

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 273683

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

1. Operator Name and Address Ridge Runner Resources Operating, LLC 1004 N. Big Spring Street Midland, TX 79701		2. OGRID Number 373013
4. Property Code 326237		3. API Number 30-015-46414
5. Property Name ESPERANZA 22 STATE COM B		6. Well No. 003H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	22	21S	27E		2317	S	450	W	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	22	21S	27E	I	2323	S	100	E	Eddy

9. Pool Information

CARLSBAD;BONE SPRING, EAST	96144
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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 3245
16. Multiple N	17. Proposed Depth 13225	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date
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	48	500	450	0
Int1	12.25	9.625	47	8100	1575	0
Prod	8.5	5.5	17	13225	1100	7900

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1500	
Double Ram	5000	3000	

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 <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: _____ Printed Name: Electronically filed by Michelle Sena Title: _____ Email Address: msena@3ROperating.com Date: 10/23/2019 Phone: 432-684-7877	OIL CONSERVATION DIVISION Approved By: Raymond Podany Title: Geologist Approved Date: 10/23/2019 Expiration Date: 10/23/2021 Conditions of Approval Attached
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GAS CAPTURE PLAN

Date: 10/23/2019

☒ Original

Operator & OGRID No.: [373013] Ridge Runner Resources Operating, LLC

☐ Amended - Reason for
Amendment: _____

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

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

Well(s)/Production Facility – Name of facility

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

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
ESPERANZA 22 STATE COM B #003H	30-015-46414	L-22-21S-27E	2317S 0450W	1500	Flared	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to DCP OPERATING COMPANY, LP and will be connected to DCP OPERATING COMPANY, LP Low Pressure gathering system located in Eddy County, New Mexico. It will require 1320' of pipeline to connect the facility to Low Pressure gathering system. Ridge Runner Resources Operating, LLC provides (periodically) to DCP OPERATING COMPANY, LP a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Ridge Runner Resources Operating, LLC and DCP OPERATING COMPANY, LP have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at DCP OPERATING COMPANY, LP Processing Plant located in Sec. 14, Twn. 21S, Rng. 27E, Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on DCP OPERATING COMPANY, LP system at that time. Based on current information, it is Ridge Runner Resources Operating, LLC's belief the system can take this gas upon completion of the well(s).

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

Alternatives to Reduce Flaring

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

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

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Form APD Comments

Permit 273683

PERMIT COMMENTS

Operator Name and Address: Ridge Runner Resources Operating, LLC [373013] 1004 N. Big Spring Street Midland, TX 79701		API Number: 30-015-46414
		Well: ESPERANZA 22 STATE COM B #003H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 273683

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: Ridge Runner Resources Operating, LLC [373013] 1004 N. Big Spring Street Midland, TX 79701		API Number: 30-015-46414
		Well: ESPERANZA 22 STATE COM B #003H
OCD Reviewer	Condition	
rpodany	Will require a directional survey with the C-104	
rpodany	Cement is required to circulate on both surface and intermediate1 strings of casing	

Minimum Radius of Curvature

Company: Ridge Runner Resources

Drillers: 0

Well: Esperanza 22 State Com B #3H

Depth Units: Feet

Location: 0

Section Azm: 89.49

RIG: 0.00

Field: 0.00°

Correction: 0.00° Grid / True?

RKB: 0

Station	Depth	Inc.	Azm.	T.V.D.	+N/-S	+E/-W	V. Sect.	DLS
TIP	8100	0.00	0.00	8100.00	0.00	0.00	0.00	TIE IN
1	8173	0.00		8173.00	0.00	0.00	0.00	0.00
2	8923	90.00	89.49	8650.46	4.25	477.45	477.46	12.00
3	13225	90.00	89.49	8650.46	42.54	4779.28	4779.46	0.00

Section View

Vertical Section

TVD

