District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-101
Revised July 18, 2013

☐ AMENDED REPORT

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

1 Operator Name and Address	2 OGRID Number
NM&O Operating Company 320 S. Boston Ave., Suite 2000 Tulsa, OK 74103	15938
	3 API Number 30-025-09007

4 Property Code	5 Property Name	6 Well No.
xxxx 325946	Peerless Et Al Com	1

7 Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	22	22S	36E		660	North	1980	West	Lea

8 Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	22	22S	36E		660	North	1980	West	Lea

9 Pool Information

Pool Name	Pool Code
Eunice; Seven Rivers-Queen, South Pool	24130

Additional Well Information

11 Work Type	12 Well Type	13 Cable/Rotary	14 Lease Type	15 Ground Level Elevation
D	O	R	P	3537'
16 Multiple	**17 Proposed Depth**	**18 Formation**	**19 Contractor**	**20 Spud Date**
No	3900'	7 Rivers	Roadrunner Well Service, LLC	1/10/2010
Depth to Ground water	Distance from nearest fresh water well		Distance to nearest surface water	
170'	1 mile +/-		2000' to dry creek bed	

☒ 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
Prod	6 1/8"	4 1/2"	9.5	3950'	75	3048'

Casing/Cement Program: Additional Comments

22 Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
7 1/16" BI Double Annular	1500	5000	Reedy MFG

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:	OIL CONSERVATION DIVISION
	Approved By:
Printed name: Larry D. Sweet	Title:
Title: President	Approved Date: 01/17/2020 Expiration Date: 01/17/2022
E-mail Address: larrys@xanexp.com	
Date: 1/06/2020 Phone: (918) 584-3802	Conditions of Approval Attached

Proposed Work Procedure
Peerless et al Com #1 Unit C
NE/4 NW/4 Sec. 22-T22S-R36E
Lea Co., New Mexico

- Test anchors and set replacement anchors as required.
- Note: 7" Csg set @ 3,492', Cmt w/700 Sx.
- MIRH Roadrunner rig 3, power swivel, pump, pit, hoses, yellow dog pump, BOP w/pipe rams, (6)- 3½" drill collars, 4½" casing handling tools, pipe rack and backhoe.
- MI 500 bbl frac tank, fill w/ 250 > 300 bbl fresh water.
- POOH laying down rods. NU Csg head and BOP. POOH 2⅞" tbg laying down.
- Change BOP rams for 2⅞" tbg. Prepare to tally & run 2⅞" tubing. Pick-up 7" casing scraper and RIH to PBD (3,477' tagged in 1981). Watch for any tight spots in 7" casing.
- If tight spots encountered, LD scraper, PU & run junk basket & gauge ring for 7"- 23" casing.
- Pick up 7" packer with un-loader RIH to 3300' & set to test casing. (Initial completion shows 700 Sx Cmt pumped for 7" long string), load backside w/ ~ 104 Bbl water and pressure test casing to 400 psig.
- Prepare to squeeze Yates perfs 3,350 to 3,478'. RIH w/cement retainer, set between 3,300' to 3,325'. MI cement equipment, sqz Yates w/300 sacks cement. Work to get a walking sqz, sting out, reverse out cement.. Consider stinging back in, pressure testing to confirm sqz holding.
- WOC 12 hrs while round tripping pipe.
- Move-in mud logging unit.
- Move-in, hook-up swivel, pump & mud pit w/mud mixing eqpt. Pick-up 6¼" bit, (6) 3½" drill collars, crossover sub and RIH on 2⅞" tbg. Drill out cement retainer, pressure test sqz job.
- If sqz holding, mud up & continue to drill out to 3,950', (650'), total depth. Circulate hole for logging. POOH w/drilling assembly.
- Move-in logging unit and run open hole logs (triple combo) to TD. (3,950').
- Evaluate logs, make completion decision. If warranted:
- Modify Csg head for 4½" pipe.
- RU to RIH w/4½" 10.5# D&T casing, and set from 3,950' to surface.
- Cement 4½" to raise cement to 3,000'.
- Prepare for completion work.

12/6/19
Date

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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	2 Pool Code	3 Pool Name
30-025-09007	24130	Eunice; Seven Rivers- Queen, South Pool

4 Property Code	5 Property Name	6 Well Number
xxxx 325946	Peerless Et Al Com	1

7 OGRID No.	8 Operator Name	9 Elevation
15938	NM&O Operating Company	3537'

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
C	22	22S	36E		660	N	1980	W	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South lin	Feet from the	East/West line	County
C	22	22S	36E		660	Ne	1980	W	Lea

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
40	N		

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

Peerless, et. al

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.

01/06/2020
Signature Date

Larry Sweet
Printed Name

larry@nmop.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.

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number

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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: Jan 08, 2020

☐ Original
☐ Amended - Reason for Amendment: _____

Operator & OGRID No.: 15938

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete 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
Peerless EL Al Com	30-025-09007	NW,4 Sec. 22-T22S-R36E	660' FNL 1980' FWL	< 10	Flared	well tied into existing pipeline

Gathering System and Pipeline Notification

*Gas Transporter is DCP Midstream

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 Gas Transporter and will be connected to Gas Transporter low/high pressure gathering system located in Lea County, New Mexico. It will require 0 ' of pipeline to connect the facility to low/high pressure gathering system. Operator provides (periodically) to Gas Transporter 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. _____, Twn. _____, Rng. _____, _____ County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Do not know location

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