

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

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Revised July 18, 2013

☐ AMENDED REPORT

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

¹ Operator Name and Address V-F Petroleum Inc. P. O. Box 1889 Midland TX 79702 (432) 683-3344		² OGRID Number 24010
		³ API Number 30-025-26372
⁴ Property Code 40081	⁵ Property Name Getty 1 State	⁶ Well No. 1

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
F	1	22 S	34 E		1650	N	1650	W	Lea

⁸ Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
F	1	22 S	34 E		1650	N	1650	W	Lea

⁹ Pool Information

Pool Name	Pool Code
GRAMA RIDGE; WOLFCAMP, WEST	97393

¹¹ Work Type P	¹² Well Type O	¹³ Cable/Rotary R	¹⁴ Lease Type S	¹⁵ Ground Level Elevation 3607'
¹⁶ Multiple N	¹⁷ Proposed Depth plan PBTD: 12650' TD: 13435'	¹⁸ Formation plan PBTD: Atoka TD: Morrow	¹⁹ Contractor to be determined	²⁰ Spud Date May 31, 2021
Depth to Ground water 42' in CP 00934		Distance from nearest fresh water well 0.51 mi. southwest of CP 00934		Distance to nearest surface water ≈1400' NW of drainage

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	17.5"	13.375"	48# / H-40	GL - 1019'	1200	GL (circ 300 sx)
Intermed.	12.25"	9.625"	36# / S-80 & K-55	GL - 5609'	2650	GL (circ 300 sx)
Production	8.5"	7"	26# / S-95 & N-80	GL - 11075'	1700	GL (circ 150 sx)
Liner	6"	5"	18# / N-80	10743' - 13434'	250	10743' (CBL)

Casing/Cement Program: Additional Comments

Will set CIBP @ 12700' & top with 50' cement. Perforate Wolfcamp 11237' - 11286'. If commercial production is established, will test for ≥14 days. Run BHP and acquire minimum 72-hour pressure data.

²² Proposed Blowout Prevention Program

Type	Working Pressure (psi)	Test Pressure (psi)	Manufacturer
Double ram	5000	3000	to be determined

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: *Brian Wood*

Printed name: Brian Wood

Title: Consultant

E-mail Address: brian@permitswest.com

Date: 5-18-21

Phone: 505 466-8120

OIL CONSERVATION DIVISION

Approved By:

P. Kautz

Title:

Approved Date: 06/08/2021

Expiration Date: 06/08/2023

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, NM 87505

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

X AMENDED REPORT
(plug back Morrow
& add Wolfcamp)

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-26372	² Pool Code 97393	³ Pool Name GRAMA RIDGE;WOLFCAMP, WEST
⁴ Property Code 40081	⁵ Property Name GETTY 1 STATE	
⁷ OGRID No. 24010	⁸ Operator Name V-F PETROLEUM INC.	⁶ Well Number 1
		⁹ Elevation 3607'

¹⁰ Surface Location

UL or lot no. F.	Section 1	Township 22 S	Range 34 E	Lot Idn	Feet from the 1650	North/South line NORTH	Feet from the 1650	East/West line WEST	County LEA
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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 164.91	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ 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>¹⁷ OPERATOR CERTIFICATION 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.</p> <p><i>Brian Wood</i> 5-18-21 Signature Date</p> <p>BRIAN WOOD Printed Name</p> <p>brian@permitswest.com E-mail Address</p> <p>(505) 466-8120</p>
	<p>¹⁸ 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.</p> <p>7-2-79 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Original survey by Hershel L. Jones #3640 is in OCD's well file.</p> <p>Certificate Number</p>

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PL.

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

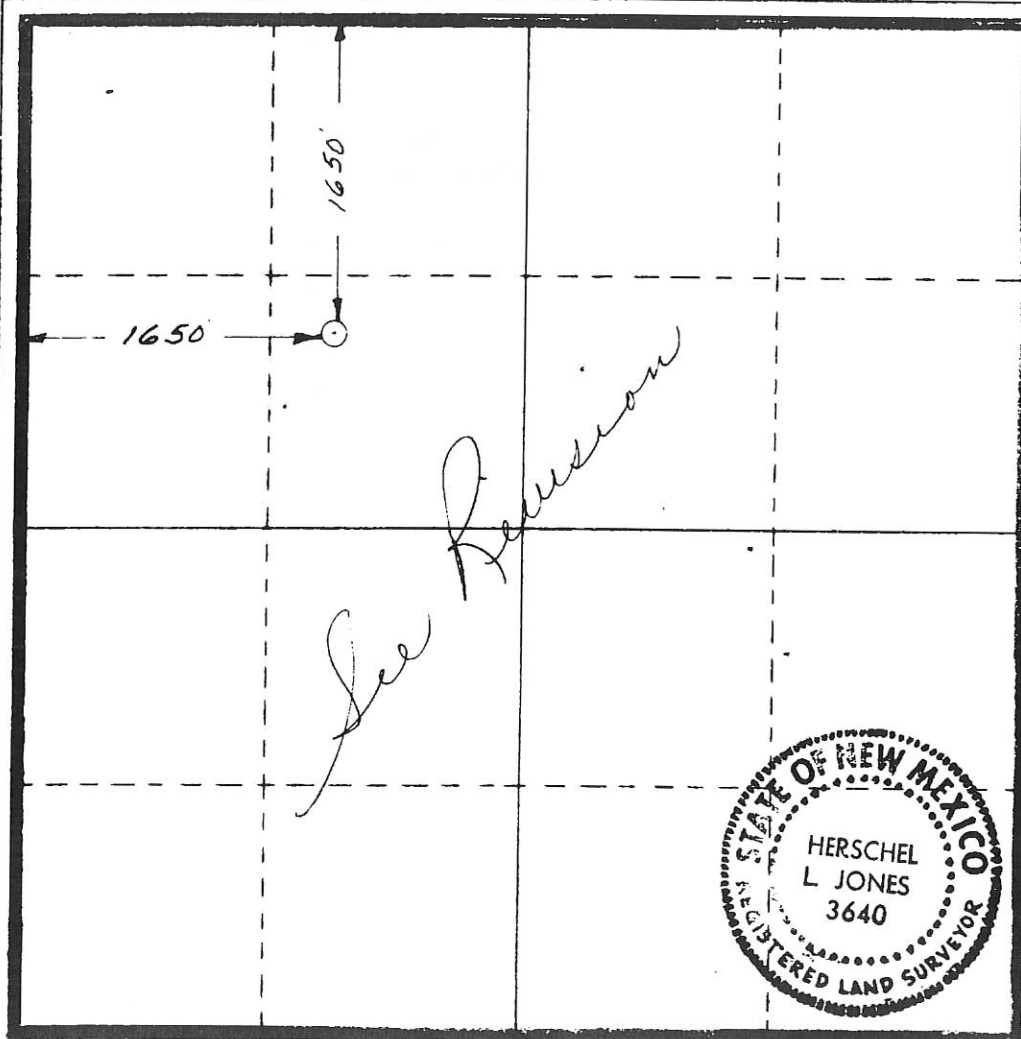
Operator GETTY OIL COMPANY		Lease <i>Getty</i> STATE <i>Com</i>		Well No. 1
Unit Letter "F"	Section 1	Township 22 South	Range 34 East	County LEA
Actual Footage Location of Well: 1650 feet from the NORTH line and 1650 feet from the WEST line				
Ground Level Elev. 3597	Producing Formation Morrow	Pool UNDESIGNATED	Dedicated Acreage: 640 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Dale R. Crockett

Name

Dale R. Crockett

Position

Area Superintendent

Company

Getty Oil Company

Date

July 6, 1979

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 knowledge and belief.

Date Surveyed

JULY 2, 1979

Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones

Certificate No.

3640

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State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
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Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 11/22/2020

☐ Original

Operator & OGRID No.: V – F Petroleum Inc. 024010

☒ Amended - Reason for Amendment: Attachment for plug back C-101 submittal. Gas sales line already in place on Location.

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	Flare or Vent	Comments
Getty 1 State 1	30-25-26372	F-1-22S-34E	1650 FNL 1650 FWL	200	Sold	Gas line in place

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 Targa Midstream Services LLC (24650) and is connected to Targa low/high pressure gathering system located in Lea County, New Mexico. It will require no new pipeline to connect the facility to low/high pressure gathering system. V – F provides (periodically) to Targa a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, V – F and Targa have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Gas Transporter Processing Plant located in Sec. 28, Twn. 21S, Rng. 37E, Lea County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

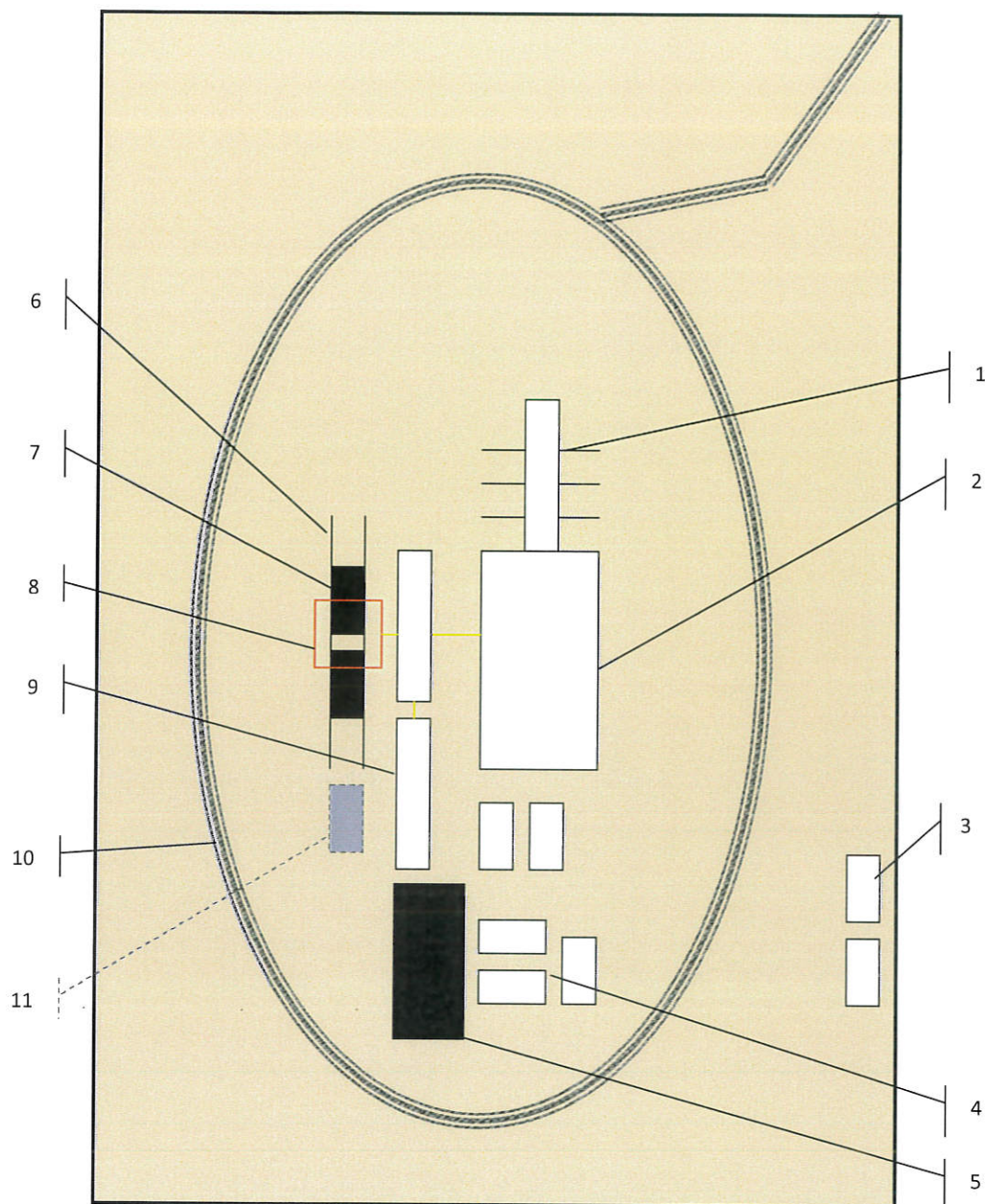
After the fracture treatment/completion operations, well(s) will be produced to flowback tanks and gas will be sold through existing gas meter. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to permanent production facilities. Gas sales will occur as soon as the wells start flowing through the flowback - production facilities, unless there are operational issues on the Targa system at that time. Based on current information, it is V – F's belief the system WILL 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



Schematic Closed Loop Drilling Rig*

1. Pipe Rack
2. Drill Rig
3. House Trailers/ Offices
4. Generator/Fuel/Storage
5. Overflow-Frac Tank
6. Skids
7. Roll Offs
8. Hopper or Centrifuge
9. Mud Tanks
10. Loop Drive
11. Generator (only for use with centrifuge)

*Not drawn to scale: Closed loop system requires at least 30 feet beyond mud tanks. Ideally 60 feet would be available

PERMITS WEST, INC.
 PROVIDING PERMITS for LAND USERS
 37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

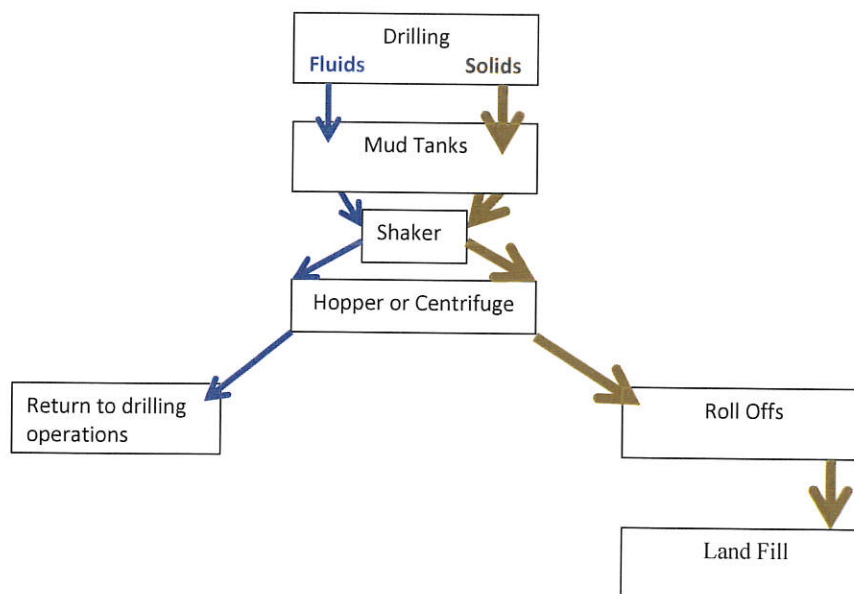


Above: Centrifugal Closed Loop System



Closed Loop Drilling System: Mud tanks to right (1)
 Hopper in air to settle out solids (2)
 Water return pipe (3)
 Shaker between hopper and mud tanks (4)
 Roll offs on skids (5)

Flow Chart for Drilling Fluids and Solids



Photos Courtesy of Gandy Corporation Oil
 Field Service

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CONDITIONS

Action 28579

CONDITIONS

Operator: V-F PETROLEUM INC P.O. Box 1889 Midland, TX 79702	OGRID: 24010
	Action Number: 28579
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)

CONDITIONS

Created By	Condition	Condition Date
pkautz	None	6/8/2021