

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

Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

☐ AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

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

¹ Operator Name and Address Texland Petroleum-Hobbs, LLC 777 Main Street, Suite 3200 Fort Worth, Texas 76102		² OGRID Number 113315
		³ API Number 30-025-27927
⁴ Property Code	⁵ Property Name Lee Carter	⁶ Well No. #1

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
H	22	16S	37E		1980	North	660	East	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name	Pool Code
Lovington, ABO	40470

Additional Well Information

¹¹ Work Type E	¹² Well Type O	¹³ Cable/Rotary Workover Unit	¹⁴ Lease Type FEE/P	¹⁵ Ground Level Elevation 3778'
¹⁶ Multiple No	¹⁷ Proposed Depth Original 11,515'	¹⁸ Formation ABO	¹⁹ Contractor Falcon Well Services	²⁰ Spud Date ASAP
Depth to Ground water est 60'	Distance from nearest fresh water well est 2-3 miles		Distance to nearest surface water see attached maps	

xx ☐ 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
		See original	Approved	completion		

Casing/Cement Program: Additional Comments

See attached current and proposed Well Bore Schematics; Texland will squeeze Drinkard perms before drlg out CIBP

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
3K Manual (7 1/16" opening)	2500 psi	3000 psi	

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

I further certify that I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐, if applicable.

Signature:

Vickie Smith

Printed name: Vickie Smith

Title: Regulatory Analyst

E-mail Address: vsmith@texpetro.com

Date: 10/23/2019

Phone: 575-433-8395

OIL CONSERVATION DIVISION

Approved By:

[Signature]

Title:

Approved Date: 12/02/2019

Expiration Date: 12/02/2021

Conditions of Approval Attached

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All distances must be from the outer boundaries of the Section.

Operator Texland Petroleum-Hobbs, LLC		Lease Lee Carter		Well No. 1
Unit Letter H	Section 33	Township T-16-S	Range R-37-E	County Lea
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the East line				
Ground Level Elev: 3778	Producing Formation ABO	Pool Lovington ABO	Dedicated Acreage: 40 Acres	

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

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

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

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

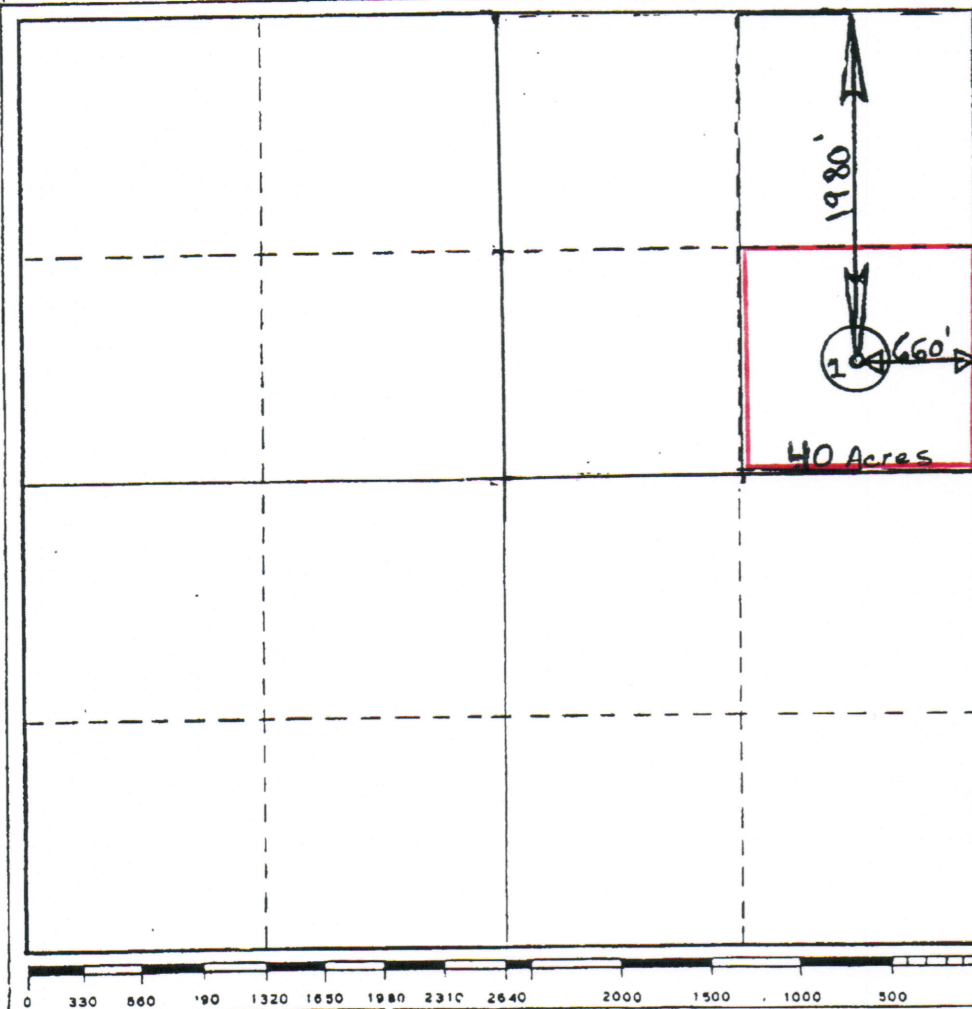
CERTIFICATION

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

Vickie Smith
Name
Vickie Smith
Position
Regulatory Analyst
Company
Texland-Petroleum-Hobbs
Date
10-23-19

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

REGISTERED LAND SURVEYOR
August 27, 1982
NEW MEXICO
Registered Professional Engineer
and/or Land Surveyor
4386
SHELL BRAND
Certification No.
4386



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

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: Oct 24, 2019

☒ Original Operator & OGRID No.: 113315
☐ Amended - Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
Lee Carter	42-025-27927	H-22-16S-37E	1980 FNL 660 FEL	12	0	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to DCP Midstream and will be connected to DCP Midstream low/high pressure gathering system located in Lea County, New Mexico. It will require 200' of pipeline to connect the facility to low/high pressure gathering system. Operator provides (periodically) to DCP Midstream a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Operator and Gas Transporter have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Gas Transporter Processing Plant located in Sec. 6, Twn. 19S, Rng. 37E, LEA County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Gas Transporter system at that time. Based on current information, it is Operator's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

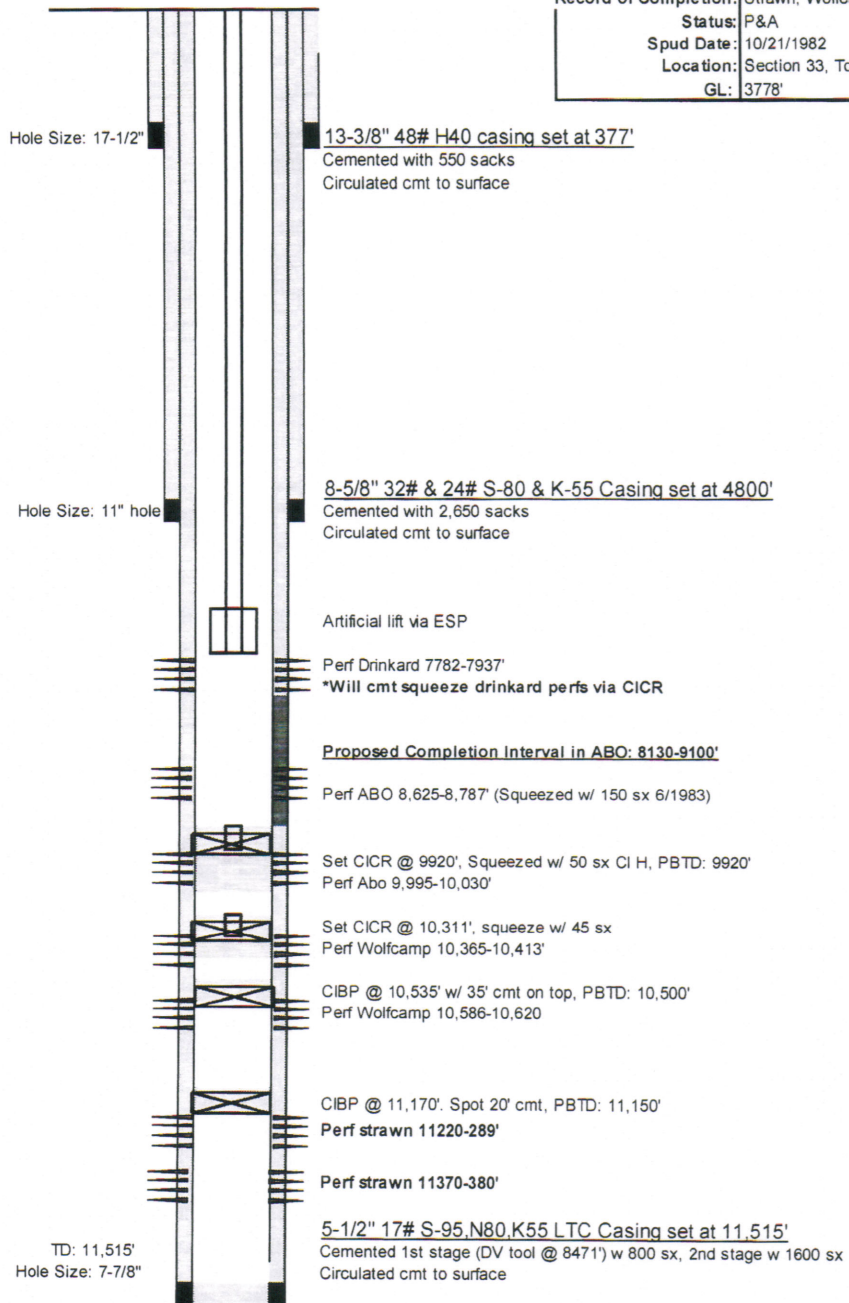
Alternatives to Reduce Flaring

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

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

Lee Carter #1

Proposed Wellbore Schematic



API: 30-025-27927

Operator: Rotary Wireline Service Inc

Record of Completion: Strawn, Wolfcamp, Abo, Drinkard

Status: P&A

Spud Date: 10/21/1982

Location: Section 33, Township 16S, Range 37E

GL: 3778'