

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
 Revised July 18, 2013
 Permit 290878

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

1. Operator Name and Address MANZANO LLC P.O. Box 1737 Roswell, NM 88202		2. OGRID Number 231429
		3. API Number 30-025-37568
4. Property Code 301419	5. Property Name FOUR PETE SAKE	6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	11	10S	32E	H	1955	N	437	E	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	11	10S	32E	H	1955	N	437	E	Lea

9. Pool Information

MESCALERO;SAN ANDRES	45990
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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 4270
16. Multiple N	17. Proposed Depth 9050	18. Formation San Andres	19. Contractor	20. Spud Date 1/6/2021
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	13.365	48	388	400	0
Int1	11	8.625	24	3400	1450	0
Prod	7.875	5.5	15	9050	2275	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	1500	SCHAFFER

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 Michael Hanagan Title: Manager Email Address: mike@manzanoenergy.com Date: 1/4/2021 Phone: 575-623-1996	OIL CONSERVATION DIVISION	
	Approved By: 	Title:
	Approved Date: 01/08/2021	Expiration Date: 01/08/2023
	Conditions of Approval Attached	

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GAS CAPTURE PLAN

Date: 1/6/2021

Original

Operator & OGRID No.: [231429] MANZANO 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 (ne
 recomplete 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
FOUR PETE SAKE #002	30-025-37568	H-11-10S-32E	1955N 0437E	25	None	WELL IS ALREADY CONNECTED TO T

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 proc
 from production facility is dedicated to TARGA MIDSTREAM SERVICES LLC and will be connected to
TARGA MIDSTREAM SERVICES LLC High/Low Pressure gathering system located in Lea County, New Mexico. It
 require 0' of pipeline to connect the facility to High/Low Pressure gathering system. MANZANO LLC provides (periodically)
TARGA MIDSTREAM SERVICES LLC a drilling, completion and estimated first production date for wells that are scheduled to be dri
 the foreseeable future. In addition, MANZANO LLC and TARGA MIDSTREAM SERVICES LLC have periodic conference calls to c
 changes to drilling and completion schedules. Gas from these wells will be processed at TARGA MIDSTREAM SERVICES LLC Proc
 Plant located in Sec. 09, Twn. 16S, Rng. 35E, Lea 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.
 flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to produc
 facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on
TARGA MIDSTREAM SERVICES LLC system at that time. Based on current information, it is MANZANO LLC's belief the system
 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-p
 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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Energy, Minerals and Natural
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Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505**

Form APD Conditions

Permit 290878

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MANZANO LLC [231429] P.O. Box 1737 Roswell, NM 88202	API Number: 30-025-37568
	Well: FOUR PETE SAKE #002

OCD Reviewer	Condition
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Santa Fe, NM 87505**

Form APD Co

Permit

PERMIT COMMENTS

Operator Name and Address: MANZANO LLC [231429]	API Number: 30-025-37568
	Well: FOUR PETE SAKE #002

Created By	Comment	Comment Date
plmartinez	DUPLICATE WELL	1/5/2021

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-37568		² Pool Code 45990		³ Pool Name MESCALERO;SAN ANDRES	
⁴ Property Code 301419		⁵ Property Name FOUR PETE SAKE			⁶ Well Number 2
⁷ OGRID No. 231429		⁸ Operator Name MANZANO, LLC			⁹ Elevation 4270

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	11	10s	32e		1955	NORTH	437	EAST	LEA

¹¹ 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

¹² Dedicated Acres 40.0	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ Order No.
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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>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>Mike Hanagan</i> 1/4/21 Signature Date</p> <p>MIKE HANAGAN Printed Name</p> <p>mike@manzanoenergy.com E-mail Address</p>
	<p>¹⁸ 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>Date of Survey Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

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CONDITIONS

Action 13983

CONDITIONS OF APPROVAL

Operator:	MANZANO LLC	P.O. Box 1737	Roswell, NM88202	OGRID:	231429	Action Number:	13983	Action Type:	APD
OCD Reviewer				Condition					
pkautz				None					