

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 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

Form C-101
Revised July 18, 2013
☒ AMENDED REPORT
(Add 2 zones)

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

¹ Operator Name and Address North Fork Operating, LP 1000 W. Wilshire Blvd., Suite 311 Nichols Hills, OK 73116 (405) 843-8200		² OGRID Number 329399
³ Property Code 326752		⁴ API Number 30-025-27817
⁵ Property Name Hale State		⁶ Well No. 5

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
G	2	25 S	37 E		1650	N	2150	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
G	2	25 S	37 E		1650	N	2150	E	Lea

⁹ Pool Information

¹⁰ Pool Name Justis; Glorieta & Langlie Mattix; 7 Rvrs-Q-Grayburg	¹¹ Pool Code 79360 & 37240
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¹² Work Type A & P	¹³ Well Type O	¹⁴ Cable/Rotary R	¹⁵ Lease Type S	¹⁶ Ground Level Elevation 3162'
¹⁷ Multiple Y	¹⁸ Proposed Depth 5000' PBD	¹⁹ Formation Paddock	²⁰ Contractor to be determined	²¹ Spud Date 5-1-21
Depth to Ground water 73' in CP 00886 POD1	Distance from nearest fresh water well 0.43 mile S of CP 00886 POD1	Distance to nearest surface water ≈350' SW of drainage		

A closed-loop system will be used in lieu of lined pits.

²² 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"	62	GL - 265'	350	GL (circ 23 sx)
Intermediate	12.25"	8.625"	24 & 32	GL - 3449'	825	GL (circ 25 sx)
Production	7.875"	5.5"	15.5 & 17	GL - 7880'	1000	2800' (temp.)

Casing/Cement Program: Additional Comments

Plug back existing Drinkard perforations (5944'-6163'). Set a CIBP & 35' cement @ 5000'. New perforations will be added in the Paddock (4807' - 4870') and Queen/Penrose (3125' - 3307'). The new perforations will be stimulated as recommended by engineers. Will test zones separately to acquire data for possible DHC application.

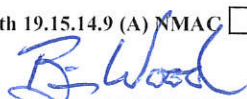
²³ Proposed Blowout Prevention Program

Type	Working Pressure (psi)	Test Pressure (psi)	Manufacturer
double ram 5000# manual	5000	5000	Vista

²⁴ 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:



Printed name: Brian Wood

Title: Consultant

E-mail Address: brian@permitswest.com

Date: 4-23-2021

Phone: 505 466-8120

OIL CONSERVATION DIVISION

Approved By:

KURT SIMMONS

Title: NMOC, SANTA FE

Approved Date: 04/28/2021

Expiration Date: 04/28/2023

Conditions of Approval Attached

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OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

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

X AMENDED REPORT
(plug back & add
37240)

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-27817	² Pool Code 37240	³ Pool Name LANGLIE MATTIX; 7 RVRS-Q-GRAYBURG
⁴ Property Code 322828	⁵ Property Name HALE STATE	
⁷ OGRID No. 326752	⁸ Operator Name NORTH FORK OPERATING, LP	⁶ Well Number 5
		⁹ Elevation 3162'

¹⁰ Surface Location

UL or lot no. G	Section 2	Township 25 S	Range 37 E	Lot Idn	Feet from the 1650	North/South line NORTH	Feet from the 2150	East/West line EAST	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 40	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.

	¹⁷ OPERATOR CERTIFICATION <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> 4-15-21 Signature _____ Date _____ BRIAN WOOD Printed Name _____ brian@permitswest.com E-mail Address _____ (505) 466-8120
	¹⁸ SURVEYOR CERTIFICATION <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> 1-11-82 Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Original survey by John W. West #676 is attached. Certificate Number _____

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Revised August 1, 2011
Submit one copy to appropriate
District Office

X AMENDED REPORT
(plug back & add
79360)

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-27817	² Pool Code 79360	³ Pool Name JUSTIS; GLORIETA (PRO GAS)
⁴ Property Code 322828	⁵ Property Name HALE STATE	
⁷ OGRID No. 326752	⁸ Operator Name NORTH FORK OPERATING, LP	⁶ Well Number 5
		⁹ Elevation 3162'

¹⁰ Surface Location

UL or lot no. G	Section 2	Township 25 S	Range 37 E	Lot Idn	Feet from the 1650	North/South line NORTH	Feet from the 2150	East/West line EAST	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 320.56	¹³ Joint or Infill	¹⁴ Consolidation Code C	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</p> <p>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>[Signature]</i> Signature BRIAN WOOD Date 4-15-21</p> <p>Printed Name brian@permitswest.com</p> <p>E-mail Address (505) 466-8120</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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>1-11-82 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Original survey by John W. West #676 is attached.</p> <p>Certificate Number</p>

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Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 4/15/2021

X Original Operator & OGRID No.: North Fork Operating, LP (329399)

☐ 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: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule 19.15.18.12.A

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	API	SHL (ULSTR)	SHL Footages	Expected MCF/D	Flared or Vented	Comments
Hale State 5	30-025-27817	G-2-24S-37E	1650 FNL & 2150 FEL	50	30 days	Time depends on well clean up

Gathering System and Pipeline Notification

Well will be connected to a production facility after flowback operations are completed. Gas from the pad will be piped west 100' to an existing Energy Transfer Partners, LP (267255) line in SWNE 2-25s-37e. North Fork Operating, LP will provide (periodically) to its Gas Transporter a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, North Fork Operating, LP and its Gas Transporter have periodic conference calls to discuss changes to drilling and completion schedules. Gas from the well will be processed at an Energy Transfer Partners, LP Processing Plant located in 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 will be produced to permanent 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 well will be turned to production facilities. Gas sales should start as soon as the well starts flowing through the production facilities, unless there are operational issues on its Gas Transporter system at that time. Based on current information, it is North Fork Operating, LP's belief an existing or new system can take this gas upon completion of the well. Safety requirements during cleanout operations from using 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

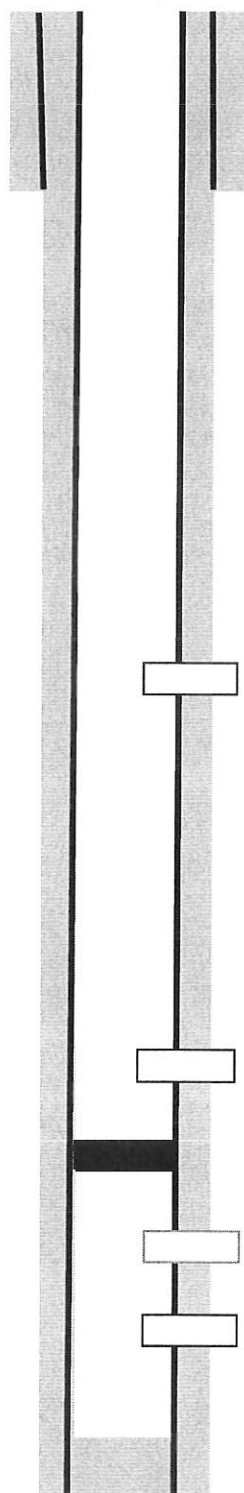
Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- 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



WELL BORE DIAGRAM

Hale State #005 API# Date: 4/22/21
 Well Spudded 5/22/1982 - Completed 7/21/1982 30-025-26817



8 5/8" 24 & 32# @ 3450'
 850 sx

Formation	Top
Yates	2431
7Rvrs	2633
Queen	3098
Penrose	3206
Grayburg	3397
San Andres	3620
Glorieta	4688
Paddock	4782

Proposed perforations: 3,125' - 3,307'

Proposed perforations: 4,807' - 4,870'

CIBP @ 5000' + 35' of cement

Perforations, Blinebry 5099-5758'
 Frac w/ 30,000 gals fluid and 53,000# sand -

Perforations, Drinkard 5944-6163'
 Frac w/ 30,000 gals fluid and 53,000# sand -

Plug Back Depth 6800'



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 25416

CONDITIONS

Operator: V-F PETROLEUM INC P.O. Box 1889 Midland, TX 79702	OGRID: 24010
	Action Number: 25416
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)

CONDITIONS

Created By	Condition	Condition Date
pkautz	Must apply for DHC prior to producing the well commingled.	7/6/2021