

State of New Mexico
Energy, Minerals and Natural Resources

Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

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

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-007-20554
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator WAPITI OPERATING, LLC		6. State Oil & Gas Lease No. N/A
3. Address of Operator 1310 W. SAM HOUSTON PARKWAY NORTH, HOUSTON TX 77043		7. Lease Name or Unit Agreement Name VPR B
4. Well Location Unit Letter: A 426 feet from the NORTH line and 1039 feet from the EAST line Section 05 Township 29 N Range 19 E NMPM COLFAX County		8. Well Number 067
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7597' GL		9. OGRID Number 328741
		10. Pool name or Wildcat CASTLE ROCK PARK-VERMEJO GAS

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☒ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Plan to perforate and hydraulically frac 7 new intervals. See attached existing and proposed well bore diagrams. All new intervals, like existing intervals, are in the Castle Rock Park-Vermejo Gas pool #97046. Gas is produced up the casing and water up the tubing. The well is currently connected to Wapiti's gathering system. Wapiti has sufficient pipeline, processing, storage, sales, and disposal capacity for the added volumes.

Spud Date:

3-9-05

Rig Release Date:

no report

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

SIGNATURE

B Wood

TITLE CONSULTANT

DATE 9-6-22

Type or print name BRIAN WOOD

E-mail address: brian@permitswest.com

PHONE: 505 466-8120

For State Use Only

APPROVED BY:

[Signature]

TITLE

Petroleum Specialist

DATE

09/27/2022

Conditions of Approval (if any):



Vermejo Park Ranch B-67
S-T-R: 05-29N-19E
Colfax County, New Mexico
API #: 30-007-20554

CURRENT: The B-67 is currently producing 3 mcf/d and 0 bwpd. The well was originally drilled in March of 2005, then completed in three stages from 1,338' to 1,873'. The completion was done down 5-1/2" casing utilizing perf and plug, 20# linear and 70% quality N2 foam. The well has cumulative production of 427 MMCF and 67 MBW.

OBJECTIVE: POOH with rods and tubing. Run a bit and scraper. Isolate the current producing zones with a CBP, then perform a 7-stage recompletion between 351' and 1,130' utilizing perf and plug. Afterwards, drillout all plugs and recover our load water. After stable production has occurred, uphole testing on the coal seams will begin.

WELLBORE (see attached WBD):

8-5/8" 23# J-55 casing set at 313'. Cemented with 100 sx. Circulated cement to surface.

5-1/2" 15.5# J-55 SEWT casing set at 2,235'. Burst of 5-1/2" csg is 4,810 psi. Cemented with 288 sx cement, circ 5 bbls to surface. CBL TOC @ 60'. PBTD is 2,220'.

Tubing string: 2-7/8" 6.5# J-55 tubing. EOT at 1,940'. **(TUBING STUCK AS OF 6/1/2022)**

Rod string: 1-1/4" polished rod, 72 jts 3/4" rods, 1-1/4" x 8' insert pump at 1,822'.

Current Perforations: 1,338' to 1,873' (overall).

PROCEDURE:

1. Check all equipment is function tested and rated to appropriate working pressure. Pull test ground anchors prior to workover rig moving on location. Plan to perform daily JSA's.
2. MIRU workover rig. Unhang rods. POOH and lay down rod string and pump.
3. ND wellhead. Screw on 7-1/16" X 5M BOPE. Pressure test BOPS to 4,000 psi.
4. Tubing is currently stuck. Also there is a hole in the 1st joint and currently a standing valve in the end of tubing.
 - a. P/U on tubing to 40K lbs and do a stretch reading and calculation.
 - b. Verify stuck area with e-line and free point tool.
 - c. RBIH and run a stuck pipe to 200' above free point.
 - d. RIH with e-line and make either a chemical cut if hole has fluid or a split shot 1 jt above the stuck spot. POOH with e-line.
 - e. P/U tbg and stand back. Lay down 1st jt with hole. Visually inspect tubing coming out of hole. If tubing looks rough, lay down tubing and pick up a work string.
 - f. RBIH with overshot and jars, latch fish and attempt to jar fish free. Work pipe with tongs/swivel as well to attempt to rotate free.
 - g. If pipe still stuck, consult with office on where to perforate and pump acid to attempt to free from scale.
5. POOH standing back tubing.
6. P/U bit and scraper and RBIH with tubing to 1,900'. POOH laying down tubing.
7. Unscrew bope, screw in 5-1/2" X 5M lower master valve. Close valve.
8. MIRU E-line unit with pump-in sub and lubricator. Top connection on lwr master valve is 5-1/2" 8rd/LTC. RIH with a 4.750" gauge ring to 1,050'. RBIH and set a solid composite bridge plug (CBP) at 1,300' (correlate with gamma ray and CCL to CBL). POOH.
9. Tie into pump-in sub and load hole (max of 27 bbls). Pressure test plug and casing to 3,500 psi for 5 minutes. Bleed off pressure.
10. **RDMO e-line unit and workover rig, wait for frac spread.**
11. Prep pad by spotting flowback and frac tanks (fill frac tanks with produced water).
12. MIRU e-line mast unit and frac spread with N2 equipment. N/U goat head to top of 5-1/2" X 5M lwr master valve with 5-1/2" 8rd connection looking up for e-line.
13. STAGE #1
 - a. RIH and perforate stage #1 as follows: 1,128-30' + 958-60' + 931-33' w/ 3-1/8 gun loaded 4 spf and 120 deg phasing.
 - b. Correlate to CBL ran on 4/8/2005.
 - c. POOH, close upper frac valve, prep e-line for next stage.
 - d. Load hole with 22 bbls, then establish injection with 10 additional bbls.
 - e. Frac job as per recommended design.

- f. Record ISIP and 5 min pressure readings.

14. STAGE #2

- a. RIH and set a CBP at 900'.
- b. RBIH and perforate stage #2 as follows: 868-70' + 790-92' + 783-85' + 753-55' + 746-48' w/ 3-1/8 gun loaded 4 spf and 120 deg phasing.
- c. Correlate to CBL ran on 4/8/2005.
- d. POOH, close upper frac valve, prep e-line for next stage.
- e. Load hole with 20 bbls, then establish injection with 10 additional bbls.
- f. Frac job as per recommended design.
- g. Record ISIP and 5 min pressure readings.

15. STAGE #3

- a. RIH and set a CBP at 730'.
- b. RBIH and perforate stage #3 as follows: 694-96' + 681-83' + 652-54' + 635-37' w/ 3-1/8 gun loaded 4 spf and 120 deg phasing.
- c. Correlate to CBL ran on 4/8/2005.
- d. POOH, close upper frac valve, prep e-line for next stage.
- e. Load hole with 17 bbls, then establish injection with 10 additional bbls.
- f. Frac job as per recommended design.
- g. Record ISIP and 5 min pressure readings.

16. STAGE #4

- a. RIH and set a CBP at 610'.
- b. RBIH and perforate stage #4 as follows: 576-78' + 544-46' + 539-41' + 520-22' + 516-18' + 488-90' + 467-69' w/ 3-1/8 gun loaded 4 spf and 120 deg phasing.
- c. Correlate to CBL ran on 4/8/2005.
- d. POOH, close upper frac valve, prep e-line for next stage.
- e. Load hole with 14 bbls, then establish injection with 10 additional bbls.
- f. Frac job as per recommended design.
- g. Record ISIP and 5 min pressure readings.

17. STAGE #5

- a. RIH and set a CBP at 460'.
- b. RBIH and perforate stage #5 as follows: 442-54' w/ 3-1/8 gun loaded 4 spf and 120 deg phasing.
- c. Correlate to CBL ran on 4/8/2005.
- d. POOH, close upper frac valve, prep e-line for next stage.
- e. Load hole with 11 bbls, then establish injection with 10 additional bbls.
- f. Frac job as per recommended design.
- g. Record ISIP and 5 min pressure readings.

18. STAGE #6

- a. RIH and set a CBP at 430'.
- b. RBIH and perforate stage #6 as follows: 412-18' + 409-11' w/ 3-1/8 gun loaded 4 spf and 120 deg phasing.
- c. Correlate to CBL ran on 4/8/2005.
- d. POOH, close upper frac valve, prep e-line for next stage.
- e. Load hole with 10 bbls, then establish injection with 10 additional bbls.
- f. Frac job as per recommended design.
- g. Record ISIP and 5 min pressure readings.

19. STAGE #7

- a. RIH and set a CBP at 390'.
- b. RBIH and perforate stage #5 as follows: 362-65' + 351-54' w/ 3-1/8 gun loaded 4 spf and 120 deg phasing.
- c. Correlate to CBL ran on 4/8/2005.
- d. POOH, close upper frac valve, prep e-line for next stage.
- e. Load hole with 9 bbls, then establish injection with 10 additional bbls.
- f. Frac job as per recommended design.
- g. Record ISIP and 5 min pressure readings.

20. RDMO e-line and frac spread.

21. MIRU workover rig (pump and tank with foam package) with 7-1/16" X 5M BOPE.

- a. RIH 4.750" bit and 10 jts, then p/u swivel. Tag the top plug at 390'.
- b. Drill out the long way with power swivel (down tubing, up csg).
- c. Once drilling through, let well blow down, then RIH to next at 430'. P/U 5' and circulate well clean.
- d. Drill out remaining plugs as follows:
 - i. 460'
 - ii. 610'
 - iii. 730'
 - iv. 900'
 - v. 1,300' (tag but do not drill out)

22. POOH, standing back tubing, l/d bha.

23. RBIH tubing and set at +/-1,230'.

24. Kill well as needed with produced water, then ND BOP and NU wellhead/flow tee.

25. PU and RIH with rods and pump. Load tubing and verify pump action.

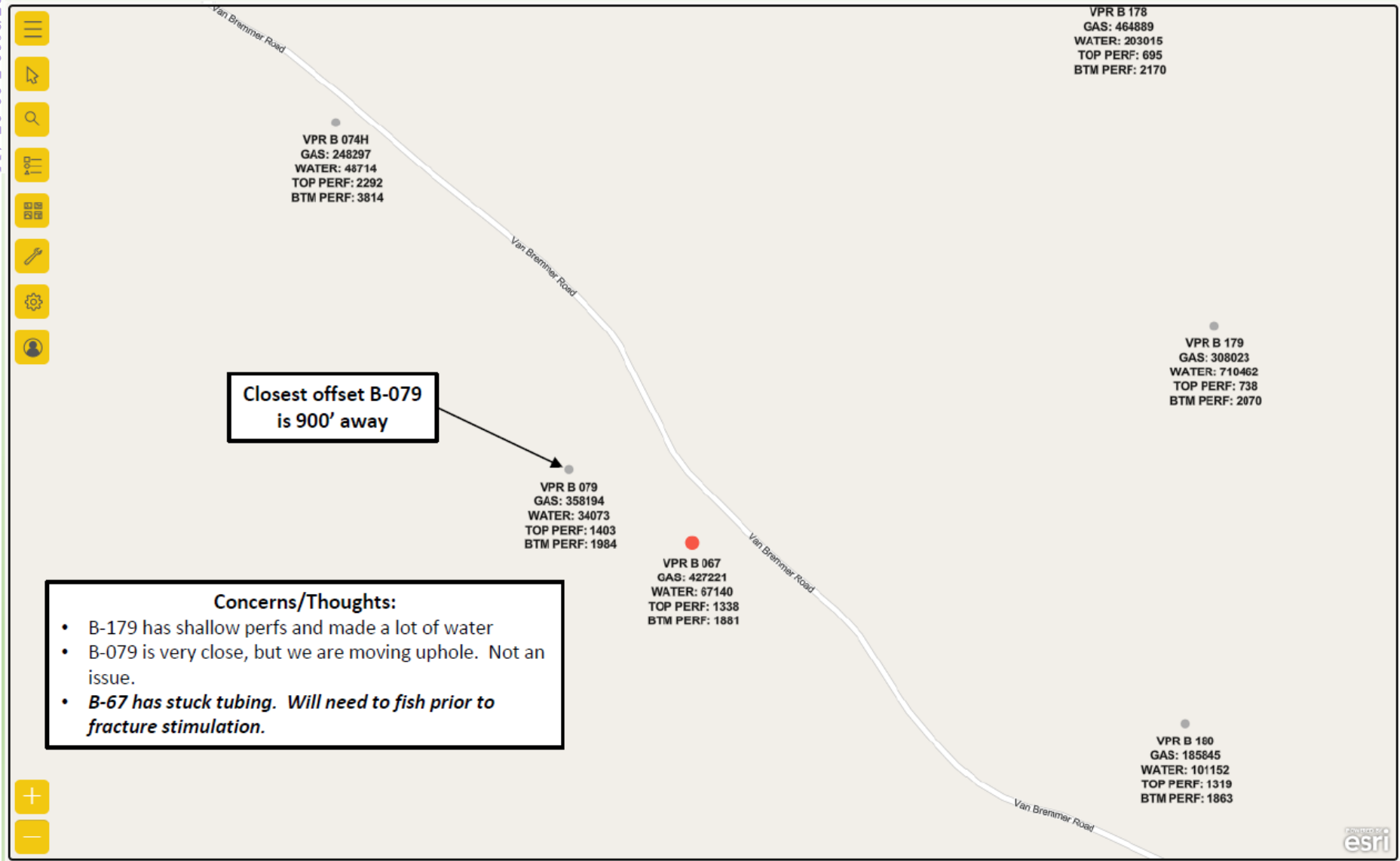
26. Hang off rods on beam. NU flowlines. Put well on pump and TTS. Clean location.

27. RDMO workover rig. Turn well over to production department.

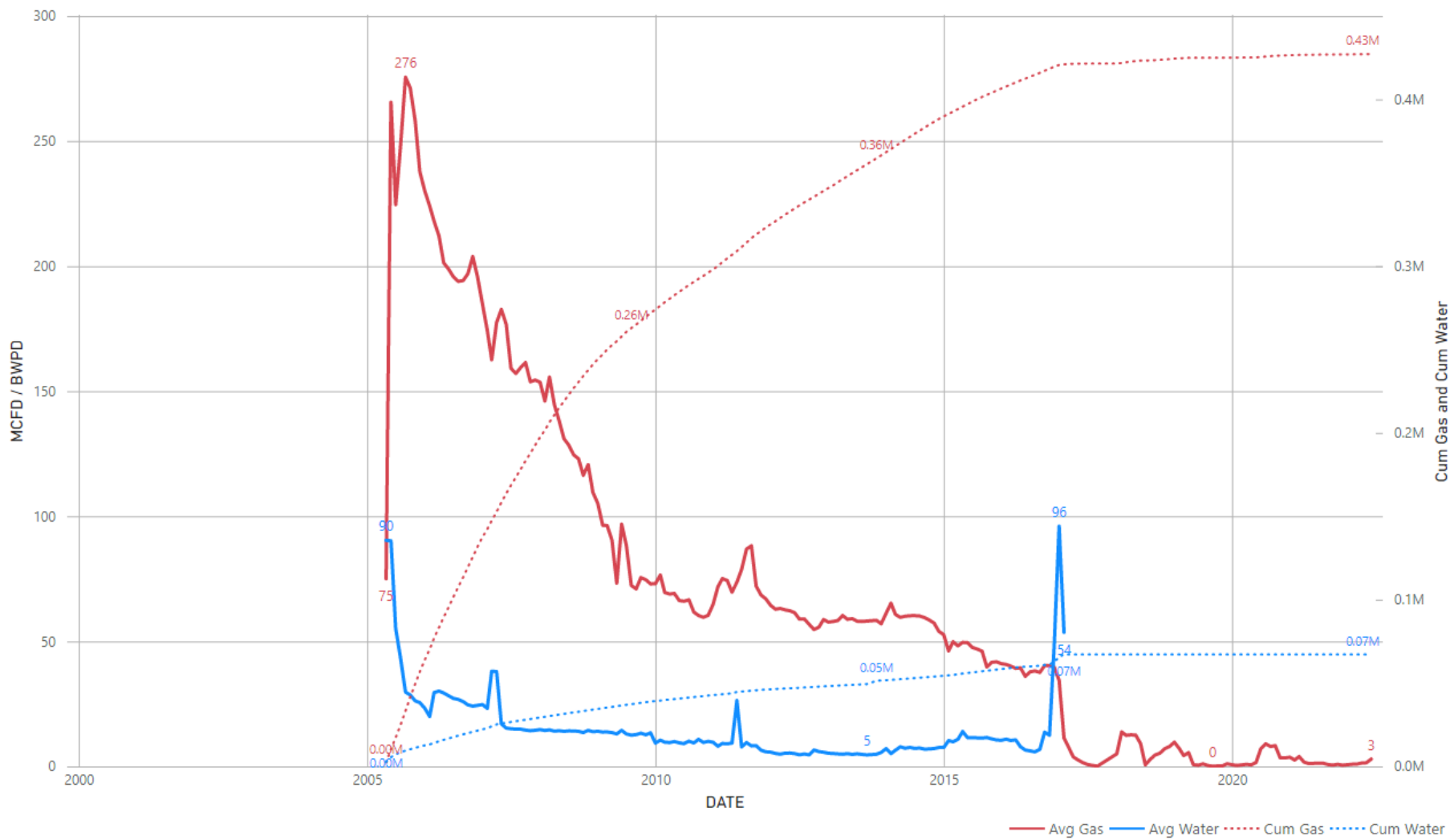
28. Flow test well until production levels out.

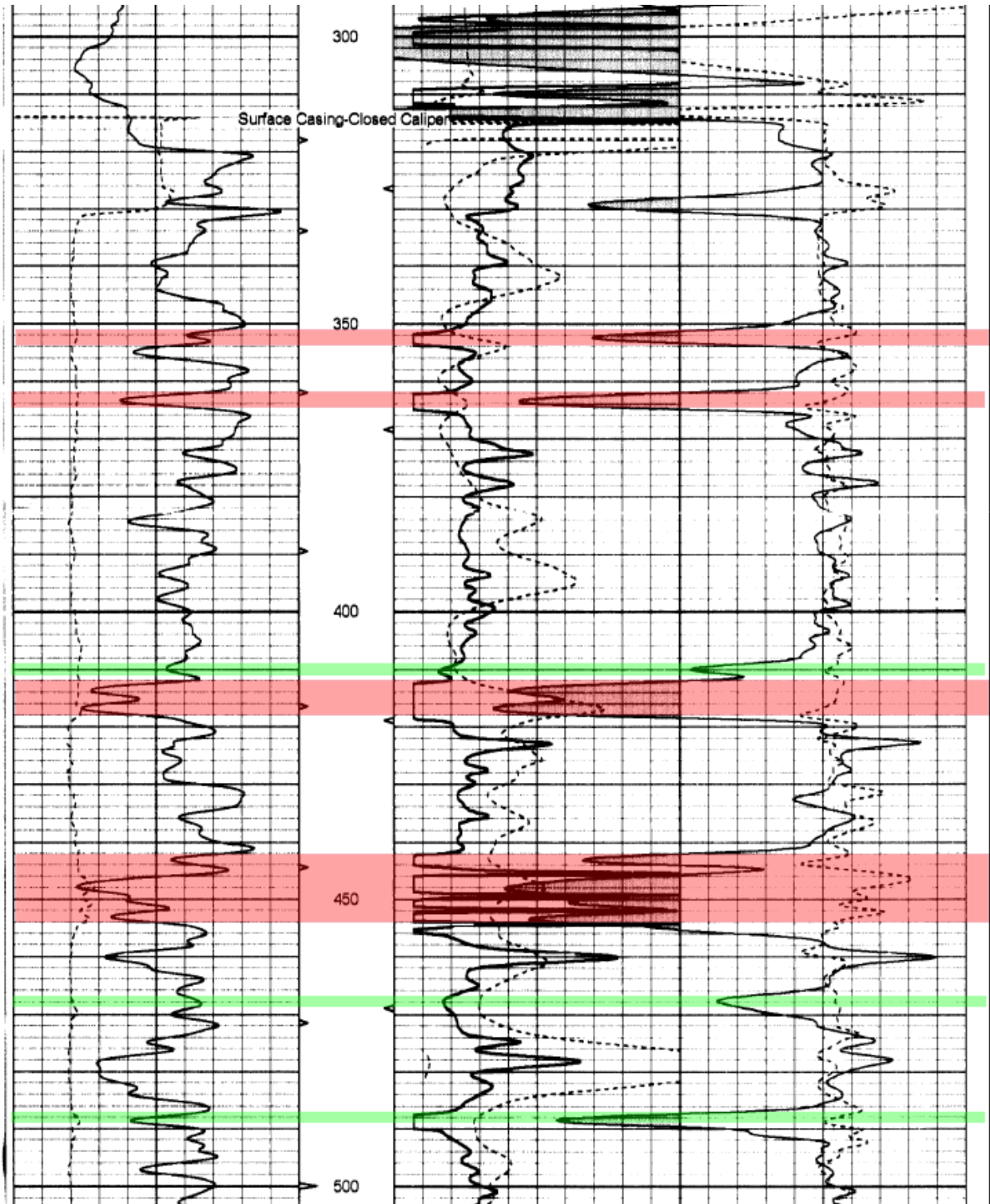
29. WOO from Houston to establish uphole testing procedure.

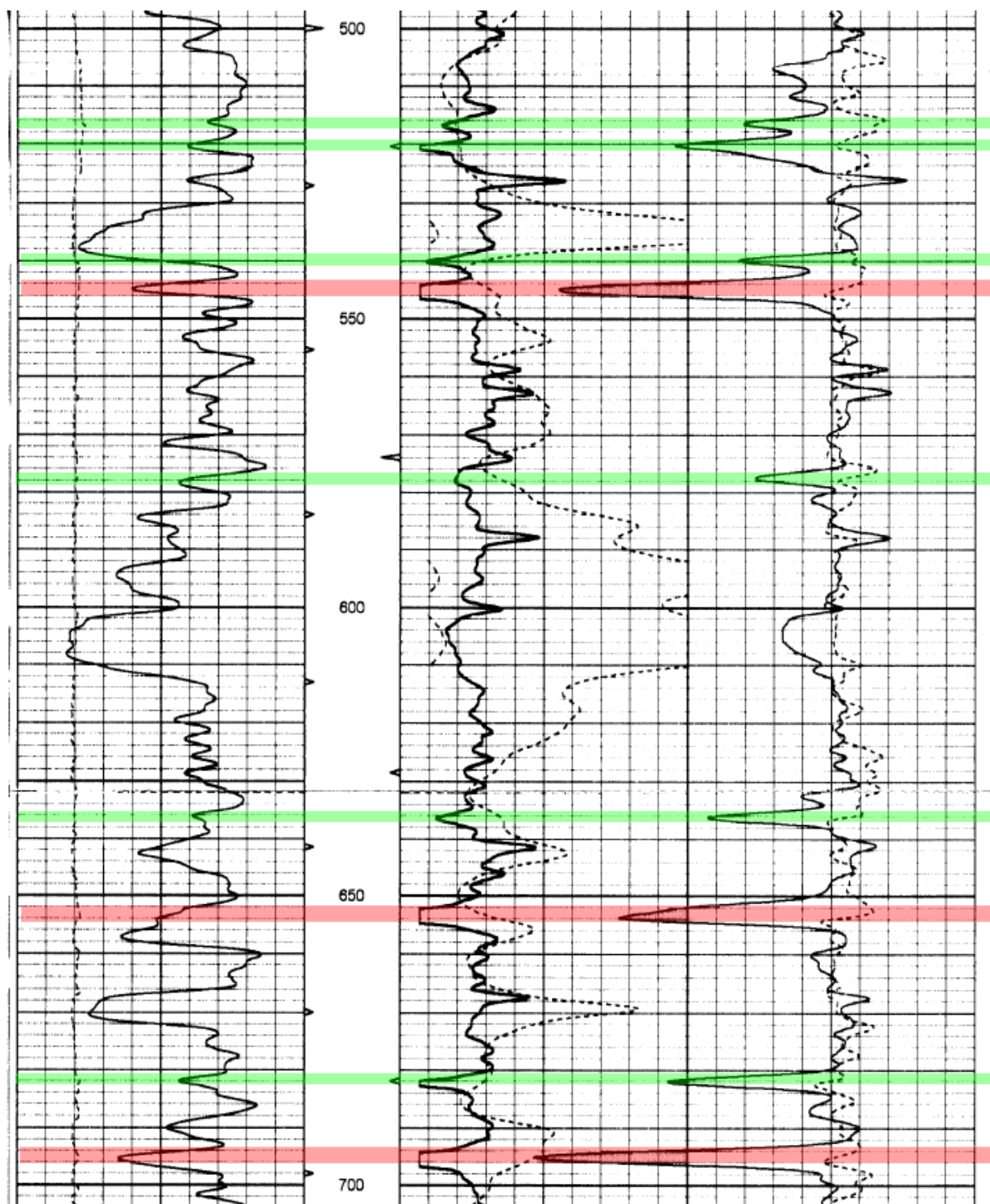
B-67 AND OFFSETS

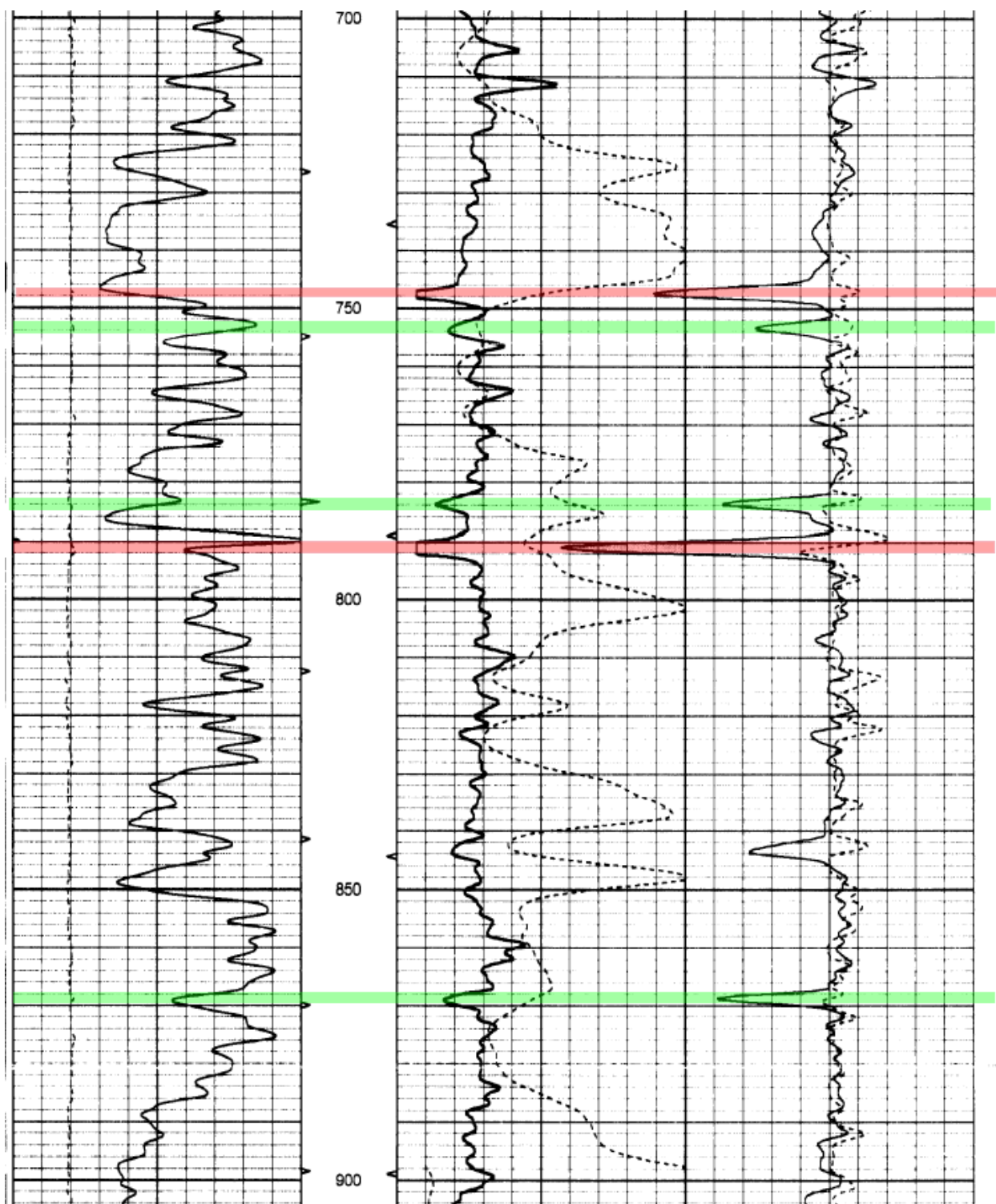


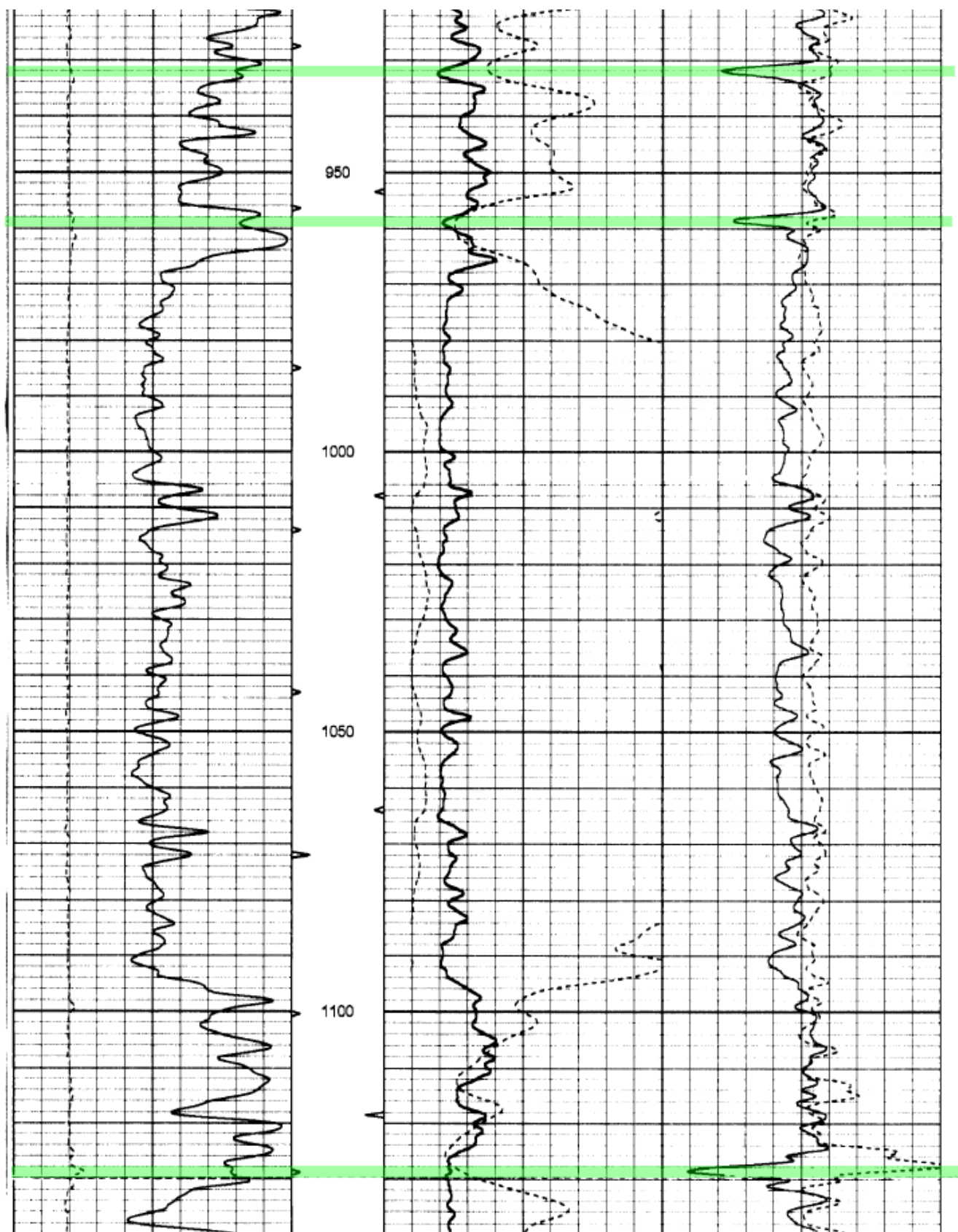
VPR B 067

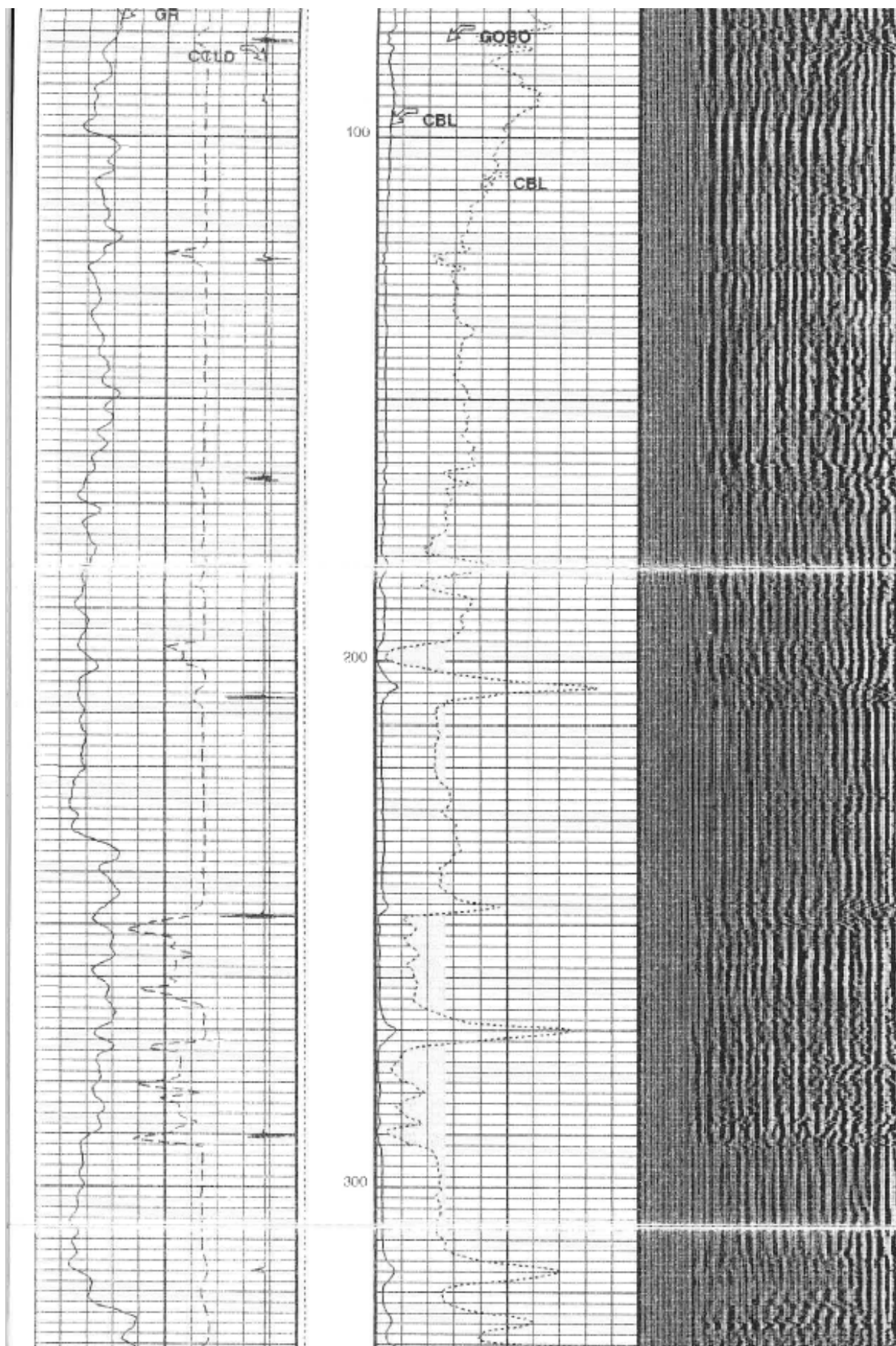














VPR B-067

API: 30-007-20554

Colfax County, NM

S-T-R: 05-29N-19E

WELLBORE DIAGRAM: 5/5/2010

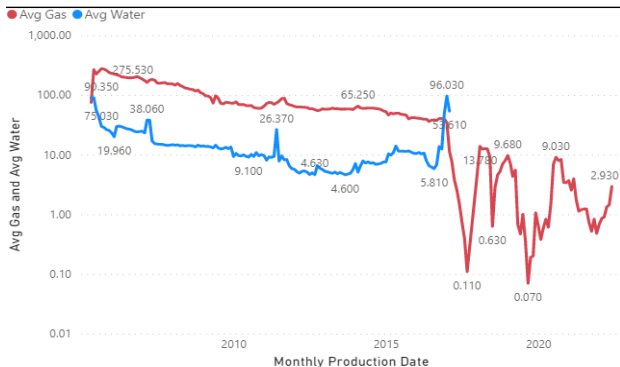
GL: 7,597'
 RKB:
 Spud: 3/9/2005
 TD'd well: 3/10/2005
 Completed: 4/20/2005
 Last workover: June '22
 Last modified: 8/29/2022 ES

PRODUCTION TUBING DETAIL (4/10/2017)

KB:	0.00	0.00
61 jts of 2-7/8" 6.5# J-55 tbg	1904.31	1904.31
2-7/8" seat nipple	1.10	1905.41
2-7/8" tail jt	30.03	1935.44
2-7/8" X 2-3/8" XO	0.50	1935.94
2-3/8" 4.70# J-55 pup jt	4.00	1939.94
End of tubing:		1939.94

ROD AND PUMP DETAIL: (4/10/2017)

1-1/4" x 16' polish rod	16	12 (landed 12')
3/4" Pony Rods (6')	6	18
72 jts 3/4" rods	1800	1818
1 7/8" guided pony rod	4	1822
<u>1-1/4" X 8' insert pump</u>		



5-1/2" 15.5# J-55 LTC CASING SPECS:

ID: 4.950 inches
 Drift: 4.825 inches
 Burst: 4,810 psi
 Collapse: 4,040 psi
 Capacity: 0.0238 bbl/ft
 rparham

11" hole

7-7/8" hole

PBTD - 2,220'

TD - 2,250'

TVD - 2,250'

Current as of 8/29/2022

8 5/8" 23# J-55 surface casing set at 313'. Cemented with 100 sacks.
 Full returns. Circ 5 bbls to pit.

TUBING STUCK

APRIL '17 - Tubing stuck. Did not test. Found hole in 1st jt in wellhead. Worked 2 hours no movement. TBIH with rods and pump. RDMO.

JUNE '22 - Attempted to load hole and run stuck pipe log. Set standing valve could not pressure up. RDMO.

STAGE #3: 1,465-68' + 1,435-37' + 1,370-74' + 1,338-40' 4 SPF 120 deg. 4/22/2005

XXX bbls 20# linear 400 gal 15% HCL + 32,257 lbs 16/30 (1-4 ppg) + 438,864 scf N2 @ 24.7 bpm & 2,124 psi. SCREENOUT

STAGE #2: 1,766-69' + 1,681-84' 4 SPF 120 deg. 4/21/2005

229 bbls 20# linear 300 gal 15% HCL + 23,764 lbs 16/30 (1-4 ppg) + 252,671 scf N2 @ 21.1 bpm & 1,810 psi. ISIP 991 psi

STAGE #1: 1,871-73' + 1,878-81' 4 SPF 120 deg. 4/21/2005

255 bbls 20# linear 300 gal 15% HCL + 24,485 lbs 16/30 (1-4 ppg) + 358,802 scf N2 @ 19.9 bpm & 2,428 psi. ISIP 1,427 psi

5-1/2" 15.50# J-55 SEWT production casing set at 2,235'. Cemented with 288 sx of cement.
 Circ 5 bbls cmt to surface. TOC @ 60'.

9/6/2022



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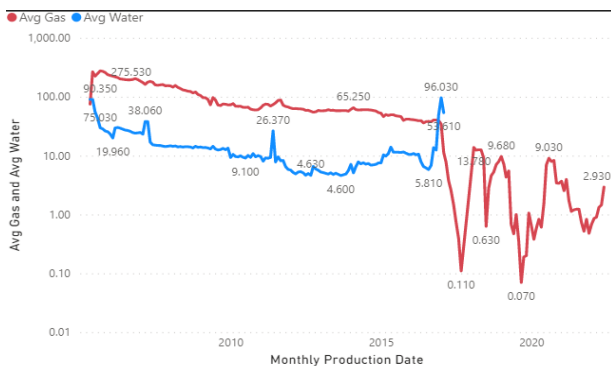
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PRODUCTION TUBING DETAIL (4/10/2017)

KB:	0.00	0.00
61 jts of 2-7/8" 6.5# J-55 tbgr	1904.31	1904.31
2-7/8" seat nipple	1.10	1905.41
2-7/8" tail jt	30.03	1935.44
2-7/8" X 2-3/8" XO	0.50	1935.94
2-3/8" 4.70# J-55 pup jt	4.00	1939.94
End of tubing:		1939.94

ROD AND PUMP DETAIL: (4/10/2017)

1-1/4" x 16' polish rod	16	12 (landed 12')
3/4" Pony Rods (6')	6	18
72 jts 3/4" rods	1800	1818
1 7/8" guided pony rod	4	1822
<u>1-1/4" X 8' insert pump</u>		



5-1/2" 15.5# J-55 LTC CASING SPECS:

ID: 4.950 inches
 Drift: 4.825 inches
 Burst: 4,810 psi
 Collapse: 4,040 psi
 Capacity: 0.0238 bbl/ft

11" hole

7-7/8" hole

PBTD - 2,220'
 TD - 2,250'
 TVD - 2,250'

PROPOSED

8 5/8" 23# J-55 surface casing set at 313'. Cemented with 100 sacks.
 Full returns. Circ 5 bbls to pit.

STAGE #7: 362-365' + 351-54' 4 SPF 120 deg. PROPOSED

STAGE #6: 412-18' + 409-11' 4 SPF 120 deg. PROPOSED

STAGE #5: 442-54' 4 SPF 120 deg. PROPOSED

STAGE #4: 576-78' + 544-46' + 539-41' + 520-22' + 516-18' + 488-90' + 467-69' 4 SPF 120 deg. PROPOSED

STAGE #3: 694-96' + 681-83' + 652-54' + 635-37' 4 SPF 120 deg. PROPOSED

STAGE #2: 868-70' + 790-92' + 783-85' + 753-55' + 746-48' 4 SPF 120 deg. PROPOSED

STAGE #1: 1,128-30' + 958-60' + 931-33' 4 SPF 120 deg. PROPOSED

CBP @ 1,300' PROPOSED

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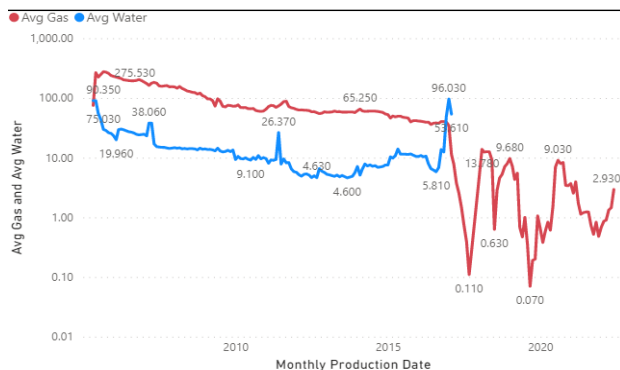
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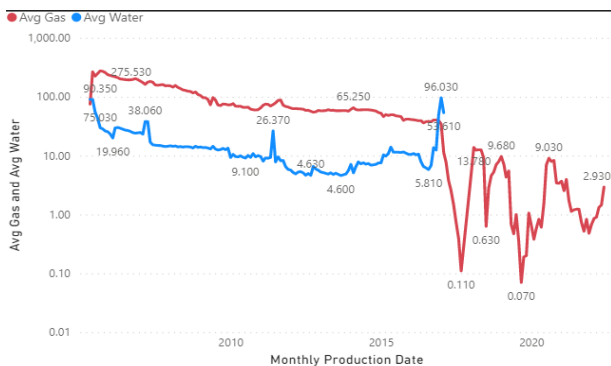
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STAGE #6: 412-18' + 409-11' 4 SPF 120 deg. PROPOSED

STAGE #5: 442-54' 4 SPF 120 deg. PROPOSED

STAGE #4: 576-78' + 544-46' + 539-41' + 520-22' + 516-18' + 488-90' + 467-69' 4 SPF 120 deg. PROPOSED

STAGE #3: 694-96' + 681-83' + 652-54' + 635-37' 4 SPF 120 deg. PROPOSED

STAGE #2: 868-70' + 790-92' + 783-85' + 753-55' + 746-48' 4 SPF 120 deg. PROPOSED

STAGE #1: 1,128-30' + 958-60' + 931-33' 4 SPF 120 deg. PROPOSED

CBP @ 1,300' PROPOSED

STAGE #3: 1,465-68' + 1,435-37' + 1,370-74' + 1,338-40' 4 SPF 120 deg. 4/22/2005
 XXX bbls 20# linear 400 gal 15% HCL + 32,257 lbs 16/30 (1-4 ppg) + 438,864 scf N2 @ 24.7 bpm & 2,124 psi. SCREENOUT

STAGE #2: 1,766-69' + 1,681-84' 4 SPF 120 deg. 4/21/2005
 229 bbls 20# linear 300 gal 15% HCL + 23,764 lbs 16/30 (1-4 ppg) + 252,671 scf N2 @ 21.1 bpm & 1,810 psi. ISIP 991 psi

STAGE #1: 1,871-73' + 1,878-81' 4 SPF 120 deg. 4/21/2005
 255 bbls 20# linear 300 gal 15% HCL + 24,485 lbs 16/30 (1-4 ppg) + 358,802 scf N2 @ 19.9 bpm & 2,428 psi. ISIP 1,427 psi

5-1/2" 15.50# J-55 SEWT production casing set at 2,235'. Cemented with 288 sx of cement.
 Circ 5 bbls cmt to surface. TOC @ 60'.

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: WAPITI OPERATING, LLC **OGRID:** 328741 **Date:** 09 / 07 / 22

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
VPR B 067	30-007-20554	A-05-29N-19E	426 FNL	ZERO	200	100
			1039 FEL			

IV. Central Delivery Point Name: EXISITNG PIPELINES ON SAME PAD [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
VPR B 067	30-007-20554	3-9-05	3-10-05	10-1-22	10-15-22	10-20-22

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:	BRIAN WOOD
Title:	CONSULTANT
E-mail Address:	brian@permitswest.com
Date:	9-7-22
Phone:	505 466-8120

OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)

Approved By:
Title:
Approval Date:
Conditions of Approval:

VI. SEPARATION EQUIPMENT

Gas is produced up the casing and water is produced up the tubing. Both are then piped via existing buried pipelines to one of five existing central production facilities. Wapiti has ≈ 30 MMcfd and $\approx 3,000$ bwpd spare capacity in its system. No venting or flaring are planned.

VII. Operational Practices

NMAC 19.15.27.8 (A) Venting & Flaring of Natural Gas

1. Wapiti Operating, LLC will comply with NMAC 19.15.27.8 – venting and flaring of gas during drilling, completion, or production that constitutes waste as defined in 19.15.2 is banned.

NMAC 19.15.27.8 (B) Venting & Flaring During Drilling

1. Wapiti will capture or combust gas if technically feasible during drilling operations using best industry practices.
2. A flare stack with a 100% capacity for expected volume will be set on the pad ≥ 100 feet from the nearest well head and storage tank.
3. In an emergency, Wapiti will vent gas in order to avoid substantial impact. Wapiti will report vented or flared gas to the NMOCD.

NMAC 19.15.27.8 (C) Venting & Flaring During Completion or Recompletion

1. Facilities will be built and ready from the first day of flowback
2. Test separator will be properly separate gas and liquids. Temporary test separator will be used initially to process volumes. In addition, separator will be tied into flowback tanks which will be tied into the gas processing equipment for sale down a pipeline.
3. Should the facility not be ready to process gas, or the gas does not meet quality standards, then storage tanks will be set that are tied into gas busters or a temporary flare to manage all gas. This flare would meet the following requirements:
 - a) An appropriately sized flare stack with an automatic igniter
 - b) Wapiti analyzes gas samples twice a week
 - c) Wapiti flows the gas into a gathering line as soon as the line specifications are met
 - d) Wapiti provides the NMOCD with pipeline specifications and natural gas data.

NMAC 19.15.27.8 (D) Venting & Flaring During Production

Wapiti will not vent or flare natural gas except:

1. During an emergency or malfunction
2. To unload or clean-up liquid holdup in a well to atmospheric pressure, provided

- a) Wapiti does not vent after the well achieves a stabilized rate and pressure
 - b) Wapiti will be on-site while unloading liquids by manual purging and take all reasonable actions to achieve a stabilized rate and pressure as soon as possible
 - c) Wapiti will optimize the system to minimize gas venting if the well is equipped with a plunger lift or auto control system
 - d) Best management practices will be used during downhole well maintenance.
3. During the first year of production from an exploratory well provided
- a) Wapiti receives approval from the NMOCD
 - b) Wapiti stays in compliance with NMOCD gas capture requirements
 - c) Wapiti submits an updated C-129 form to the NMOCD
4. During the following activities unless prohibited
- a) Gauging or sampling a storage tank or low-pressure production vessel
 - b) Loading out liquids from a storage tank
 - c) Repair and maintenance
 - d) Normal operation of a gas-activated pneumatic controller or pump
 - e) Normal operation of a storage tank but not including venting from a thief hatch
 - f) Normal operation of dehydration units
 - g) Normal operations of compressors, engines, turbines, valves, flanges, & connectors
 - h) During a bradenhead, packer leakage test, or production test lasting <24 hours
 - i) When natural gas does not meet the gathering line specifications
 - j) Commissioning of pipes, equipment, or facilities only for as long as necessary to purge introduced impurities.

NMAC 19.15.27.8 (E) Performance Standards

1. Wapiti used a safety factor to design the separation and storage equipment. The equipment will be routed to a vapor recovery system and uses a flare as back up for startup, shutdown, maintenance, or malfunction of the VRU system.
2. Wapiti will install a flare that will handle the full volume of vapors from the facility in case of VRU failure. It will have an auto-ignition system.
3. Flare stacks will be appropriately sized and designed to ensure proper combustion efficiency
 - a) Flare stacks installed or replaced will be equipped with an automatic ignitor or continuous pilot.
 - b) Previously installed flare stacks will be retrofitted within 18 months of May 25, 2021, with an automatic ignitor, continuous pilot, or technology that alerts Wapiti to flare malfunction.
 - c) Flare stacks replaced after May 25, 2021, will be equipped with an automatic ignitor or continuous pilot if at a well or facility with an average production of ≤ 60 Mcfd of natural gas.
 - d) Flare stacks will be located >100 feet from well head and storage tanks and securely anchored.

4. Wapiti will conduct an AVO inspection on all components for leaks and defects every week.
5. Wapiti will make and keep records of AVO inspections available to the NMOCD for at least 5 years.
6. Wapiti may use a remote or automated monitoring technology to detect leaks and releases in lieu of AVO inspections with prior NMOCD approval.
7. Facilities will be designed to minimize waste.
8. Wapiti will resolve emergencies as promptly as possible.

NMAC 19.15.27.8 (F) Measuring or Estimating Vented & Flared Natural Gas

1. Wapiti will have meters on both the low pressure and high-pressure sides of the flares. Volumes will be recorded in the SCADA system.
2. Wapiti will install equipment to measure the volume of flared natural gas that has an average production of ≥ 60 Mcfd.
3. Wapiti's measuring equipment will conform to industry standards.
4. Measurement system will be designed such that it cannot be bypassed except for inspections and servicing the meters.
5. Wapiti will estimate the volume of vented or flared gas using a methodology that can be independently verified if metering is not practicable due to low flow rate or pressure.
6. Wapiti will estimate the volume of vented and flared gas based on the results of an annual GOR test for wells that do not require measuring equipment reported on form C-116.
7. Wapiti will install measuring equipment whenever the NMOCD determines that metering is necessary.

VIII. Best Management Practices

Wapiti Operating, LLC will minimize venting during maintenance by:

1. System will be designed and operated to route storage tank and process equipment emissions to the VRU. If the VRU is not operable, then vapors will be routed to the flare.
2. Scheduling maintenance for multiple tasks to minimize the need for blowdowns.
3. After completion of maintenance, gas will be flared until it meets pipeline specifications.

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
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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 142027

CONDITIONS

Operator: Wapiti Operating, LLC 1310 W Sam Houston PKWY N Houston, TX 77043	OGRID: 328741
	Action Number: 142027
	Action Type: [C-103] NOI Recompletion (C-103E)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	9/27/2022