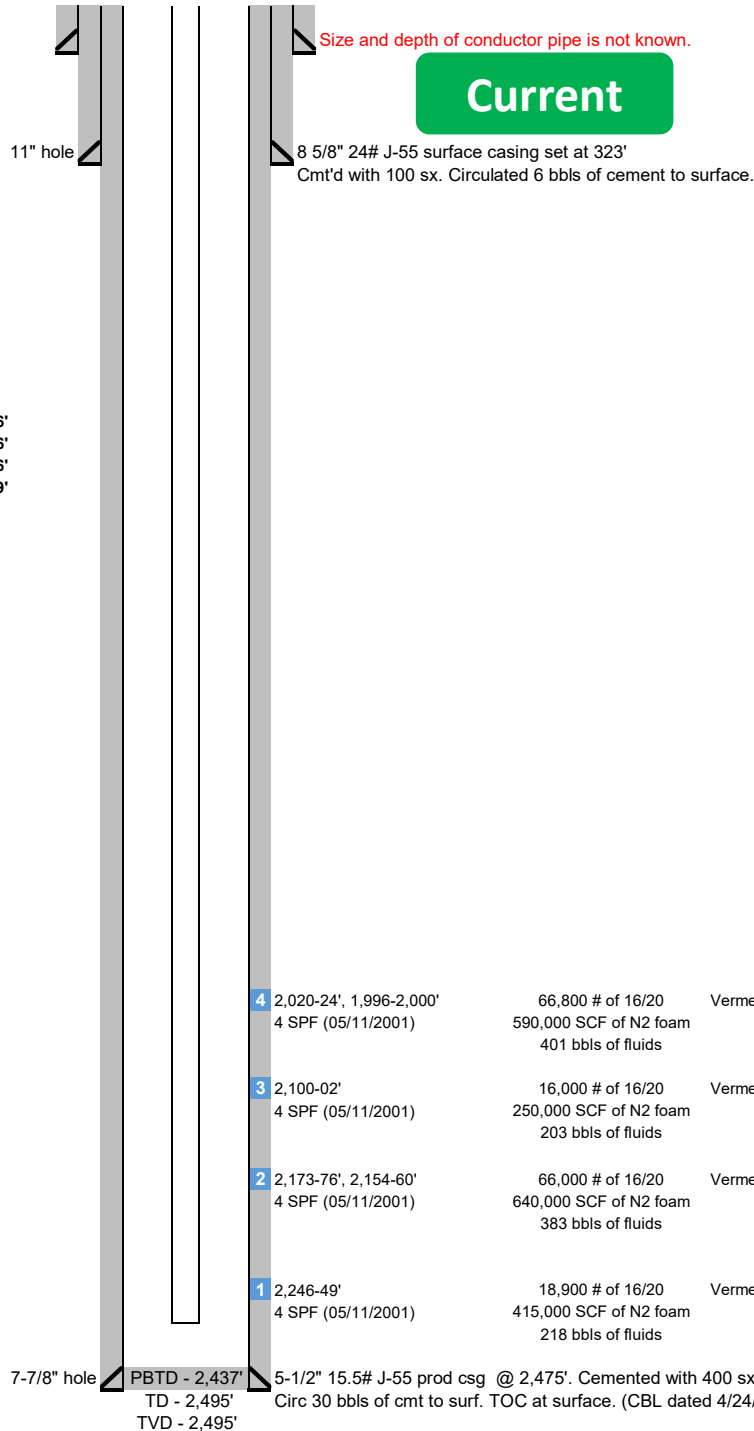


Vermejo Park Ranch D-35
1,052' FNL & 1,571' FWL
Sec 16-T30N-R18E
Colfax Co, NM

API: 30-007-20215
WI: 1.0000000
NRI: 0.9300000

CURRENT WELLBORE SCHEMATIC

GL: 8,415'
RKB: 8,415'
Spud: 3/1/2001
TD date: 3/5/2001
Completed: 6/1/2001
Last workover: 2/5/2003
Last mod: 3/14/2025



PROD TUBING DETAIL (2/5/2003)

KB elevation:	0.0'	
76 joints of 2-7/8" tubing	2,330.26'	
2-3/8" seating nipple	1.10'	2,331.36'
1 joint of 2-7/8" tubing	31.10'	2,362.46'
2-3/8"x6" SUB	6.40'	2,368.86'
End of Tubing		2,369'

ROD AND PUMP DETAIL (2/5/2003)

1-1/4" x 16' polish rod
3/4" x 2' Pony
3/4" x 4' Pony
3/4" x 8' Pony
(93) 3/4" Rods
1-1/4" Pump

SLICKLINE AND OTHER INFORMATION:

5-1/2" 15.5# J-55 CASING SPECS

ID - 4.950"
Drift - 4.825"
Burst - 4,400 psi
Collapse - 4,040 psi



Vermejo Park Ranch D-35
1,052' FNL & 1,571' FWL
Sec 16-T30N-R18E
Colfax Co, NM

API: 30-007-20215
WI: 1.0000000
NRI: 0.9300000

CURRENT WELLBORE SCHEMATIC

GL: 8,415'
RKB: 8,415'
Spud: 3/1/2001
TD date: 3/5/2001
Completed: 6/1/2001
Last workover: 2/5/2003
Last mod: 3/14/2025

PROD TUBING DETAIL (2/5/2003)

KB elevation:	0.0'	
76 joints of 2-7/8" tubing	2,330.26'	
2-3/8" seating nipple	1.10'	2,331.36'
1 joint of 2-7/8" tubing	31.10'	2,362.46'
2-3/8"x6' SUB	6.40'	2,368.86'
End of Tubing		2,369'

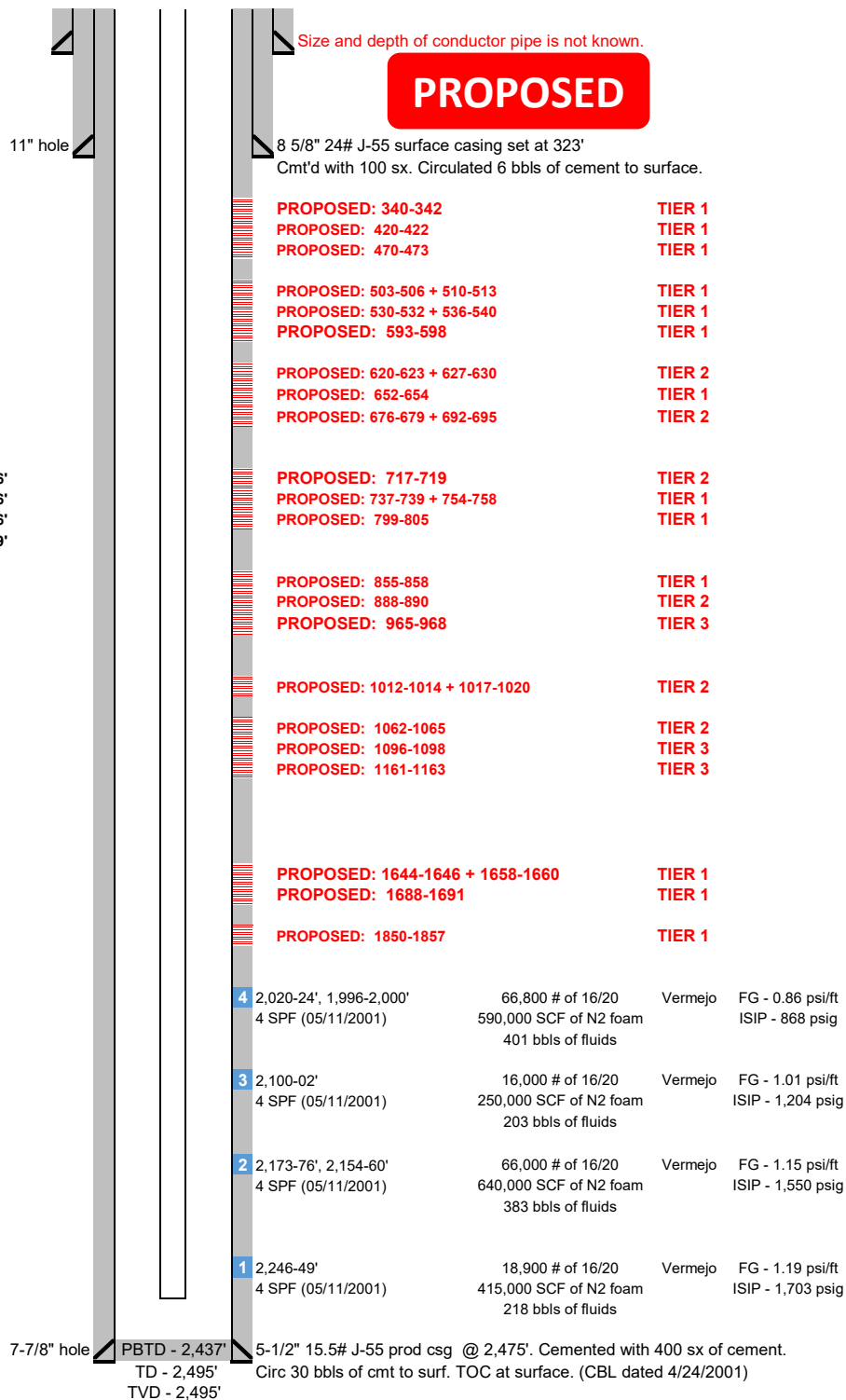
ROD AND PUMP DETAIL (2/5/2003)

1-1/4" x 16' polish rod
3/4" x 2' Pony
3/4" x 4' Pony
3/4" x 8' Pony
(93) 3/4" Rods
1-1/4" Pump

SLICKLINE AND OTHER INFORMATION:

5-1/2" 15.5# J-55 CASING SPECS

ID - 4.950"
Drift - 4.825"
Burst - 4,400 psi
Collapse - 4,040 psi



Santa Fe Main Office Phone: (505) 476-3441 General Information Phone: (505) 629-6116 Online Phone Directory Visit: https://www.emnrd.nm.gov/ocd/contact-us/	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		C-102	
			Revised July 9, 2024 Submit Electronically via OCD Permitting	
	Submittal Type:	<input type="checkbox"/> Initial Submittal	<input checked="" type="checkbox"/> Amended Report ADD A ZONE	
		<input type="checkbox"/> As Drilled		

WELL LOCATION INFORMATION

API Number 30-007-20215	Pool Code 98402	Pool Name WILDCAT RATON WC-007 G01 N301808J; Raton
Property Code 326244	Property Name VPR D	Well Number 035
OGRID No. 328741	Operator Name WAPITI OPERATING, LLC	Ground Level Elevation 8415'
Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL C	Section 16	Township 30 N	Range 18 E	Lot	Ft. from N/S 1052 FNL	Ft. from E/W 1571 FWL	Latitude 36.8390427	Longitude -105.0388794	County COLFAX
---------	---------------	------------------	---------------	-----	--------------------------	--------------------------	------------------------	---------------------------	------------------

Bottom Hole Location

UL C	Section 16	Township 30 N	Range 18 E	Lot	Ft. from N/S 1052 FNL	Ft. from E/W 1571 FWL	Latitude 36.8390427	Longitude -105.0388794	County COLFAX
---------	---------------	------------------	---------------	-----	--------------------------	--------------------------	------------------------	---------------------------	------------------

Dedicated Acres 160.00	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
----	---------	----------	-------	-----	--------------	--------------	----------	-----------	--------

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
----	---------	----------	-------	-----	--------------	--------------	----------	-----------	--------

Last Take Point (LTP)

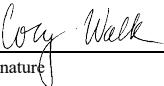
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
----	---------	----------	-------	-----	--------------	--------------	----------	-----------	--------

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input checked="" type="checkbox"/> Vertical	Ground Floor Elevation:
---	--	-------------------------

OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.


Signature Date 4-22-25
Cory Walk
Printed Name
cory@permitswest.com
Email Address

SURVEYOR CERTIFICATIONS

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.

ORIGINAL BY LEE SHIELDS #5103
DATED OCT. 6, 2000
ON FILE WITH OCD

Signature and Seal of Professional Surveyor

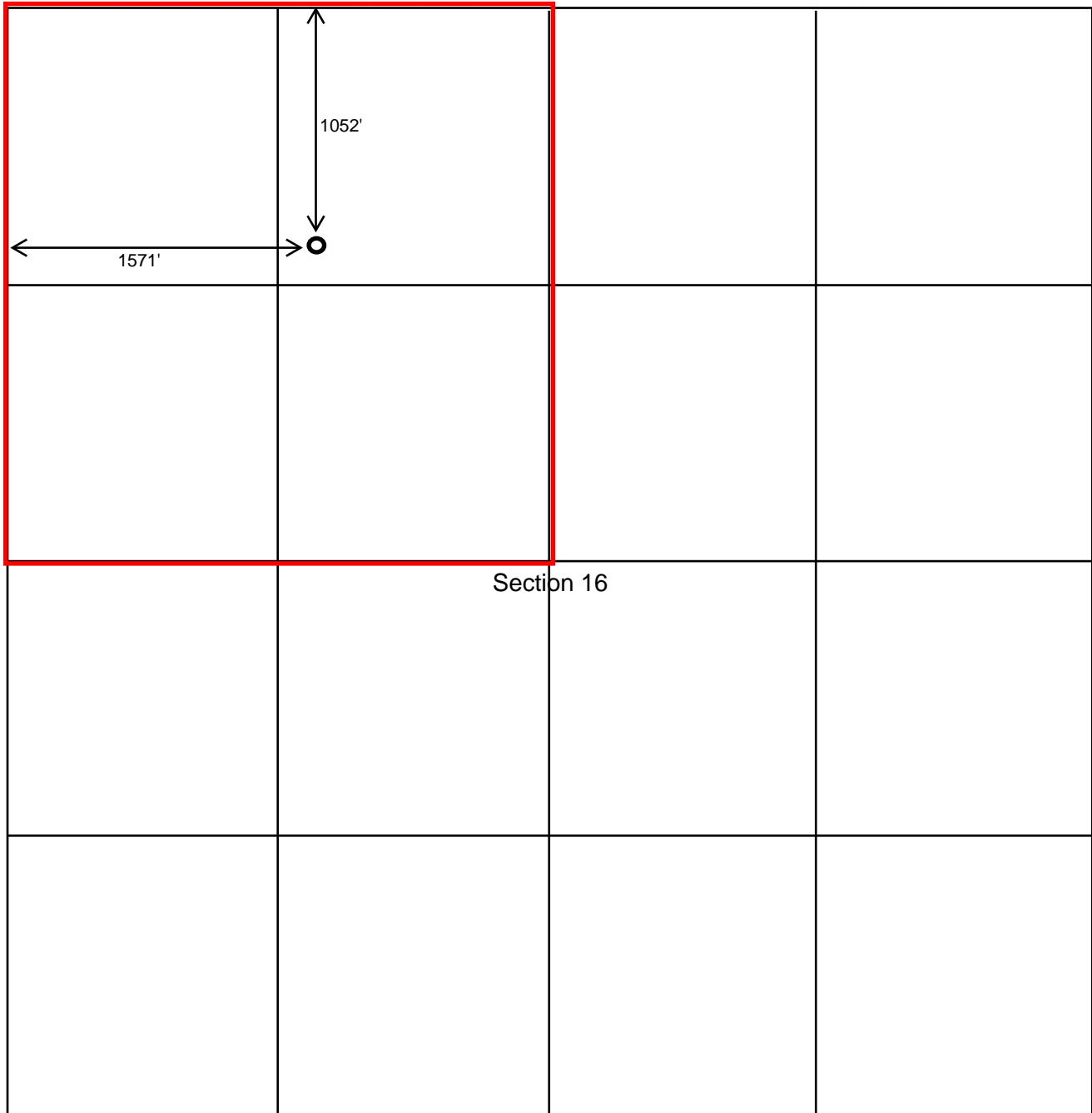
Certificate Number

Date of Survey

Note: 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.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



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: WAPITI OPERATING, LLC **OGRID:** 328741 **Date:** 04 / 22 / 25

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
VPR D 035	30-007-20215	C-16-30N-18E	1052 FNL	ZERO	200	100
			1571 FWL			

IV. Central Delivery Point Name: EXISTING PIPELINES ON SAME PAD [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
VPR D 035	30-007-20215	3-1-01	3-2-01	5-15-25	5-30-25	6-5-25

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:	Cory Walk
Title:	CONSULTANT
E-mail Address:	cory@permitswest.com
Date:	4-22-25
Phone:	505 466-8120
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

VI. SEPARATION EQUIPMENT

Gas is produced up the casing and water is produced up the tubing. Both are then piped via existing buried pipelines to one of five existing central production facilities. Wapiti has ≈ 30 MMcfd and $\approx 3,000$ bwpd spare capacity in its systems. No venting or flaring are planned.

VII. Operational Practices

NMAC 19.15.27.8 (A) Venting & Flaring of Natural Gas

1. Wapiti Operating, LLC will comply with NMAC 19.15.27.8 – venting and flaring of gas during drilling, completion, or production that constitutes waste as defined in 19.15.2 is banned.

NMAC 19.15.27.8 (B) Venting & Flaring During Drilling

1. Wapiti will capture or combust gas if technically feasible during drilling operations using best industry practices.
2. A flare stack with a 100% capacity for expected volume will be set on the pad ≥ 100 feet from the nearest well head and storage tank.
3. In an emergency, Wapiti will vent gas in order to avoid substantial impact. Wapiti will report vented or flared gas to the NMOCD.

NMAC 19.15.27.8 (C) Venting & Flaring During Completion or Recompletion

1. Facilities will be built and ready from the first day of flowback
2. Test separator will be properly separate gas and liquids. Temporary test separator will be used initially to process volumes. In addition, separator will be tied into flowback tanks which will be tied into the gas processing equipment for sale down a pipeline.
3. Should the facility not be ready to process gas, or the gas does not meet quality standards, then storage tanks will be set that are tied into gas busters or a temporary flare to manage all gas. This flare would meet the following requirements:
 - a) An appropriately sized flare stack with an automatic igniter
 - b) Wapiti analyzes gas samples twice a week
 - c) Wapiti flows the gas into a gathering line as soon as the line specifications are met
 - d) Wapiti provides the NMOCD with pipeline specifications and natural gas data.

NMAC 19.15.27.8 (D) Venting & Flaring During Production

Wapiti will not vent or flare natural gas except:

1. During an emergency or malfunction
2. To unload or clean-up liquid holdup in a well to atmospheric pressure, provided

- a) Wapiti does not vent after the well achieves a stabilized rate and pressure
- b) Wapiti will be on-site while unloading liquids by manual purging and take all reasonable actions to achieve a stabilized rate and pressure as soon as possible
- c) Wapiti will optimize the system to minimize gas venting if the well is equipped with a plunger lift or auto control system
- d) Best management practices will be used during downhole well maintenance.
- 3. During the first year of production from an exploratory well provided
 - a) Wapiti receives approval from the NMOCD
 - b) Wapiti stays in compliance with NMOCD gas capture requirements
 - c) Wapiti submits an updated C-129 form to the NMOCD
- 4. During the following activities unless prohibited
 - a) Gauging or sampling a storage tank or low-pressure production vessel
 - b) Loading out liquids from a storage tank
 - c) Repair and maintenance
 - d) Normal operation of a gas-activated pneumatic controller or pump
 - e) Normal operation of a storage tank but not including venting from a thief hatch
 - f) Normal operation of dehydration units
 - g) Normal operations of compressors, engines, turbines, valves, flanges, & connectors
 - h) During a bradenhead, packer leakage test, or production test lasting <24 hours
 - i) When natural gas does not meet the gathering line specifications
 - j) Commissioning of pipes, equipment, or facilities only for as long as necessary to purge introduced impurities.

NMAC 19.15.27.8 (E) Performance Standards

- 1. Wapiti used a safety factor to design the separation and storage equipment. The equipment will be routed to a vapor recovery system and uses a flare as back up for startup, shutdown, maintenance, or malfunction of the VRU system.
- 2. Wapiti will install a flare that will handle the full volume of vapors from the facility in case of VRU failure. It will have an auto-ignition system.
- 3. Flare stacks will be appropriately sized and designed to ensure proper combustion efficiency
 - a) Flare stacks installed or replaced will be equipped with an automatic ignitor or continuous pilot.
 - b) Previously installed flare stacks will be retrofitted within 18 months of May 25, 2021, with an automatic ignitor, continuous pilot, or technology that alerts Wapiti to flare malfunction.
 - c) Flare stacks replaced after May 25, 2021, will be equipped with an automatic ignitor or continuous pilot if at a well or facility with an average production of ≤ 60 Mcfd of natural gas.
 - d) Flare stacks will be located >100 feet from well head and storage tanks and securely anchored.

4. Wapiti will conduct an AVO inspection on all components for leaks and defects every week.
5. Wapiti will make and keep records of AVO inspections available to the NMOCD for at least 5 years.
6. Wapiti may use a remote or automated monitoring technology to detect leaks and releases in lieu of AVO inspections with prior NMOCD approval.
7. Facilities will be designed to minimize waste.
8. Wapiti will resolve emergencies as promptly as possible.

NMAC 19.15.27.8 (F) Measuring or Estimating Vented & Flared Natural Gas

1. Wapiti will have meters on both the low pressure and high-pressure sides of the flares. Volumes will be recorded in the SCADA system.
2. Wapiti will install equipment to measure the volume of flared natural gas that has an average production of ≥ 60 Mcfd.
3. Wapiti's measuring equipment will conform to industry standards.
4. Measurement system will be designed such that it cannot be bypassed except for inspections and servicing the meters.
5. Wapiti will estimate the volume of vented or flared gas using a methodology that can be independently verified if metering is not practicable due to low flow rate or pressure.
6. Wapiti will estimate the volume of vented and flared gas based on the results of an annual GOR test for wells that do not require measuring equipment reported on form C-116.
7. Wapiti will install measuring equipment whenever the NMOCD determines that metering is necessary.

VIII. Best Management Practices

Wapiti Operating, LLC will minimize venting during maintenance by:

1. System will be designed and operated to route storage tank and process equipment emissions to the VRU. If the VRU is not operable, then vapors will be routed to the flare.
2. Scheduling maintenance for multiple tasks to minimize the need for blowdowns.
3. After completion of maintenance, gas will be flared until it meets pipeline specifications.

VPR D #035

Estimated Tops

Raton Formation	0' (surface)
Vermejo Formation	1990'
Trinidad Formation	2280'

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

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

CONDITIONS

Action 454817

CONDITIONS

Operator: Wapiti Operating, LLC 1251 Lumpkin Rd Houston, TX 77043	OGRID: 328741
	Action Number: 454817
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)

CONDITIONS

Created By	Condition	Condition Date
ward.rikala	Notify OCD Inspector 24 hours prior to commencing work.	5/22/2025
ward.rikala	An log ran must be submitted to OCD via electronic log submission.	5/22/2025
ward.rikala	Submit new C-104 for adding perforations/formation.	5/22/2025
ward.rikala	Production can not be commingled prior the receiving DHC approval.	5/22/2025