

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 298792

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

| | | |
|---|---|-------------------------------|
| 1. Operator Name and Address Redwood Operating LLC PO Box 1370 Artesia, NM 882111370 | | 2. OGRID Number 330211 |
| | | 3. API Number 30-015-48888 |
| 4. Property Code 331344 | 5. Property Name CHOATE DAVIS 13 STATE SWD | 6. Well No. 003 |

7. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|----------------|
| UL - Lot D | Section 13 | Township 18S | Range 27E | Lot Idn D | Feet From 660 | N/S Line N | Feet From 600 | E/W Line W | County Eddy |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|----------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|----------------|
| UL - Lot D | Section 13 | Township 18S | Range 27E | Lot Idn D | Feet From 660 | N/S Line N | Feet From 600 | E/W Line W | County Eddy |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|----------------|

9. Pool Information

| | |
|------------------|-------|
| SWD:CISCO-CANYON | 96186 |
|------------------|-------|

Additional Well Information

| | | | | |
|---------------------------|----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3556 |
| 16. Multiple N | 17. Proposed Depth 8800 | 18. Formation Canyon | 19. Contractor | 20. Spud Date 11/1/2021 |
| 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 | 13.375 | 48 | 300 | 350 | 0 |
| Int1 | 12.25 | 9.625 | 36 | 2800 | 350 | 0 |
| Int2 | 8.75 | 7 | 26 | 7650 | 775 | 0 |
| Prod | 6.125 | 4.5 | 11.6 | 8800 | 100 | 7450 |

Casing/Cement Program: Additional Comments

Redwood Operating LLC proposed to drill 17 1/2" hole to 300', run 13 3/8" csg/cmt. Drill 12 1/4" hole to 2800', run 9 5/8" csg/cmt. Drill 8 3/4" hole to 8800', run 7" csg/cmt. Drill 6 1/8" hole to 8,800', run 4 1/2" from 7450' to 8800' csg/cmt. Put well on production.

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 3000 | 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 ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable.

Signature:

Printed Name: Electronically filed by Jerry Sherrell

Title: Regulatory Supervisor

Email Address: jerrys@mec.com

Date: 7/27/2021

Phone: 575-748-1288

OIL CONSERVATION DIVISION

Approved By: Dean McClure

Title: Petroleum Specialist - A

Approved Date: 11/18/2021

Expiration Date: 11/18/2023

Conditions of Approval Attached

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 & 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 30-015-48888 | ² Pool Code 96186 | ³ Pool Name SWD;Cisco-Canyon |
| ⁴ Property Code 331344 | ⁵ Property Name CHOATE DAVIS 13 STATE SWD | ⁶ Well Number 3 |
| ⁷ OGRID No. 330211 | ⁸ Operator Name REDWOOD OPERATING, LLC. | ⁹ Elevation 3556.7 |

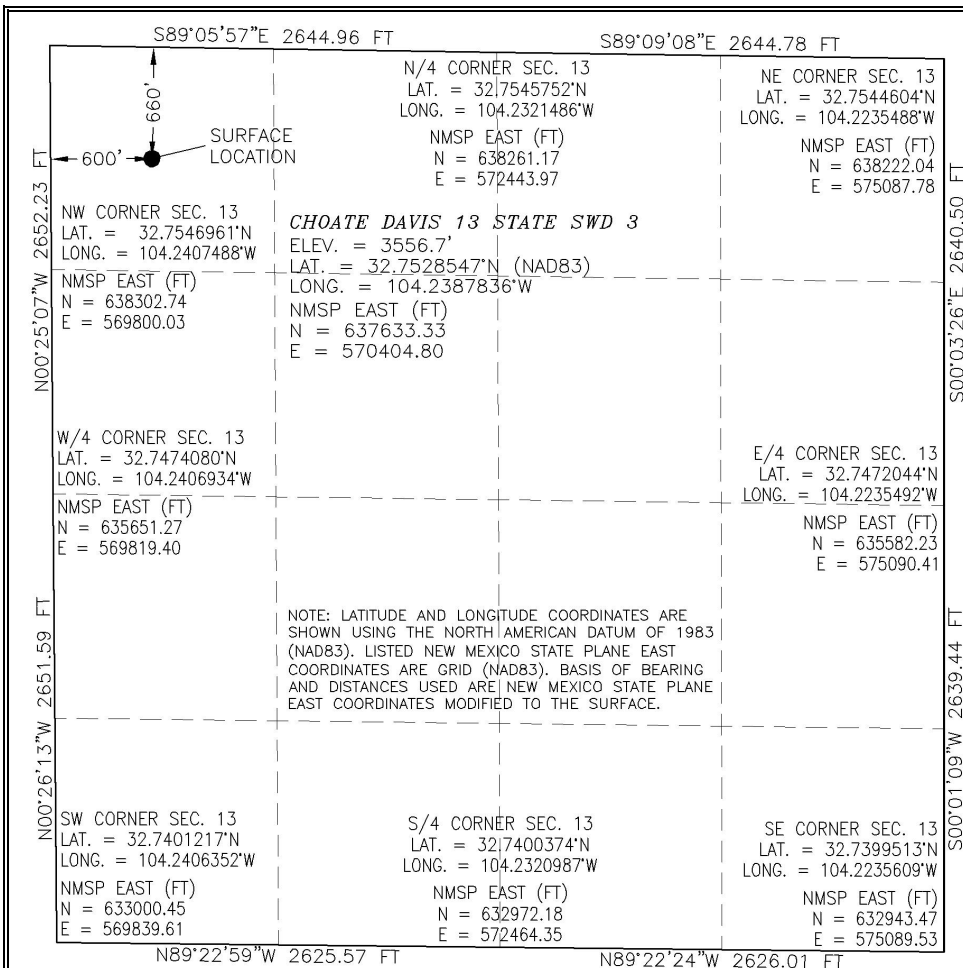
¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|-------------|
| D | 13 | 18 S | 27 E | | 660 | NORTH | 600 | WEST | EDDY |

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 |
|--|-------------------------------|----------------------------------|-------------------------|---------|---------------|------------------|---------------|----------------|-------------|
| D | 13 | 18 S | 27 E | | 660 | NORTH | 600 | WEST | EDDY |
| 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 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.

Delilah Flores 7/27/2021

Signature Date

Delilah Flores

Printed Name

regulatory@redwoodoperating.com

E-mail Address

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.

JANUARY 12, 2020

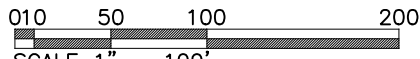
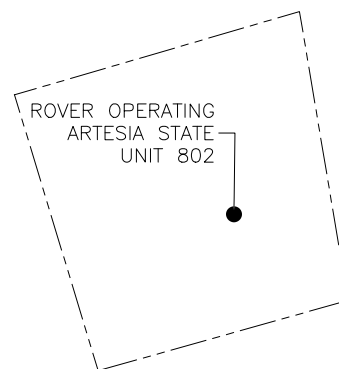
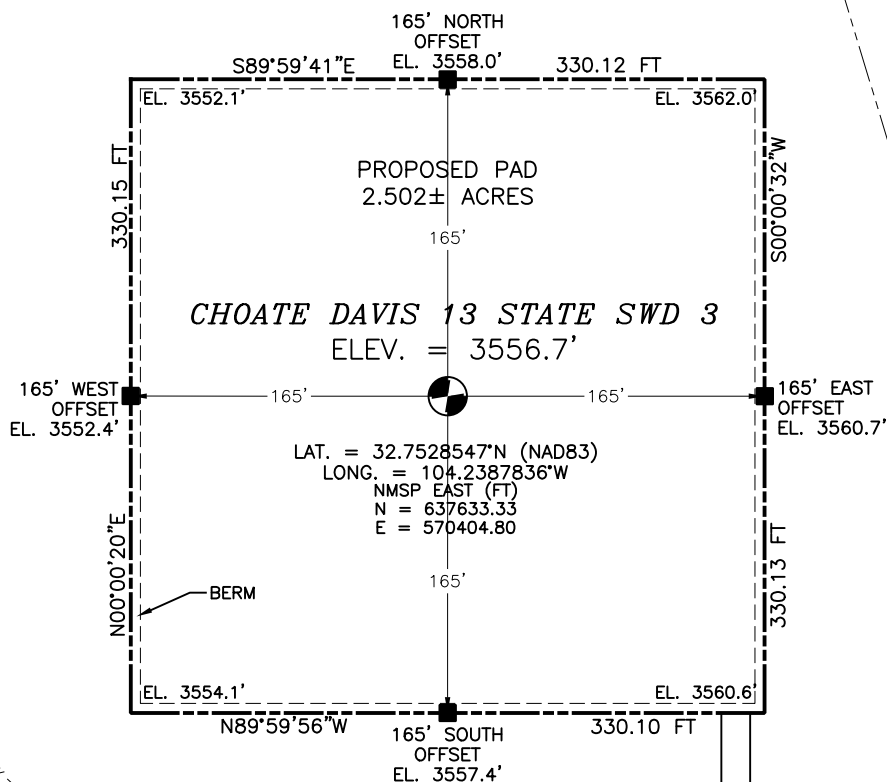
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number: 12797

Surveyor No. 6576A

NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE.



FROM CR. 206 (ILLINOIS CAMP) & CR. 234 (OIL CENTER) GO NORTH ON CR. 206 0.7 MILE, TURN LEFT ON GULCHIE ROAD AND GO WEST 2.1 MILES, TURN RIGHT AND GO NORTH 0.75 MILE, TURN RIGHT AND GO NORTHEAST 0.24 MILE TO A ROAD SURVEY AND FOLLOW FLAGS NORTH 228' TO THE SOUTHEAST CORNER FOR THIS LOCATION.

I, FILIMON F. JARAMILLO, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THIS SURVEY DOES MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

REDWOOD OPERATING, LLC.
CHOATE DAVIS 13 STATE SWD 3
 LOCATED 660 FT. FROM THE NORTH LINE
 AND 600 FT. FROM THE WEST LINE OF
 SECTION 13, TOWNSHIP 18 SOUTH,
 RANGE 27 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

JANUARY 12, 2021

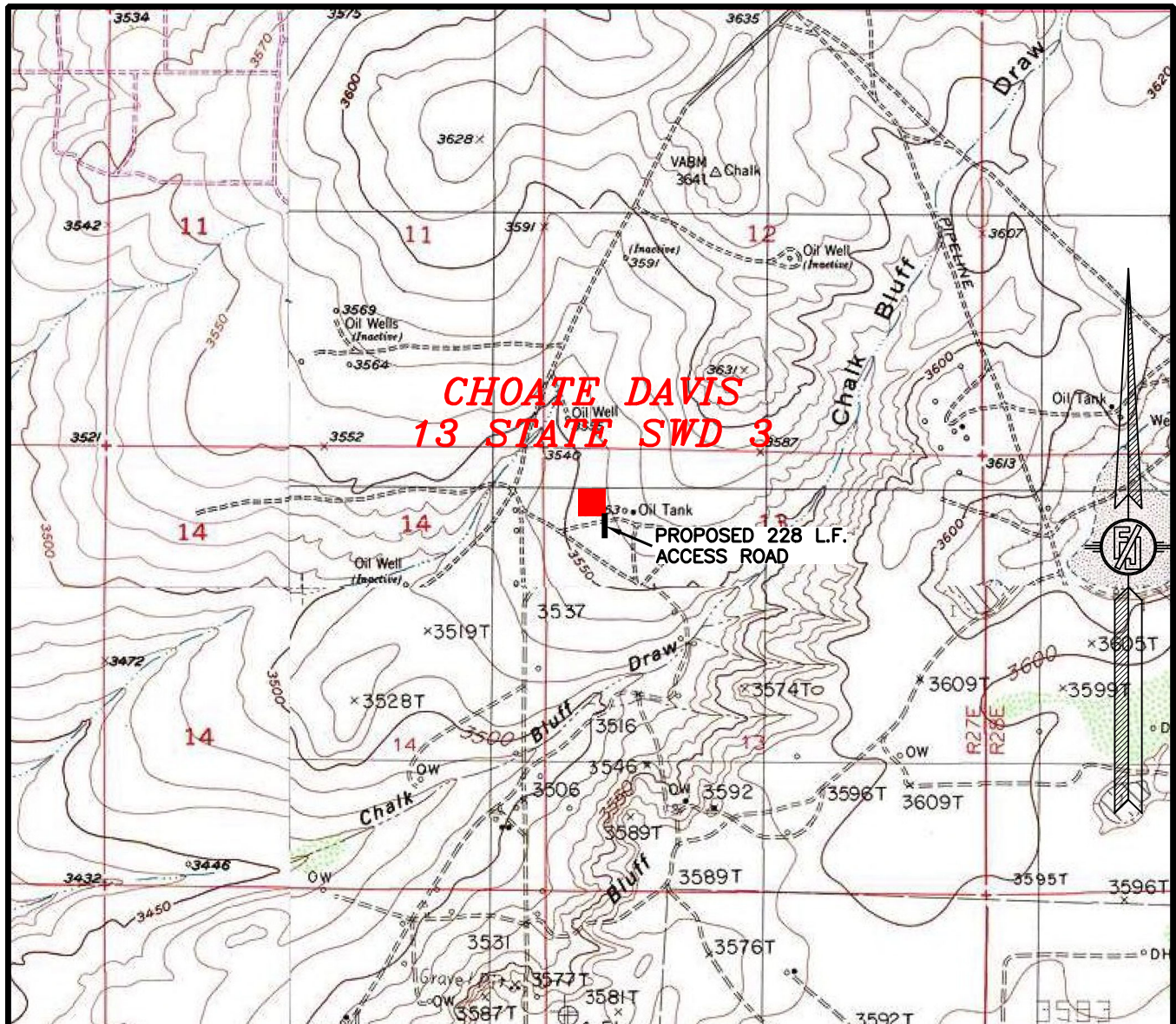
SURVEY NO. 6576A

MADRON SURVEYING, INC.

301 SOUTH CANAL
(575) 234-3341

CARLSBAD, NEW MEXICO

SECTION 13, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO
 LOCATION VERIFICATION MAP



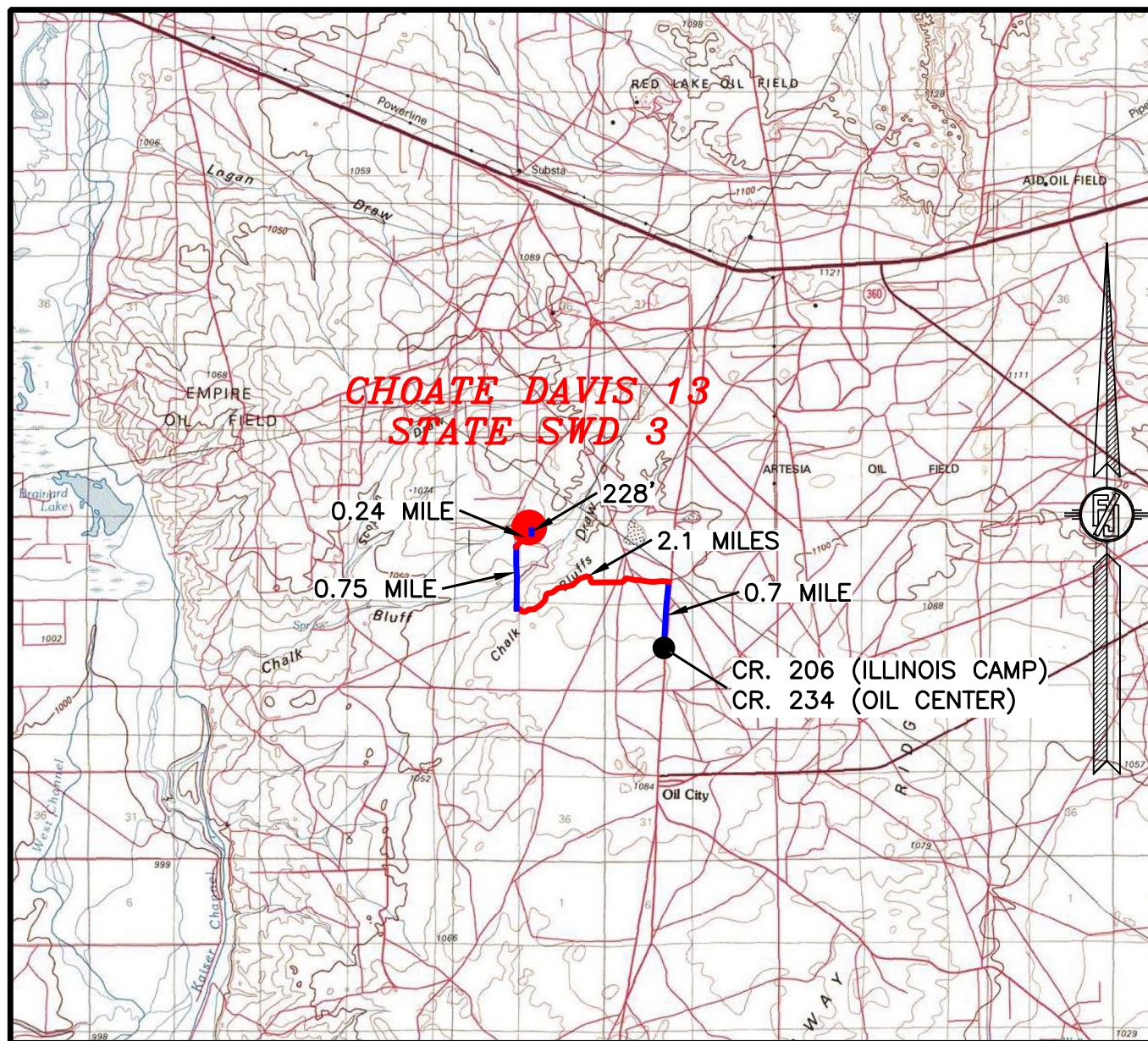
REDWOOD OPERATING, LLC.
CHOATE DAVIS 13 STATE SWD 3
 LOCATED 660 FT. FROM THE NORTH LINE
 AND 600 FT. FROM THE WEST LINE OF
 SECTION 13, TOWNSHIP 18 SOUTH,
 RANGE 27 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

JANUARY 12, 2021

MADRON SURVEYING, INC. 301 SOUTH CANAL
 (575) 234-3341

SURVEY NO. 6576A
 CARLSBAD, NEW MEXICO

SECTION 13, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO
 VICINITY MAP



DISTANCES IN MILES

NOT TO SCALE

DIRECTIONS TO LOCATION

FROM CR. 206 (ILLINOIS CAMP) & CR. 234 (OIL CENTER) GO NORTH ON CR. 206 0.7 MILE, TURN LEFT ON CALICHE ROAD AND GO WEST 2.1 MILES, TURN RIGHT AND GO NORTH 0.75 MILE, TURN RIGHT AND GO NORTHEAST 0.24 MILE TO A ROAD SURVEY AND FOLLOW FLAGS NORTH 228' TO THE SOUTHEAST PAD CORNER FOR THIS LOCATION.

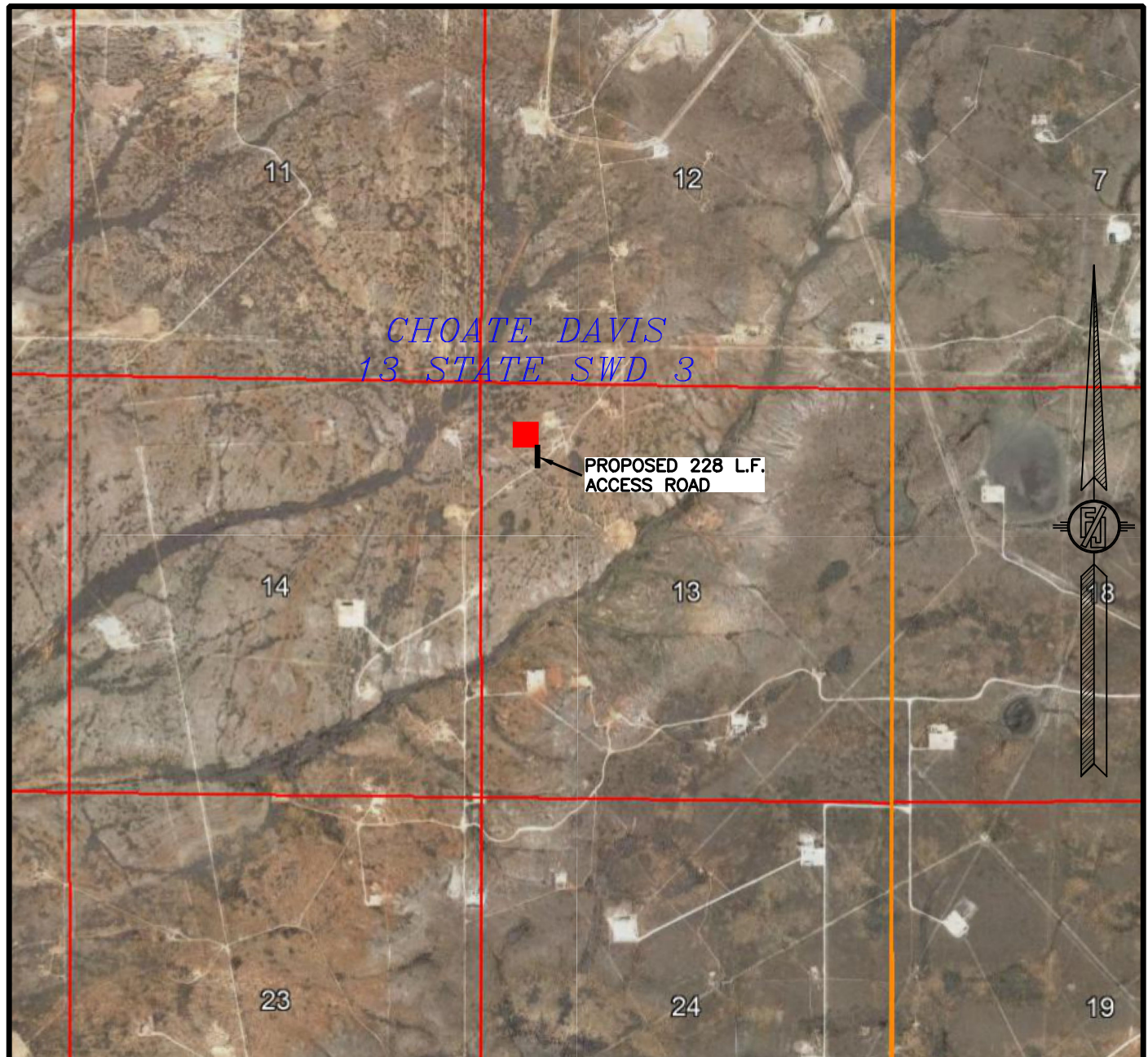
REDWOOD OPERATING, LLC.
CHOATE DAVIS 13 STATE SWD 3
 LOCATED 660 FT. FROM THE NORTH LINE
 AND 600 FT. FROM THE WEST LINE OF
 SECTION 13, TOWNSHIP 18 SOUTH,
 RANGE 27 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

JANUARY 12, 2021

MADRON SURVEYING, INC.

301 SOUTH CANAL
(575) 234-3341SURVEY NO. 6576A
CARLSBAD, NEW MEXICO

SECTION 13, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO
 AERIAL PHOTO



NOT TO SCALE
 AERIAL PHOTO:
 GOOGLE EARTH
 MAR. 2016

REDWOOD OPERATING, LLC.
CHOATE DAVIS 13 STATE SWD 3
 LOCATED 660 FT. FROM THE NORTH LINE
 AND 600 FT. FROM THE WEST LINE OF
 SECTION 13, TOWNSHIP 18 SOUTH,
 RANGE 27 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

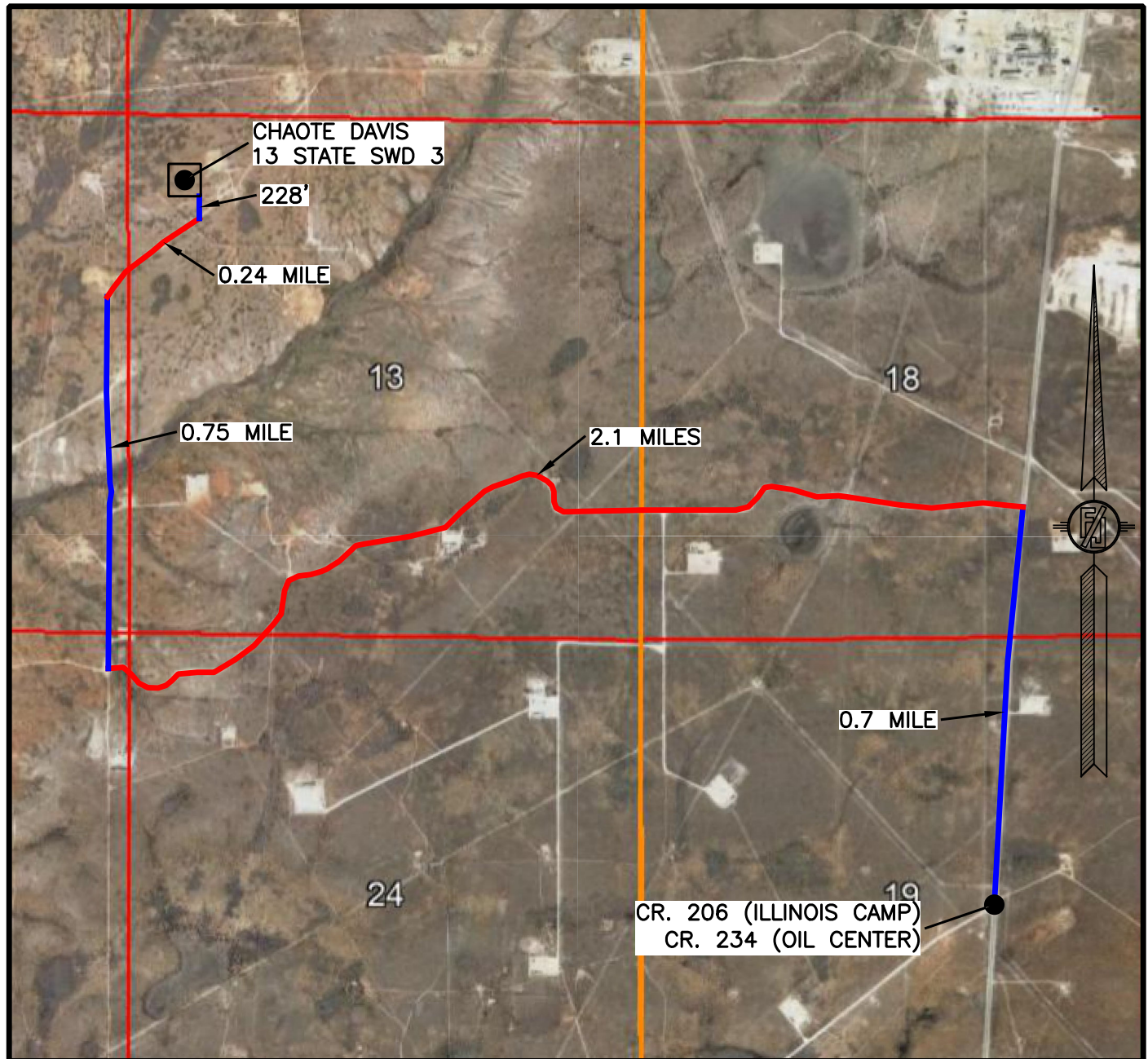
JANUARY 12, 2021

SURVEY NO. 6576A

MADRON SURVEYING, INC. 301 SOUTH CANAL
 (575) 234-3341

CARLSBAD, NEW MEXICO

SECTION 13, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO
 AERIAL ACCESS ROUTE MAP



NOT TO SCALE
 AERIAL PHOTO:
 GOOGLE EARTH
 MAR. 2016

REDWOOD OPERATING, LLC.
CHOATE DAVIS 13 STATE SWD 3
 LOCATED 660 FT. FROM THE NORTH LINE
 AND 600 FT. FROM THE WEST LINE OF
 SECTION 13, TOWNSHIP 18 SOUTH,
 RANGE 27 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

JANUARY 12, 2021

MADRON SURVEYING, INC.

301 SOUTH CANAL
 (575) 234-3341

SURVEY NO. 6576A
 CARLSBAD, NEW MEXICO

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 APD Conditions

Permit 298792

PERMIT CONDITIONS OF APPROVAL

| | |
|--|---|
| Operator Name and Address: Redwood Operating LLC [330211] PO Box 1370 Artesia, NM 882111370 | API Number: 30-015-48888 |
| | Well: CHOATE DAVIS 13 STATE SWD #003 |

| OCD Reviewer | Condition |
|--------------|--|
| ksimmons | Notify OCD 24 hours prior to casing & cement |
| ksimmons | Will require a File As Drilled C-102 and a Directional Survey with the C-104 |
| ksimmons | The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud |
| ksimmons | Notify in writing all operators with wells in same quarter/quarter section before commencing drilling and completing operations. |
| dmcclure | Operator shall follow all stipulations of UIC Permit SWD-1857 |

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description **Effective May 25, 2021**

I. Operator: Redwood Operating LLC **OGRID:** 330211 **Date:** 07 / 27 / 2021

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name | API | ULSTR | Footages | Anticipated Oil BBL/D | Anticipated Gas MCF/D | Anticipated Produced Water BBL/D |
|-----------------------------|-----|-------------------|-----------------|-----------------------|-----------------------|----------------------------------|
| Choate Davis 13 State SWD 3 | | Sec. 13 T18S R27E | 660 FNL 600 FWL | 100 | 100 | 1,000 |
| | | | | | | |

IV. Central Delivery Point Name: DCP Midstream Linam Ranch Processing Plant/ Durango Midstream [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name | API | Spud Date | TD Reached Date | Completion Commencement Date | Initial Flow Back Date | First Production Date |
|-----------------------------|-----|-----------|-----------------|------------------------------|------------------------|-----------------------|
| Choate Davis 13 State SWD 3 | | 11/1/2021 | 12/1/2021 | 1/1/2022 | 1/1/2022 | 1/15/2022 |
| | | | | | | |

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☐ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

| Well | API | Anticipated Average Natural Gas Rate MCF/D | Anticipated Volume of Natural Gas for the First Year MCF |
|------|-----|--|--|
| | | | |
| | | | |

X. Natural Gas Gathering System (NGGS):

| Operator | System | ULSTR of Tie-in | Anticipated Gathering Start Date | Available Maximum Daily Capacity of System Segment Tie-in |
|----------|--------|-----------------|----------------------------------|---|
| | | | | |
| | | | | |

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

| |
|--|
| Signature: <i>Delilah Flores</i> |
| Printed Name: Delilah Flores |
| Title: Regulatory Technician I |
| E-mail Address: regulatory@redwoodoperating.com |
| Date: |
| Phone: 575-748-1288 |
| OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form) |
| Approved By: |
| Title: |
| Approval Date: |
| Conditions of Approval: |

VI. Separation Equipment:

Redwood Operating LLC production facilities include separation equipment designed to efficiently separate gas from liquid phases to optimize gas capture based on projected and estimated volumes from the targeted pool of our completion project. Redwood Operating LLC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the completion to optimize gas capture and send gas to sales or flare based on analytical composition. Redwood Operating LLC operates facilities that are typically multi-well facilities. Production separation equipment is upgraded prior to new wells being completed, if determined to be undersized or inadequate. This equipment is already on-site and tied into our sales gas lines prior to the new drill operations.

VII. Operational Practices:

1. Subsection (A) Venting and Flaring of Natural Gas. Redwood Operating LLC understands the requirements of NMAC 19.15.27.8 which outlines that the venting and flaring of natural gas during drilling, completion or production operations that constitutes waste as defined in 19.15.2 are prohibited.
2. Subsection (B) Venting and Flaring during drilling operations. This gas capture plan isn't for a well being drilled.
3. Subsection (C) Venting and flaring during completion or recompletion. Flowlines will be routed for flowback fluids into a completion or storage tank and if feasible under well conditions, flare rather than vent and commence operation of a separator as soon as it is technically feasible for a separator to function.
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
4. Subsection (D) Venting and flaring during production operations
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
 - Monitor manual liquid unloading for wells on-site or in close proximity (<30 minutes' drive time), take reasonable actions to achieve a stabilized rate and pressure at the earliest practical time, and take reasonable actions to minimize venting to the maximum extent practicable.
 - Redwood Operating LLC will not vent or flare except during the approved activities listed in NMAC 19.15.27.8 (D) 14.
5. Subsection (E) Performance standards
 - All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.
 - If a flare is utilized during production operations it will have a continuous pilot and is located more than 100 feet from any known well or storage tanks.
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.

6. Subsection (F) Measurement or estimation of vented and flared natural gas
 - Measurement equipment is installed to measure the volume of natural gas flared from process piping.
 - When measurement isn't practicable, estimation of vented and flared natural gas will be completed as noted in 19.15.27.8 (F) 5-6.

VIII. Best Management Practices:

1. Redwood Operating LLC has adequate storage and takeaway capacity for wells it chooses to complete as the flowlines at the sites are already in place and tied into a gathering system.
2. Redwood Operating LLC will flare rather than vent vessel blowdown gas when technically feasible during active and/or planned maintenance to equipment on-site.
3. Redwood Operating LLC combusts natural gas that would otherwise be vented or flared, when technically feasible.
4. Redwood Operating LLC will shut in wells in the event of a takeaway disruption, emergency situation, or other operations where venting or flaring may occur due to equipment failures.