

Well Name: CARRACAS 32B	Well Location: T32N / R4W / SEC 32 / SWNW / 36.94604 / -107.28454	County or Parish/State: RIO ARRIBA / NM
Well Number: 7	Type of Well: OTHER	Allottee or Tribe Name:
Lease Number: NMNM28277	Unit or CA Name:	Unit or CA Number:
US Well Number: 300393052800S1	Well Status: Producing Gas Well	Operator: MORNINGSTAR PARTNERS LP

Notice of Intent

Sundry ID: 2654686

Type of Submission: Notice of Intent	Type of Action: Other
Date Sundry Submitted: 01/28/2022	Time Sundry Submitted: 01:55
Date proposed operation will begin: 05/10/2022	

Procedure Description: MorningStar requests approval to drill a horizontal sidetrack off of the Carracas 32B7. The proposed lateral will be within the current lease. Attached are the Proposed Procedure, OCD Form C-102 Plat, WBD, Well Path Plan, Directional Plan, and Anti-Collision Report.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

- Anti_Collision_Rpt_Carracas_32B_7_20220128135439.pdf
- Directional_Plan_Carracas_32B_7_20220128135428.pdf
- Proposed_Well_Path_Rpt_Carracas_32B_7_20220128135415.pdf
- Carracas_32_B_7_WBD_Proposed_Sidetrack_011922_20220128135402.pdf
- CARRACAS_32B_7ST_C102_Plat_20220128135350.pdf
- Carracas_32_B_7_Proposed_Procedure_20220128135336.pdf

Well Name: CARRACAS 32B	Well Location: T32N / R4W / SEC 32 / SWNW / 36.94604 / -107.28454	County or Parish/State: RIO ARRIBA / NM
Well Number: 7	Type of Well: OTHER	Allottee or Tribe Name:
Lease Number: NMNM28277	Unit or CA Name:	Unit or CA Number:
US Well Number: 300393052800S1	Well Status: Producing Gas Well	Operator: MORNINGSTAR PARTNERS LP

Operator Certification

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: CONNIE BLAYLOCK	Signed on: JAN 28, 2022 01:54 PM
Name: MORNINGSTAR PARTNERS LP	
Title: Regulatory Technician	
Street Address: 400 W 7th St.	
City: Forth Worth	State: TX
Phone: (817) 334-7882	
Email address: CBLAYLOCK@MSPARTNERS.COM	

Field Representative

Representative Name: Amy Byars		
Street Address:		
City:	State:	Zip:
Phone:		
Email address: abyars@mspartners.com		

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK	BLM POC Title: Petroleum Engineer
BLM POC Phone: 5055647742	BLM POC Email Address: krennick@blm.gov
Disposition: Approved	Disposition Date: 01/31/2022
Signature: Kenneth Rennick	

DISTRICT I

1625 N. French Dr., Hobbs, N.M. 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II

811 S. First St., Artesia, N.M. 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III

1000 Rio Brazos Rd., Aztec, N.M. 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

Form C-102
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-30528	² Pool Code 71629	³ Pool Name BASIN FRIUTLAND COAL
⁴ Property Code 329037	⁵ Property Name CARRACAS 32B	⁶ Well Number 7-1ST
⁷ OGRID No. 330132	⁸ Operator Name MORNINGSTAR OPERATING LLC	⁹ Elevation 7197'

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
E	32	32N	4W		1629'	NORTH	727'	WEST	RIO ARriba

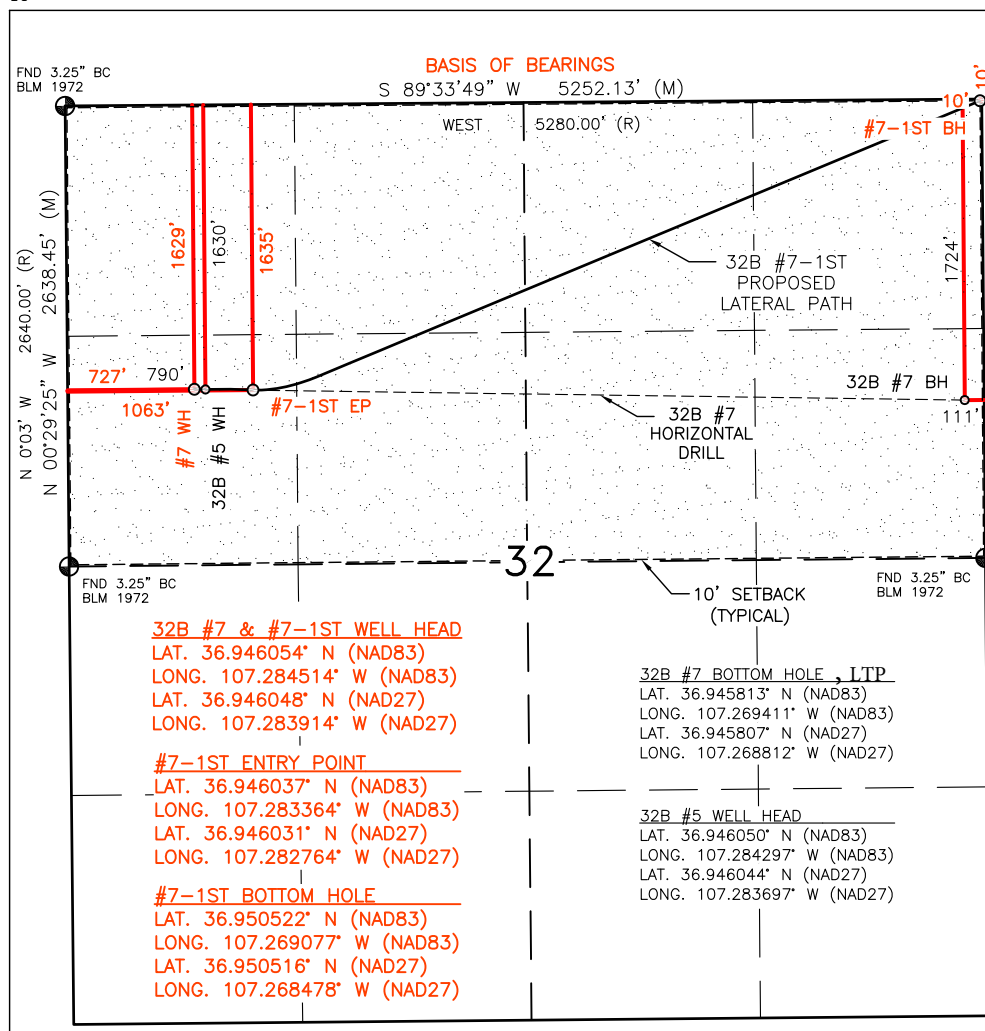
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	32N	4W		10'	NORTH	10'	WEST	RIO ARriba

¹² Dedicated Acres N/2 SEC. 32 320.00 ACRES	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R-13119
--	-------------------------------	----------------------------------	------------------------------------

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

16



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.

Signature _____ Date _____

Printed Name _____

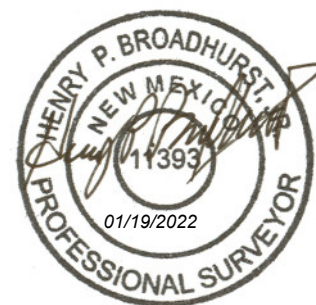
E-mail Address _____

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 19, 2022

Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number 11393

Carracas 32B 7H Proposed Sidetrack Procedure

1. Prepare existing well for drilling operations with a Pulling Unit
2. Pull tubing and rods
3. PU Mill and TIH to verify casing is clean
4. Set bottom Bridge Plug at approximately 4,000', above open Liner
5. Roll hole and pressure test casing
6. Set top Bridge Plug at approximately 3,909' below proposed window area
7. Release Pulling Unit
8. MIRU drilling rig
9. RU BOP and test
10. PU whipstock and casing mill assembly and set whipstock for casing exit at 3,889' MD
11. Release whip and mill window f/ 3,882' – 3,889'
12. TOOH for curve BHA and drill sidetrack
13. Planned exit at 3,889' MD / 3,794' TVD (directional pilot well)
14. Drill 6-1/4" curve and lateral from 3,889' MD / 3,794' TVD to 8,412' MD / 3,975' TVD at 89.39° Inc, 67.73° azimuth
15. TOOH and run 4-1/2" liner (every other joint in lateral will be pre-perforated) from approximately 3,892' MD to 8,402' MD
16. Rig down and release drilling rig
17. MIRU Pulling Unit
18. RIH and retrieve whipstock w/ work string and jars
19. Retrieve or drill out upper Bridge Plug at 3,909'
20. LD work string
21. Run production tubing and equipment to test lateral completion
22. Secure well, rig down and move off location

MorningStar Operating, LLC

Sidetrack Proposal

Carracas 32B-7H
Rio Arriba County, NM

TD – 8,019,' MD; 3,966,' TVD

12 1/4" hole to 240'

Csg: 5 jts – 9 5/8" 32.3# H-40 LT&C
Setting Depth: 229 ft

Cement
125sx Type V
(146 ft³), Circ. 9 bbls cmt to surface

8 3/4" hole to 4558'

Csg: 102 jts – 7" 23# J-55 LT&C
Setting Depth: 4544 ft

Cement
Lead: 595sx Halliburton Light
Tail: 150sx Class G
Total cmt (1339 ft³)
Circ. 87 bbls to surface

6 1/4" hole to 8,412'

Liner: 107 jts- 4 1/2" 11.6# J-55
Setting Depth: 8,402' MD, 3,975' TVD
TOL: 3,892'
No cement

6 1/4" hole to 8,019'

Liner: 83 jts- 4 1/2" 11.6# J-55
Setting Depth: 8,019'
TOL: 4,506'
No cement

Whipstock @ 3,889'
~51°

BP @ 3,909'
~53°

BP @ 4,000'
~61°

Sidetrack Window
f/ 3,882 -3,889' MD

4.5" Liner Top 4,506'

7" Set @ 4,544' MD

TD – 8,412' MD; 3,975' TVD

TD 8,019' MD; 3,966' TVD

Prepared by: Dusak
Date: 07/06/2017
Proposed: J Marschall 01/19/2022

KB = 18 ft
GL = 7,197 ft
API# 30-039-30528

Spud Date: 08/12/2009

04/21/2016:

2 3/8 MULE SHOE – 1 JT 2 3/8 YELLOW BAND
TBN – 1.870 SEAT NIPPLE – 126 JTS 2 3/8
YELLOW BAND TBN & 12 JTS 2 3/8 NEW TBN .

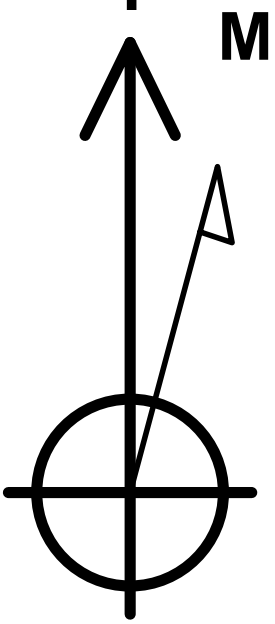
EOT = 4523.62', SN = 4490.76'.

Upper ST Perforations:
Every other joint in lateral will
be a Pre-Perforated Liner
Est. 4,292' – 8,402' = 4,110'
Est. 12,348 holes @ 6 jsp/ft
Est 49 jts per'd (every other)

Perforated Interval:
4550-7975'
.5", 8 spf, total 27,402 holes



Company: MorningStar Partners
Field: Rio Arriba County, NM (NAD 27 - True North)
Location: Carracas 32B 7
Well Location: Carracas 32B 7
Wellbore: ST01
Plan: Plan 4
GL: GL: 7197' + 18' KB @ 7215.00usft



Azimuths to True North
Magnetic North: 8.64°

Magnetic Field
Strength: 49714.1nT
Dip Angle: 63.43°
Date: 12/29/2021
Model: IGRF2020



To convert a Magnetic Direction to a True Direction, Add 8.64° East

PROJECT DETAILS: Rio Arriba County, NM (NAD 27 - True North)

Geodetic System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone: New Mexico West 3003
System Datum: Mean Sea Level

WELL DETAILS: Carracas 32B 7

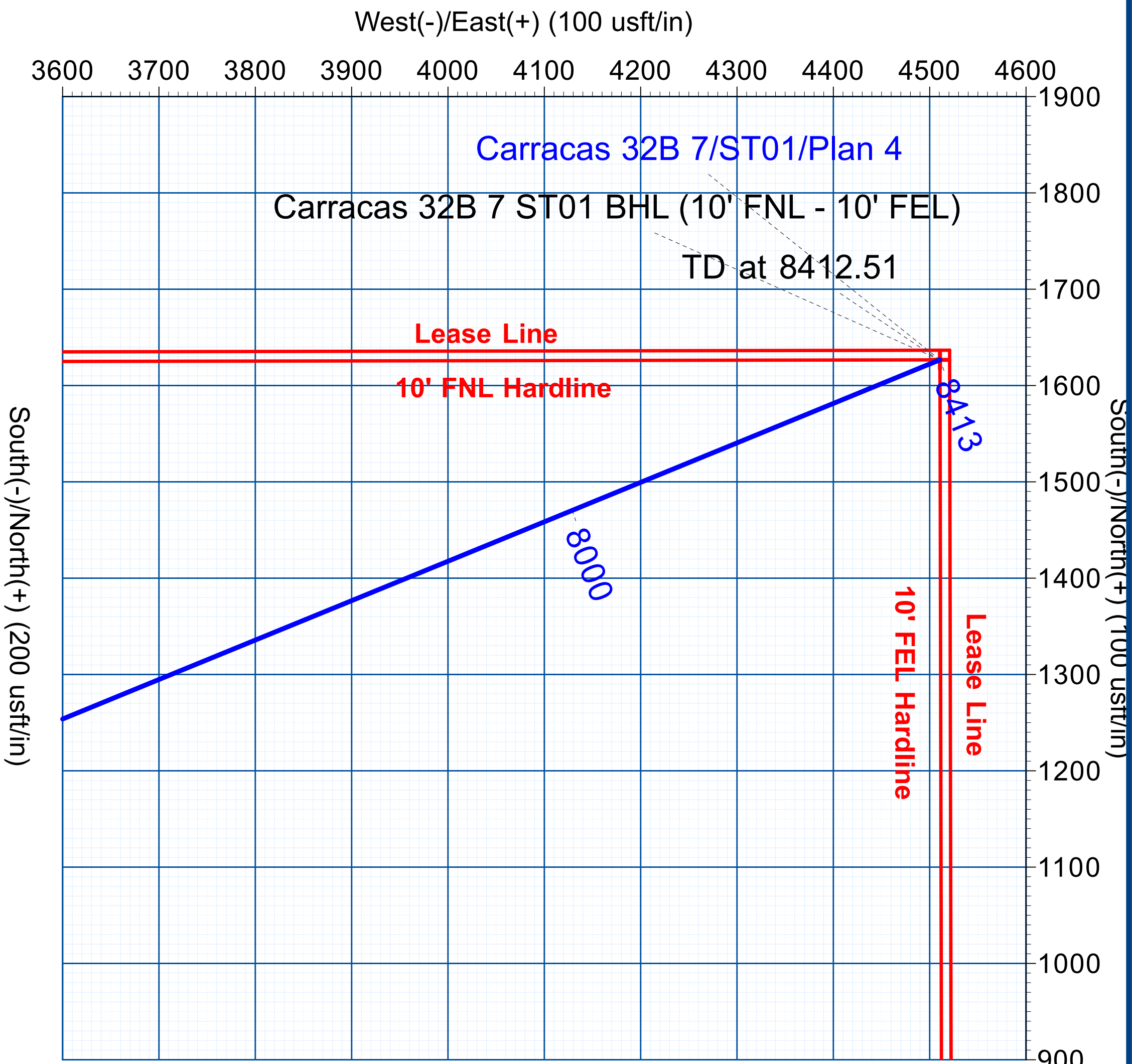
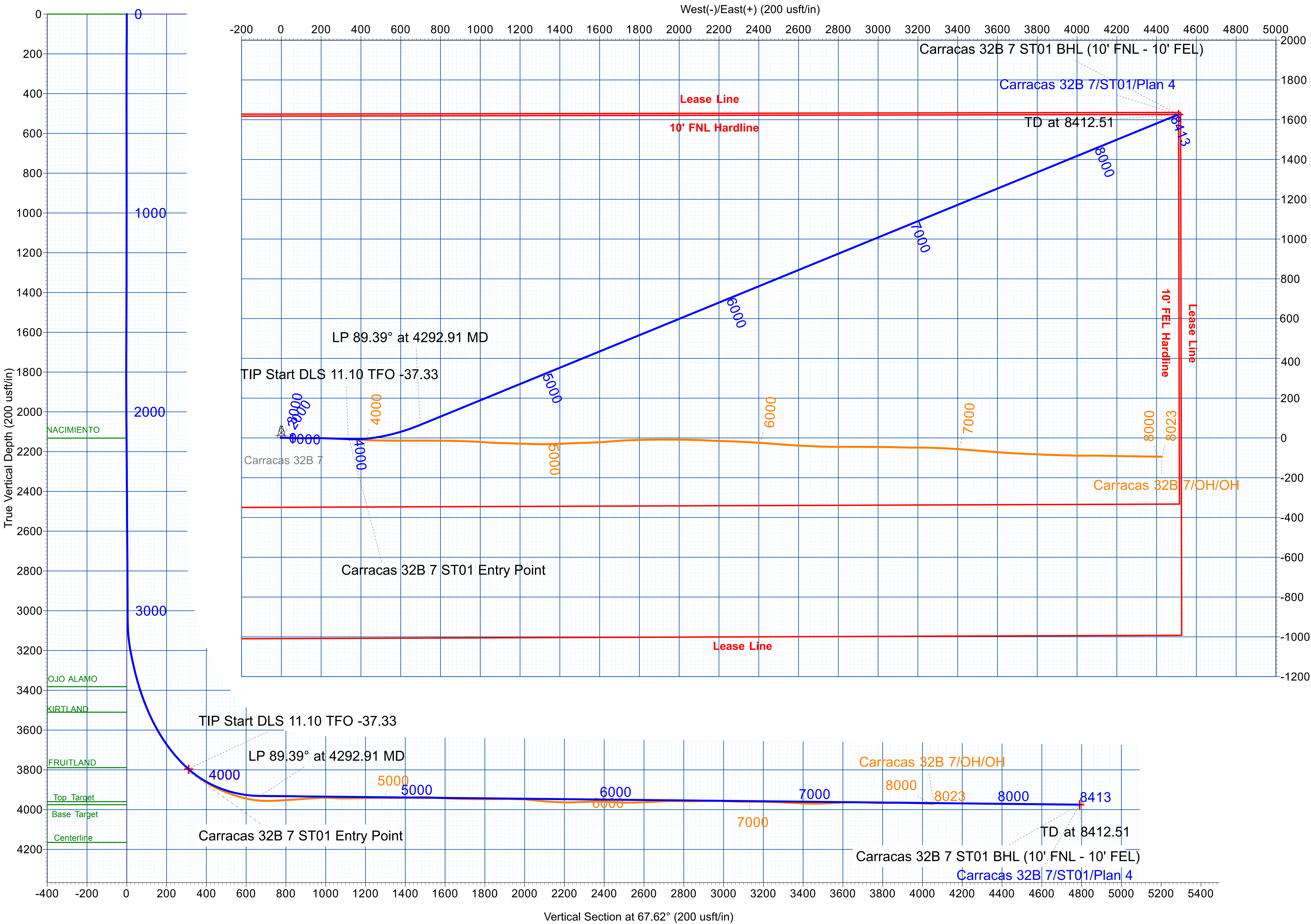
		GL: 7197' + 18' KB @ 7215.00usft			7197.00		
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot	
0.00	0.00	2164090.68	660552.79	36.946048	-107.283914		

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
3889.00	51.00	93.05	3794.99	-5.96	336.27	0.00	0.00	308.68	TIP Start DLS 11.10 TFO -37.33
4292.91	89.39	67.73	3931.26	65.92	698.56	11.10	-37.33	671.04	LP 89.39° at 4292.91 MD
8412.51	89.39	67.73	3975.00	1626.78	4510.76	0.00	0.00	4790.40	TD at 8412.51

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
Carracas 32B 7 ST01 BHL (10' FNL - 10' FEL)	3975.00	1626.78	4510.76	2165743.43	665054.10	36.950516	-107.268478



FORMATION TOP DETAILS

TVDPath	MDPath	Formation
0.00	0.00	San Jose
2132.00	2132.06	Nacimiento
3382.00	3389.39	Ojo Alamo
3510.00	3527.47	Kirtland
3789.00	3879.56	Fruitland
3960.00	6999.90	Top Target
3975.00	8412.51	Base Target

MorningStar Partners

Rio Arriba County, NM (NAD 27 - True North)

Carracas 32B 7

Carracas 32B 7

ST01

Plan: Plan 4

Standard Planning Report

18 January, 2022

Legacy Directional Planning Report

Database:	EDM 5000.14 Single User Db	Local Co-ordinate Reference:	Well Carracas 32B 7
Company:	MorningStar Partners	TVD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Project:	Rio Arriba County, NM (NAD 27 - True North)	MD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Site:	Carracas 32B 7	North Reference:	True
Well:	Carracas 32B 7	Survey Calculation Method:	Minimum Curvature
Wellbore:	ST01		
Design:	Plan 4		

Project	Rio Arriba County, NM (NAD 27 - True North)		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico West 3003		

Site	Carracas 32B 7				
Site Position:		Northing:	2,164,090.68 usft	Latitude:	36.946048
From:	Lat/Long	Easting:	660,552.79 usft	Longitude:	-107.283914
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16 "		

Well	Carracas 32B 7					
Well Position	+N/-S	0.00 usft	Northing:	2,164,090.68 usft	Latitude:	36.946048
	+E/-W	0.00 usft	Easting:	660,552.79 usft	Longitude:	-107.283914
Position Uncertainty		0.00 usft	Wellhead Elevation:	usft	Ground Level:	7,197.00 usft
Grid Convergence:		0.33 °				

Wellbore	ST01				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2020	12/29/2021	8.64	63.43	49,714.11167143

Design	Plan 4				
Audit Notes:					
Version:		Phase:	PLAN	Tie On Depth:	3,889.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)	
	0.00	0.00	0.00	67.62	

Plan Survey Tool Program	Date	1/18/2022			
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks	
1	3,889.00	8,411.94 Plan 4 (ST01)	MWD+IGRF		
			OWSG MWD + IGRF or WMM		

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
3,889.00	51.00	93.05	3,794.99	-5.96	336.27	0.00	0.00	0.00	0.00	
4,292.91	89.39	67.73	3,931.26	65.92	698.56	11.10	9.51	-6.27	-37.33	
8,412.51	89.39	67.73	3,975.00	1,626.78	4,510.76	0.00	0.00	0.00	0.00	Carracas 32B 7 ST01

Legacy Directional

Planning Report

Database:	EDM 5000.14 Single User Db	Local Co-ordinate Reference:	Well Carracas 32B 7
Company:	MorningStar Partners	TVD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Project:	Rio Arriba County, NM (NAD 27 - True North)	MD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Site:	Carracas 32B 7	North Reference:	True
Well:	Carracas 32B 7	Survey Calculation Method:	Minimum Curvature
Wellbore:	ST01		
Design:	Plan 4		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00
269.00	1.32	320.76	268.98	2.36	-1.93	-0.89	0.50	0.50	0.00
361.00	0.09	264.71	360.97	3.18	-2.67	-1.26	1.38	-1.34	-60.92
451.00	0.09	111.96	450.97	3.15	-2.68	-1.28	0.19	0.00	-169.72
542.00	0.18	75.42	541.97	3.15	-2.47	-1.09	0.13	0.10	-40.15
634.00	0.26	18.19	633.97	3.39	-2.27	-0.81	0.24	0.09	-62.21
724.00	0.09	44.70	723.97	3.63	-2.15	-0.61	0.20	-0.19	29.46
814.00	0.09	251.71	813.97	3.66	-2.17	-0.61	0.19	0.00	-169.99
907.00	0.18	232.77	906.97	3.55	-2.36	-0.83	0.11	0.10	-20.37
996.00	0.18	182.61	995.97	3.33	-2.48	-1.02	0.17	0.00	-56.36
1,087.00	0.09	40.41	1,086.97	3.24	-2.44	-1.02	0.28	-0.10	-156.26
1,177.00	0.18	317.39	1,176.97	3.40	-2.49	-1.01	0.21	0.10	-92.24
1,267.00	0.18	144.28	1,266.97	3.38	-2.50	-1.02	0.40	0.00	-192.34
1,359.00	0.26	230.46	1,358.97	3.13	-2.58	-1.19	0.33	0.09	93.67
1,450.00	0.09	167.83	1,449.96	2.93	-2.72	-1.40	0.26	-0.19	-68.82
1,541.00	0.35	218.39	1,540.96	2.65	-2.88	-1.65	0.33	0.29	55.56
1,633.00	0.35	196.97	1,632.96	2.16	-3.13	-2.08	0.14	0.00	-23.28
1,725.00	0.79	178.10	1,724.96	1.25	-3.19	-2.48	0.51	0.48	-20.51
1,815.00	0.18	92.80	1,814.95	0.63	-3.03	-2.57	0.88	-0.68	-94.78
1,907.00	0.09	131.75	1,906.95	0.57	-2.83	-2.40	0.13	-0.10	42.34
2,001.00	0.70	122.18	2,000.95	0.22	-2.29	-2.04	0.65	0.65	-10.18
2,093.00	0.62	93.08	2,092.95	-0.11	-1.32	-1.26	0.37	-0.09	-31.63
2,186.00	0.26	86.70	2,185.94	-0.12	-0.61	-0.61	0.39	-0.39	-6.86
2,279.00	0.53	57.22	2,278.94	0.12	-0.04	0.01	0.35	0.29	-31.70
2,372.00	0.26	60.11	2,371.94	0.46	0.51	0.65	0.29	-0.29	3.11
2,465.00	0.26	113.88	2,464.94	0.48	0.88	1.00	0.25	0.00	57.82
2,557.00	0.44	48.15	2,556.94	0.63	1.34	1.48	0.44	0.20	-71.45
2,650.00	0.62	98.37	2,649.93	0.79	2.10	2.25	0.51	0.19	54.00
2,744.00	0.44	58.84	2,743.93	0.91	2.91	3.04	0.42	-0.19	-42.05
2,837.00	0.26	48.37	2,836.93	1.23	3.38	3.59	0.20	-0.19	-11.26
2,929.00	0.26	52.64	2,928.93	1.50	3.70	3.99	0.02	0.00	4.64
3,020.00	0.35	110.92	3,019.93	1.52	4.12	4.39	0.34	0.10	64.04
3,052.00	0.88	102.22	3,051.92	1.44	4.46	4.67	1.68	1.66	-27.19
3,082.00	2.55	96.70	3,081.91	1.31	5.34	5.44	5.59	5.57	-18.40
3,114.00	4.57	92.46	3,113.85	1.17	7.32	7.22	6.36	6.31	-13.25
3,145.00	7.12	90.87	3,144.68	1.09	10.48	10.11	8.24	8.23	-5.13
3,208.00	11.61	90.86	3,206.83	0.94	20.73	19.52	7.13	7.13	-0.02
3,238.00	12.84	91.78	3,236.15	0.79	27.08	25.34	4.15	4.10	3.07
3,270.00	13.72	92.27	3,267.29	0.53	34.42	32.03	2.77	2.75	1.53
3,301.00	14.77	92.33	3,297.34	0.22	42.05	38.96	3.39	3.39	0.19
3,332.00	15.92	92.17	3,327.23	-0.10	50.24	46.42	3.71	3.71	-0.52
3,363.00	17.41	92.19	3,356.93	-0.44	59.13	54.51	4.81	4.81	0.06
3,393.00	19.08	91.73	3,385.42	-0.76	68.51	63.06	5.59	5.57	-1.53
3,424.00	20.31	91.14	3,414.60	-1.02	78.96	72.62	4.02	3.97	-1.90
3,455.00	21.72	90.69	3,443.54	-1.20	90.07	82.83	4.58	4.55	-1.45
3,484.00	23.04	90.76	3,470.36	-1.34	101.11	92.99	4.55	4.55	0.24
3,515.00	24.71	89.50	3,498.70	-1.36	113.66	104.58	5.63	5.39	-4.06
3,547.00	26.38	88.99	3,527.57	-1.18	127.46	117.41	5.26	5.22	-1.59
3,578.00	28.05	88.71	3,555.14	-0.89	141.63	130.62	5.40	5.39	-0.90
3,609.00	29.81	89.20	3,582.27	-0.62	156.62	144.59	5.73	5.68	1.58
3,640.00	32.27	90.20	3,608.83	-0.54	172.60	159.40	8.11	7.94	3.23
3,672.00	34.47	90.99	3,635.55	-0.73	190.20	175.60	7.01	6.88	2.47
3,703.00	37.28	91.56	3,660.67	-1.13	208.36	192.24	9.13	9.06	1.84

Legacy Directional

Planning Report

Database:	EDM 5000.14 Single User Db	Local Co-ordinate Reference:	Well Carracas 32B 7
Company:	MorningStar Partners	TVD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Project:	Rio Arriba County, NM (NAD 27 - True North)	MD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Site:	Carracas 32B 7	North Reference:	True
Well:	Carracas 32B 7	Survey Calculation Method:	Minimum Curvature
Wellbore:	ST01		
Design:	Plan 4		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
3,734.00	39.04	92.05	3,685.04	-1.74	227.51	209.71	5.76	5.68	1.58
3,766.00	41.15	92.01	3,709.52	-2.47	248.10	228.48	6.59	6.59	-0.13
3,797.00	43.44	91.67	3,732.45	-3.14	268.95	247.50	7.42	7.39	-1.10
3,829.00	45.90	92.15	3,755.21	-3.89	291.43	268.00	7.76	7.69	1.50
3,858.00	48.36	92.65	3,774.94	-4.78	312.67	287.30	8.58	8.48	1.72
3,879.56	50.20	92.93	3,789.00	-5.58	328.99	302.08	8.57	8.52	1.31
Fruitland									
3,889.00	51.00	93.05	3,794.99	-5.96	336.27	308.68	8.57	8.52	1.26
TIP Start DLS 11.10 TFO -37.33									
3,900.00	51.97	92.11	3,801.84	-6.34	344.87	316.48	11.10	8.86	-8.55
3,950.00	56.49	88.13	3,831.07	-6.39	385.42	353.95	11.10	9.03	-7.96
4,000.00	61.12	84.55	3,856.96	-3.63	428.07	394.45	11.10	9.26	-7.16
4,050.00	65.84	81.28	3,879.29	1.91	472.45	437.59	11.10	9.43	-6.54
4,100.00	70.62	78.24	3,897.83	10.18	518.12	482.97	11.10	9.56	-6.07
4,150.00	75.45	75.38	3,912.42	21.10	564.66	530.16	11.10	9.66	-5.72
4,200.00	80.31	72.64	3,922.92	34.57	611.63	578.72	11.10	9.72	-5.48
4,250.00	85.19	69.98	3,929.23	50.46	658.60	628.20	11.10	9.77	-5.32
4,292.91	89.39	67.73	3,931.26	65.92	698.56	671.04	11.10	9.79	-5.25
LP 89.39° at 4292.91 MD									
4,300.00	89.39	67.73	3,931.33	68.60	705.12	678.13	0.00	0.00	0.00
4,400.00	89.39	67.73	3,932.39	106.49	797.66	778.13	0.00	0.00	0.00
4,500.00	89.39	67.73	3,933.45	144.38	890.20	878.12	0.00	0.00	0.00
4,600.00	89.39	67.73	3,934.52	182.27	982.74	978.11	0.00	0.00	0.00
4,700.00	89.39	67.73	3,935.58	220.16	1,075.27	1,078.11	0.00	0.00	0.00
4,800.00	89.39	67.73	3,936.64	258.05	1,167.81	1,178.10	0.00	0.00	0.00
4,900.00	89.39	67.73	3,937.70	295.93	1,260.35	1,278.10	0.00	0.00	0.00
5,000.00	89.39	67.73	3,938.76	333.82	1,352.89	1,378.09	0.00	0.00	0.00
5,100.00	89.39	67.73	3,939.83	371.71	1,445.43	1,478.09	0.00	0.00	0.00
5,200.00	89.39	67.73	3,940.89	409.60	1,537.97	1,578.08	0.00	0.00	0.00
5,300.00	89.39	67.73	3,941.95	447.49	1,630.50	1,678.07	0.00	0.00	0.00
5,400.00	89.39	67.73	3,943.01	485.38	1,723.04	1,778.07	0.00	0.00	0.00
5,500.00	89.39	67.73	3,944.07	523.27	1,815.58	1,878.06	0.00	0.00	0.00
5,600.00	89.39	67.73	3,945.14	561.16	1,908.12	1,978.06	0.00	0.00	0.00
5,700.00	89.39	67.73	3,946.20	599.04	2,000.66	2,078.05	0.00	0.00	0.00
5,800.00	89.39	67.73	3,947.26	636.93	2,093.20	2,178.04	0.00	0.00	0.00
5,900.00	89.39	67.73	3,948.32	674.82	2,185.73	2,278.04	0.00	0.00	0.00
6,000.00	89.39	67.73	3,949.38	712.71	2,278.27	2,378.03	0.00	0.00	0.00
6,100.00	89.39	67.73	3,950.44	750.60	2,370.81	2,478.03	0.00	0.00	0.00
6,200.00	89.39	67.73	3,951.51	788.49	2,463.35	2,578.02	0.00	0.00	0.00
6,300.00	89.39	67.73	3,952.57	826.38	2,555.89	2,678.02	0.00	0.00	0.00
6,400.00	89.39	67.73	3,953.63	864.27	2,648.42	2,778.01	0.00	0.00	0.00
6,500.00	89.39	67.73	3,954.69	902.15	2,740.96	2,878.00	0.00	0.00	0.00
6,600.00	89.39	67.73	3,955.75	940.04	2,833.50	2,978.00	0.00	0.00	0.00
6,700.00	89.39	67.73	3,956.82	977.93	2,926.04	3,077.99	0.00	0.00	0.00
6,800.00	89.39	67.73	3,957.88	1,015.82	3,018.58	3,177.99	0.00	0.00	0.00
6,900.00	89.39	67.73	3,958.94	1,053.71	3,111.12	3,277.98	0.00	0.00	0.00
6,999.90	89.39	67.73	3,960.00	1,091.56	3,203.56	3,377.87	0.00	0.00	0.00
Top Target									
7,000.00	89.39	67.73	3,960.00	1,091.60	3,203.65	3,377.97	0.00	0.00	0.00
7,100.00	89.39	67.73	3,961.06	1,129.49	3,296.19	3,477.97	0.00	0.00	0.00
7,200.00	89.39	67.73	3,962.12	1,167.37	3,388.73	3,577.96	0.00	0.00	0.00
7,300.00	89.39	67.73	3,963.19	1,205.26	3,481.27	3,677.96	0.00	0.00	0.00
7,400.00	89.39	67.73	3,964.25	1,243.15	3,573.81	3,777.95	0.00	0.00	0.00

Legacy Directional

Planning Report

Database:	EDM 5000.14 Single User Db	Local Co-ordinate Reference:	Well Carracas 32B 7
Company:	MorningStar Partners	TVD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Project:	Rio Arriba County, NM (NAD 27 - True North)	MD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Site:	Carracas 32B 7	North Reference:	True
Well:	Carracas 32B 7	Survey Calculation Method:	Minimum Curvature
Wellbore:	ST01		
Design:	Plan 4		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
7,500.00	89.39	67.73	3,965.31	1,281.04	3,666.34	3,877.95	0.00	0.00	0.00
7,600.00	89.39	67.73	3,966.37	1,318.93	3,758.88	3,977.94	0.00	0.00	0.00
7,700.00	89.39	67.73	3,967.43	1,356.82	3,851.42	4,077.93	0.00	0.00	0.00
7,800.00	89.39	67.73	3,968.50	1,394.71	3,943.96	4,177.93	0.00	0.00	0.00
7,900.00	89.39	67.73	3,969.56	1,432.60	4,036.50	4,277.92	0.00	0.00	0.00
8,000.00	89.39	67.73	3,970.62	1,470.48	4,129.04	4,377.92	0.00	0.00	0.00
8,100.00	89.39	67.73	3,971.68	1,508.37	4,221.57	4,477.91	0.00	0.00	0.00
8,200.00	89.39	67.73	3,972.74	1,546.26	4,314.11	4,577.90	0.00	0.00	0.00
8,300.00	89.39	67.73	3,973.81	1,584.15	4,406.65	4,677.90	0.00	0.00	0.00
8,400.00	89.39	67.73	3,974.87	1,622.04	4,499.19	4,777.89	0.00	0.00	0.00
8,412.51	89.39	67.73	3,975.00	1,626.78	4,510.76	4,790.40	0.00	0.00	0.00
TD at 8412.51 - Base Target									

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
- hit/miss target									
- Shape									
Carracas 32B 7 ST01 E	0.00	0.00	3,928.97	8.38	605.36	2,164,102.54	661,158.09	36.946071	-107.281843
- plan misses target center by 24.69usft at 4188.31usft MD (3920.84 TVD, 31.20 N, 600.64 E)									
- Point									
Carracas 32B 7 ST01 B	0.00	0.00	3,975.00	1,626.78	4,510.76	2,165,743.43	665,054.10	36.950515	-107.268478
- plan hits target center									
- Point									

Formations					
Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
0.00	0.00	San Jose		0.00	67.27
2,132.06	2,132.00	Nacimiento		0.00	67.27
3,389.39	3,382.00	Ojo Alamo		0.00	67.27
3,527.47	3,510.00	Kirtland		0.00	67.27
3,879.56	3,789.00	Fruitland		0.00	67.27
6,999.90	3,960.00	Top Target		0.00	67.27
8,412.51	3,975.00	Base Target		0.00	67.27

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
3,889.00	3,794.99	-5.96	336.27	TIP Start DLS 11.10 TFO -37.33
4,292.91	3,931.26	65.92	698.56	LP 89.39° at 4292.91 MD
8,412.51	3,975.00	1,626.78	4,510.76	TD at 8412.51

MorningStar Partners

Rio Arriba County, NM (NAD 27 - True North)

Carracas 32B 7

Carracas 32B 7

ST01

Plan 4

Anticollision Report

18 January, 2022

Legacy Directional Anticollision Report

Company:	MorningStar Partners	Local Co-ordinate Reference:	Well Carracas 32B 7
Project:	Rio Arriba County, NM (NAD 27 - True North)	TVD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Reference Site:	Carracas 32B 7	MD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Site Error:	0.00 usft	North Reference:	True
Reference Well:	Carracas 32B 7	Survey Calculation Method:	Minimum Curvature
Well Error:	0.00 usft	Output errors are at	2.00 sigma
Reference Wellbore	ST01	Database:	EDM 5000.14 Single User Db
Reference Design:	Plan 4	Offset TVD Reference:	Offset Datum

Reference	Plan 4		
Filter type:	GLOBAL FILTER APPLIED: All wellpaths within 200'+ 100/1000 of reference		
Interpolation Method:	MD Interval 100.00usft	Error Model:	ISCWSA
Depth Range:	Unlimited	Scan Method:	Closest Approach 3D
Results Limited by:	Maximum centre distance of 1,041.25usft	Error Surface:	Pedal Curve
Warning Levels Evaluated at:	2.00 Sigma	Casing Method:	Not applied

Survey Tool Program	Date	1/18/2022		
From (usft)	To (usft)	Survey (Wellbore)	Tool Name	Description
4.00	3,889.00	Original Hole MWD Surveys (OH)	MWD+IGRF	OWSG MWD + IGRF or WMM
3,889.00	8,411.94	Plan 4 (ST01)	MWD+IGRF	OWSG MWD + IGRF or WMM

Summary						
Site Name	Reference Measured Depth (usft)	Offset Measured Depth (usft)	Distance Between Centres (usft)	Distance Between Ellipses (usft)	Separation Factor	Warning
Offset Well - Wellbore - Design						
Carracas 32B 7						
Carracas 32B 7 - OH - OH	4,200.00	4,196.72	49.02	41.96	6.941	CC, ES, SF

Offset Design:	Carracas 32B 7 - Carracas 32B 7 - OH - OH												Offset Site Error:	0.00 usft
Survey Program:	4-MWD+IGRF												Offset Well Error:	0.00 usft
Reference	Offset	Semi Major Axis	Azimuth	Offset Wellbore Centre	Distance	Rule Assigned:								
Measured Depth (usft)	Vertical Depth (usft)	Measured Depth (usft)	Vertical Depth (usft)	Reference (usft)	Offset (usft)	from North (°)	+N/-S (usft)	+E/-W (usft)	Between Centres (usft)	Between Ellipses (usft)	Minimum Separation (usft)	Separation Factor	Warning	
3,889.00	3,794.86	3,889.01	3,795.00	0.00	0.00	-166.80	-5.96	336.28	0.61	0.61	0.00	N/A		
3,900.00	3,801.84	3,900.00	3,801.84	0.11	0.13	-179.67	-6.42	344.87	0.07	-0.16	0.23	0.310	Level 3	
4,000.00	3,856.96	3,999.76	3,857.55	1.21	1.71	-174.72	-10.43	427.45	6.85	4.85	2.00	3.418		
4,100.00	3,897.83	4,099.14	3,901.81	2.69	3.41	-175.45	-12.91	516.28	23.50	19.43	4.07	5.776		
4,200.00	3,922.92	4,196.72	3,933.10	4.40	4.95	-176.43	-13.29	608.65	49.02	41.96	7.06	6.941	CC, ES, SF	
4,300.00	3,931.33	4,292.90	3,952.27	6.32	6.75	-178.38	-13.11	702.80	84.38	73.93	10.45	8.078		
4,400.00	3,932.39	4,387.32	3,956.01	8.28	8.70	-179.71	-13.66	797.05	122.45	107.78	14.68	8.343		
4,500.00	3,933.45	4,478.55	3,951.29	10.36	10.71	-179.26	-15.29	888.13	160.68	141.78	18.90	8.503		
4,600.00	3,934.52	4,563.26	3,945.89	12.50	12.73	-177.11	-18.42	972.61	201.27	178.53	22.73	8.853		
4,700.00	3,935.58	4,652.72	3,940.54	14.71	14.87	-176.83	-24.10	1,061.74	244.69	217.85	26.83	9.119		
4,800.00	3,936.64	4,748.98	3,942.69	16.97	17.20	-178.00	-27.20	1,157.87	285.48	254.15	31.34	9.110		
4,900.00	3,937.70	4,843.53	3,942.65	19.26	19.53	-178.60	-29.97	1,252.37	326.04	290.21	35.83	9.100		
5,000.00	3,938.76	4,952.52	3,940.57	21.59	22.25	-178.68	-30.91	1,361.32	364.83	323.67	41.16	8.865		
5,100.00	3,939.83	5,050.55	3,941.24	23.95	24.70	-178.01	-26.62	1,459.25	398.57	352.64	45.93	8.677		
5,200.00	3,940.89	5,146.39	3,939.26	26.33	27.13	-177.75	-23.44	1,555.00	433.38	382.73	50.65	8.556		
5,300.00	3,941.95	5,262.41	3,939.10	28.73	30.09	-175.05	-16.18	1,670.65	465.41	409.04	56.37	8.257		
5,400.00	3,943.01	5,334.32	3,943.66	31.15	31.94	-177.79	-11.68	1,742.26	497.43	437.43	60.00	8.291		
5,500.00	3,944.07	5,418.46	3,945.94	33.58	34.13	-178.84	-9.16	1,826.34	532.54	468.34	64.20	8.296		
5,600.00	3,945.14	5,502.85	3,947.27	36.03	36.34	-179.74	-7.99	1,910.70	569.15	500.74	68.42	8.319		
5,700.00	3,946.20	5,586.82	3,947.18	38.49	38.55	-179.44	-8.46	1,994.67	607.54	534.91	72.62	8.366		
5,800.00	3,947.26	5,668.96	3,946.09	40.95	40.72	-178.55	-9.73	2,076.79	646.87	570.14	76.73	8.430		
5,900.00	3,948.32	5,742.15	3,948.47	43.43	42.67	-177.01	-12.76	2,149.87	688.52	608.23	80.29	8.576		
6,000.00	3,949.38	5,845.00	3,956.07	45.91	45.40	-177.96	-16.56	2,252.33	729.77	644.09	85.68	8.517		
6,100.00	3,950.44	5,925.48	3,961.29	48.41	47.55	-177.16	-20.10	2,332.55	771.72	682.01	89.71	8.602		
6,200.00	3,951.51	6,003.72	3,963.65	50.90	49.65	-176.29	-24.73	2,410.61	815.02	721.40	93.62	8.705		

CC - Min centre to center distance or convergent point, SF - min separation factor, ES - min ellipse separation

Legacy Directional Anticollision Report

Company:	MorningStar Partners	Local Co-ordinate Reference:	Well Carracas 32B 7
Project:	Rio Arriba County, NM (NAD 27 - True North)	TVD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Reference Site:	Carracas 32B 7	MD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Site Error:	0.00 usft	North Reference:	True
Reference Well:	Carracas 32B 7	Survey Calculation Method:	Minimum Curvature
Well Error:	0.00 usft	Output errors are at	2.00 sigma
Reference Wellbore	ST01	Database:	EDM 5000.14 Single User Db
Reference Design:	Plan 4	Offset TVD Reference:	Offset Datum

Offset Design: Carracas 32B 7 - Carracas 32B 7 - OH - OH													Offset Site Error:	0.00 usft
Survey Program:		4-MWD+IGRF					Rule Assigned:						Offset Well Error:	0.00 usft
Reference		Offset		Semi Major Axis		Azimuth from North (°)	Offset Wellbore Centre		Distance				Warning	
Measured Depth (usft)	Vertical Depth (usft)	Measured Depth (usft)	Vertical Depth (usft)	Reference (usft)	Offset (usft)		+N/-S (usft)	+E/-W (usft)	Between Centres (usft)	Between Ellipses (usft)	Minimum Separation (usft)	Separation Factor		
6,300.00	3,952.57	6,086.15	3,961.24	53.41	51.85		-175.79	-30.82	2,492.78	859.56	761.75	97.81		8.788
6,400.00	3,953.63	6,196.43	3,959.97	55.92	54.81	-177.10	-38.24	2,602.77	903.68	799.94	103.75	8.710		
6,500.00	3,954.69	6,293.36	3,963.95	58.43	57.42	-177.49	-42.70	2,699.51	945.81	836.98	108.83	8.691		
6,600.00	3,955.75	6,427.00	3,962.92	60.95	61.02	-179.98	-44.33	2,833.10	984.40	868.42	115.98	8.488		
6,700.00	3,956.82	6,516.55	3,958.68	63.47	63.42	-179.80	-44.60	2,922.55	1,022.54	901.91	120.63	8.476		

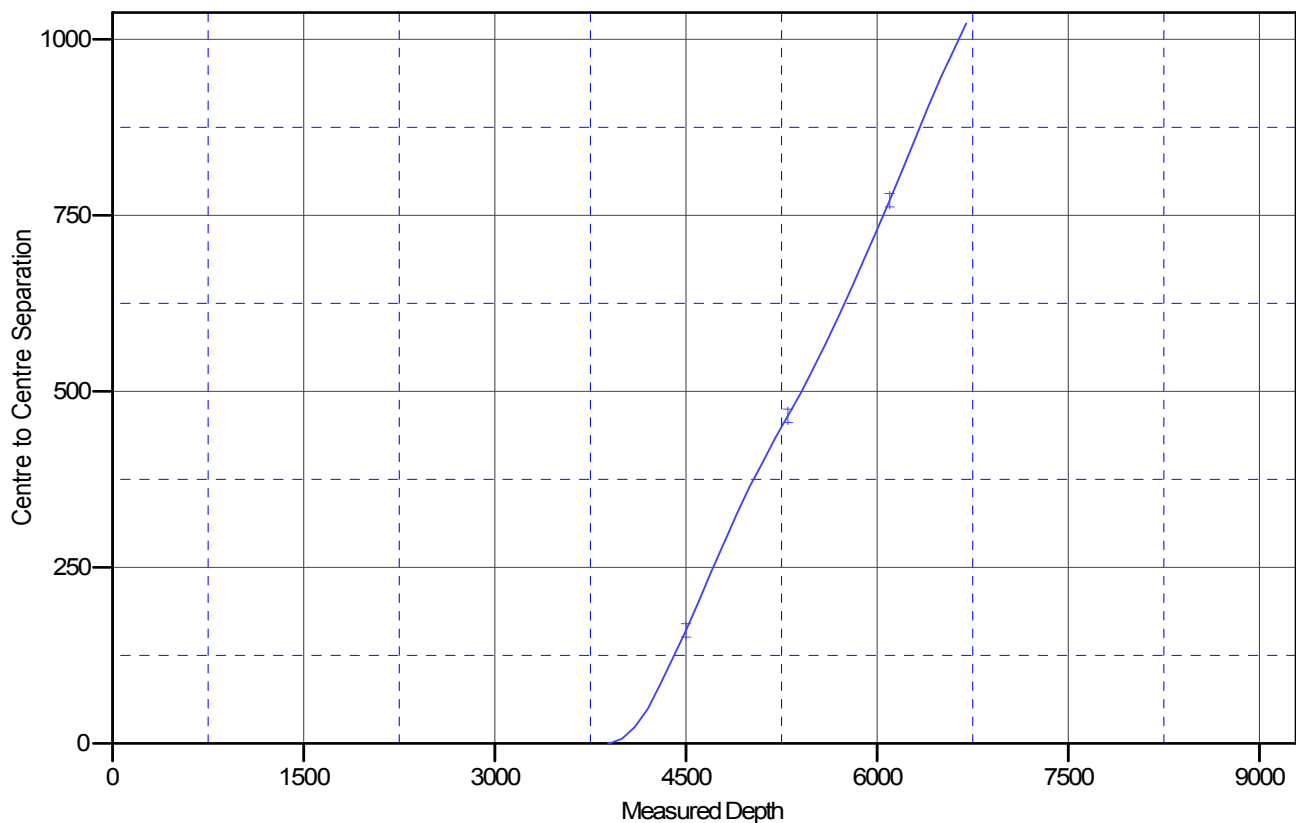
Legacy Directional Anticollision Report

Company:	MorningStar Partners	Local Co-ordinate Reference:	Well Carracas 32B 7
Project:	Rio Arriba County, NM (NAD 27 - True North)	TVD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Reference Site:	Carracas 32B 7	MD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Site Error:	0.00 usft	North Reference:	True
Reference Well:	Carracas 32B 7	Survey Calculation Method:	Minimum Curvature
Well Error:	0.00 usft	Output errors are at	2.00 sigma
Reference Wellbore	ST01	Database:	EDM 5000.14 Single User Db
Reference Design:	Plan 4	Offset TVD Reference:	Offset Datum

Reference Depths are relative to GL: 7197' + 18' KB @ 7215.00usft
 Offset Depths are relative to Offset Datum
 Central Meridian is -107.833334

Coordinates are relative to: Carracas 32B 7
 Coordinate System is US State Plane 1927 (Exact solution), New Mexico West 3003
 Grid Convergence at Surface is: 0.33°

Ladder Plot



LEGEND

—●— Carracas 32B 7, OH, OH V/O

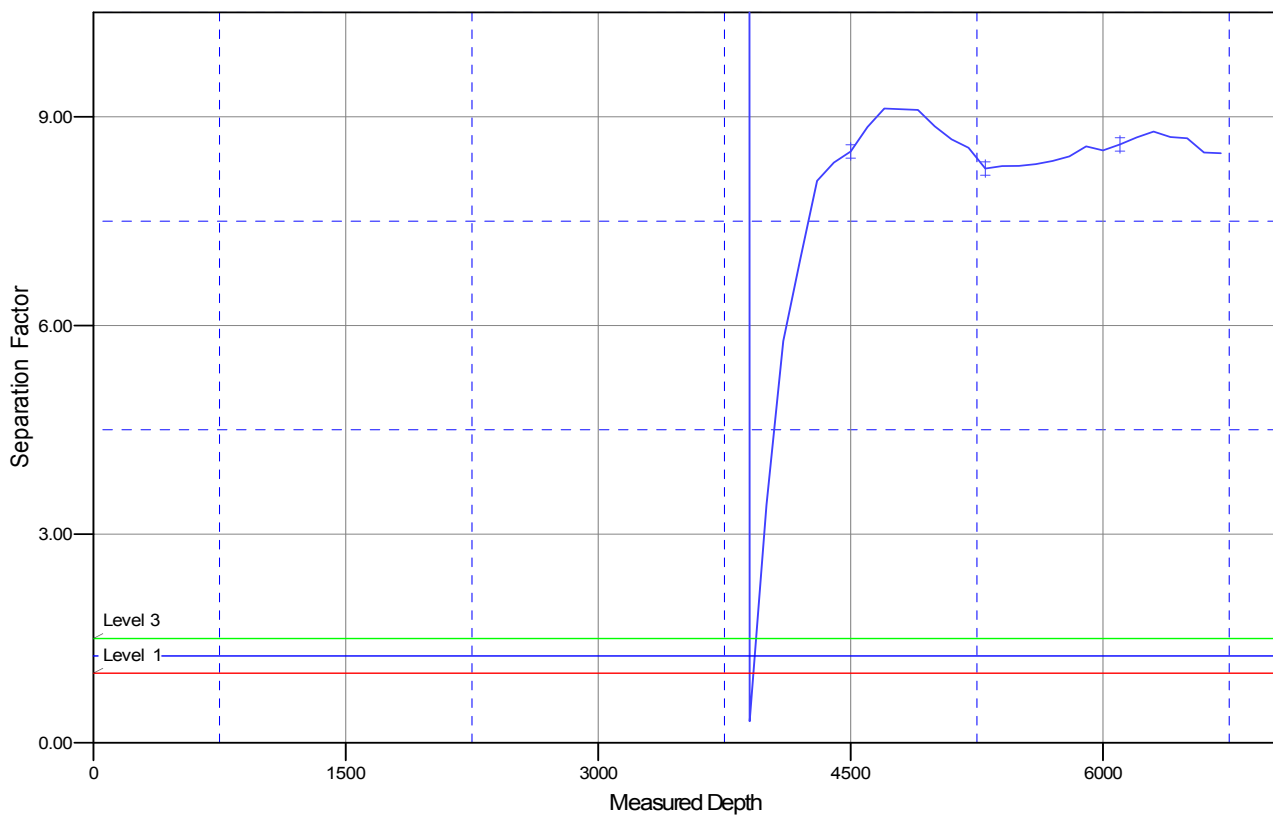
Legacy Directional Anticollision Report

Company:	MorningStar Partners	Local Co-ordinate Reference:	Well Carracas 32B 7
Project:	Rio Arriba County, NM (NAD 27 - True North)	TVD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Reference Site:	Carracas 32B 7	MD Reference:	GL: 7197' + 18' KB @ 7215.00usft
Site Error:	0.00 usft	North Reference:	True
Reference Well:	Carracas 32B 7	Survey Calculation Method:	Minimum Curvature
Well Error:	0.00 usft	Output errors are at	2.00 sigma
Reference Wellbore	ST01	Database:	EDM 5000.14 Single User Db
Reference Design:	Plan 4	Offset TVD Reference:	Offset Datum

Reference Depths are relative to GL: 7197' + 18' KB @ 7215.00usft
 Offset Depths are relative to Offset Datum
 Central Meridian is -107.833334

Coordinates are relative to: Carracas 32B 7
 Coordinate System is US State Plane 1927 (Exact solution), New Mexico West 3003
 Grid Convergence at Surface is: 0.33°

Separation Factor Plot



LEGEND

—●— Carracas 32B 7, OH, OH V0

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit Electronically
Via E-permitting

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: MORNINGSTAR OPERATING LLC **OGRID:** 330132 **Date:** 01 / 25 / 2022

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
CARRACAS 32B 7	30-039-30528	E 32 32N 04W	1629 FNL	0	1500	40
			727 FWL			

IV. Central Delivery Point Name: CARRACAS GATHERING SYSTEM [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
CARRACAS 32B 7	30-039-30528	08/12/2009		05/30/2022	SWAB 6/20/22	06/21/22

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

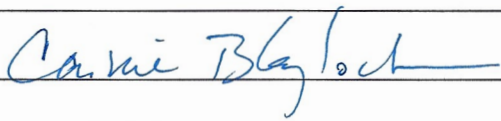
1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(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:	
Printed Name:	Connie Blaylock
Title:	Regulatory Analyst
E-mail Address:	cblaylock@mspartners.com
Date:	01/25/2022
Phone:	817-334-7882
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	

MorningStar Operating LLC

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

Surface facilities for the well are located on site. Process equipment includes a 2ph separator and water tanks. Vessels are sized based on historical and predicted well performance and provide adequate time for separation. Natural gas will be sold to the sales pipeline and only vented during emergency/non-scheduled issues. Natural gas is the sole product; consequently, there will every effort to minimize waste.

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

- Drilling Operations: Any natural gas produced during drilling operations will be combusted with a flare line. A properly sized flare stack will be located a minimum of 100 feet from the nearest surface hole location. If flaring isn't possible or poses a risk, Operator will vent natural gas to avoid any safety or environmental risks and report natural gas.
- Completion Operations: There is no frac or flowback operations planned for this recompletion. All natural gas production of sufficient pressure will be turned to separation facilities and gathering pipeline for sales.
- Production Operations: Efforts will be made to minimize waste. Process equipment (separators and tanks) is designed for efficient separation and routing produced gas to the sales pipeline. Equipment will be properly maintained with routine inspections and preventative maintenance. Weekly AVOs will be performed at facilities.

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

- Best management practices are used to minimize venting and flaring during downhole operations.
- Flaring will be used in lieu of venting when feasible.
- Adequate well control during completion operations will be employed to minimize oil and gas production.
- Tanks and vessels are isolated from their respective facilities prior to inspection, maintenance, and repairs.
- The preventive maintenance program includes weekly AVO inspections, identification of failures or malfunctions, and repairs as needed.
- Coordinate with third-party gathering and sales operators to minimize downtime and the need for venting/flaring during downstream pipeline and gas plant events.

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

CONDITIONS

Action 77207

CONDITIONS

Operator: MorningStar Operating LLC 400 W 7th St Fort Worth, TX 76102	OGRID: 330132
	Action Number: 77207
	Action Type: [C-103] NOI Change of Plans (C-103A)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	2/7/2022