

District I1625 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 274489

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

1. Operator Name and Address Invito Operating, LLC 7290 Virginia Parkway McKinney, TX 75071		2. OGRID Number 329337
4. Property Code 326522		3. API Number 30-005-64344
5. Property Name CARNOUSTIE		6. Well No. 005H

7. Surface Location

UL - Lot C	Section 19	Township 10S	Range 29E	Lot Idn	Feet From 100	N/S Line N	Feet From 1320	E/W Line W	County Chaves
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8. Proposed Bottom Hole Location

UL - Lot N	Section 19	Township 10S	Range 29E	Lot Idn N	Feet From 100	N/S Line S	Feet From 1320	E/W Line W	County Chaves
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9. Pool Information

RACE TRACK; SAN ANDRES, EAST	97273
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3882
16. Multiple N	17. Proposed Depth 8000	18. Formation San Andres	19. Contractor	20. Spud Date 1/13/2020
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	12.25	9.625	36	1150	1000	0
Prod	8.75	5.5	20	8000	900	650

Casing/Cement Program: Additional Comments

taper production string 7" x 5.5" tied back to surface, TVD 2,800 MD 8,000
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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	2400	Shaffer
Double Ram	3000	2400	Shaffer

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.	OIL CONSERVATION DIVISION	
Signature:		
Printed Name: Electronically filed by Keith Brents	Approved By: Raymond Podany	
Title: General Manager	Title: Geologist	
Email Address: kbrents@invitoep.com	Approved Date: 12/10/2019	Expiration Date: 12/10/2021
Date: 11/26/2019	Phone: 469-400-3248	Conditions of Approval Attached

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, 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	Pool Code	Pool Name
Property Code	Property Name CARNOUSTIE	Well Number 5H
OGRID No.	Operator Name INVITO OPERATING, LLC	Elevation 3881.5'

Surface Location


UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	10-S	29-E		100	NORTH	1320	WEST	CHAVES

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
N	19	10-S	29-E		100	SOUTH	1320	WEST	CHAVES

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>1320'</p> <p>Y=887323.8 N X=632701.2 E</p> <p>LOT 1 38.69 Ac</p>	<p>Y=887330.0 N X=635332.7 E</p>	<p>OPERATOR CERTIFICATION</p> <p><i>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></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
<p>LOT 2</p> <p>39.66 Ac</p>	<p>NAD 83 NME SURFACE LOCATION Y=887226.9 N X=634021.0 E LAT.=33.438532° N LONG.=104.029504° W</p>	<p>SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>OCTOBER 16, 2019</p> <p>Date of Survey _____</p>
<p>LOT 3</p> <p>39.67 Ac</p>	<p>NAD 83 NME PROPOSED BOTTOM HOLE LOCATION Y=882153.4 N X=634009.6 E LAT.=33.424589° N LONG.=104.029590° W</p>	<p>Signature & Seal of Professional Surveyor</p> <p></p> <p>10/29/19</p> <p>Certificate No. CHAD HARGROW 17777</p> <p>W.O. #19-1971 DRAWN BY: WN</p>
<p>LOT 4 39.68 Ac</p> <p>Y=882051.0 N X=632689.4 E</p> <p>1320'</p> <p>B.H. 100'</p>	<p>Y=882055.7 N X=635324.0 E</p>	

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GAS CAPTURE PLAN

Date: 12/10/2019

☒ Original

Operator & OGRID No.: [329337] Invito 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
CARNOUSTIE #005H	30-005-64344	C-19-10S-29E	0100N 1320W	79200	Flared	IACX Roswell, LLC (327122) not recongized as current transporter, but is the only closest gas marketer.

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 HOLLY TRANSPORTATION, LLC and will be connected to HOLLY TRANSPORTATION, LLC Low Pressure gathering system located in Chaves County, New Mexico. It will require 79200' of pipeline to connect the facility to Low Pressure gathering system. Invito Operating, LLC provides (periodically) to HOLLY TRANSPORTATION, LLC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Invito Operating, LLC and HOLLY TRANSPORTATION, LLC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at HOLLY TRANSPORTATION, LLC Processing Plant located in Sec. 19 Twn. 10S Rng. 29E, Chaves 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 HOLLY TRANSPORTATION, LLC system at that time. Based on current information, it is Invito 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 274489

PERMIT COMMENTS

Operator Name and Address: Invito Operating, LLC [329337] 7290 Virginia Parkway Mckinney, TX 75071		API Number: 30-005-64344
		Well: CARNOUSTIE #005H
Created By	Comment	Comment Date

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Form APD Conditions

Permit 274489

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:		API Number:
Invito Operating, LLC [329337]		30-005-64344
7290 Virginia Parkway		Well:
Mckinney, TX 75071		CARNOUSTIE #005H

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

Plan Editor - 5H/Lateral/Plan 12°DLS

	MD (usft)	CL (usft)	Inc (°)	Azi (°)	TVD (usft)	NS (usft)	EW (usft)	V.Sec (usft)	Dogleg (°/100ft)	T.Face (°)	Build (°/100ft)	Turn (°/100ft)	Section Type	Target
1	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Tie Line	
2	2142.54	2142.54	0.00	0.00	2142.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Slant	
3	2892.53	750.00	90.00	180.13	2620.00	-477.46	-1.07	477.46	12.00	180.13	12.00	0.00	(ditto)	
4	7488.58	4596.05	90.00	180.13	2620.00	-5073.50	-11.40	5073.51	0.00	0.00	0.00	0.00	(ditto)	Carnoustie 5H PBHL
5													Insert Line	