

DISTRICT I
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DISTRICT II
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DISTRICT IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

NM OIL CONSERVATION
OIL CONSERVATION DIVISION
1226 South St. Francis Dr.
Santa Fe, New Mexico 87505

Submit one copy to appropriate District Office
ARTESIA DISTRICT

APR 09 2018

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

RECEIVED

API Number 30-015-44881	Pool Code 97565	Pool Name N. SEVEN RIVERS; GLORIETA-YESO
Property Code 320768	Property Name SOUTH BOYD FEDERAL COM	Well Number 14H
OGRID No. 371755	Operator Name PERCUSSION PETROLEUM OPERATING, LLC	Elevation 3508'

Surface Location

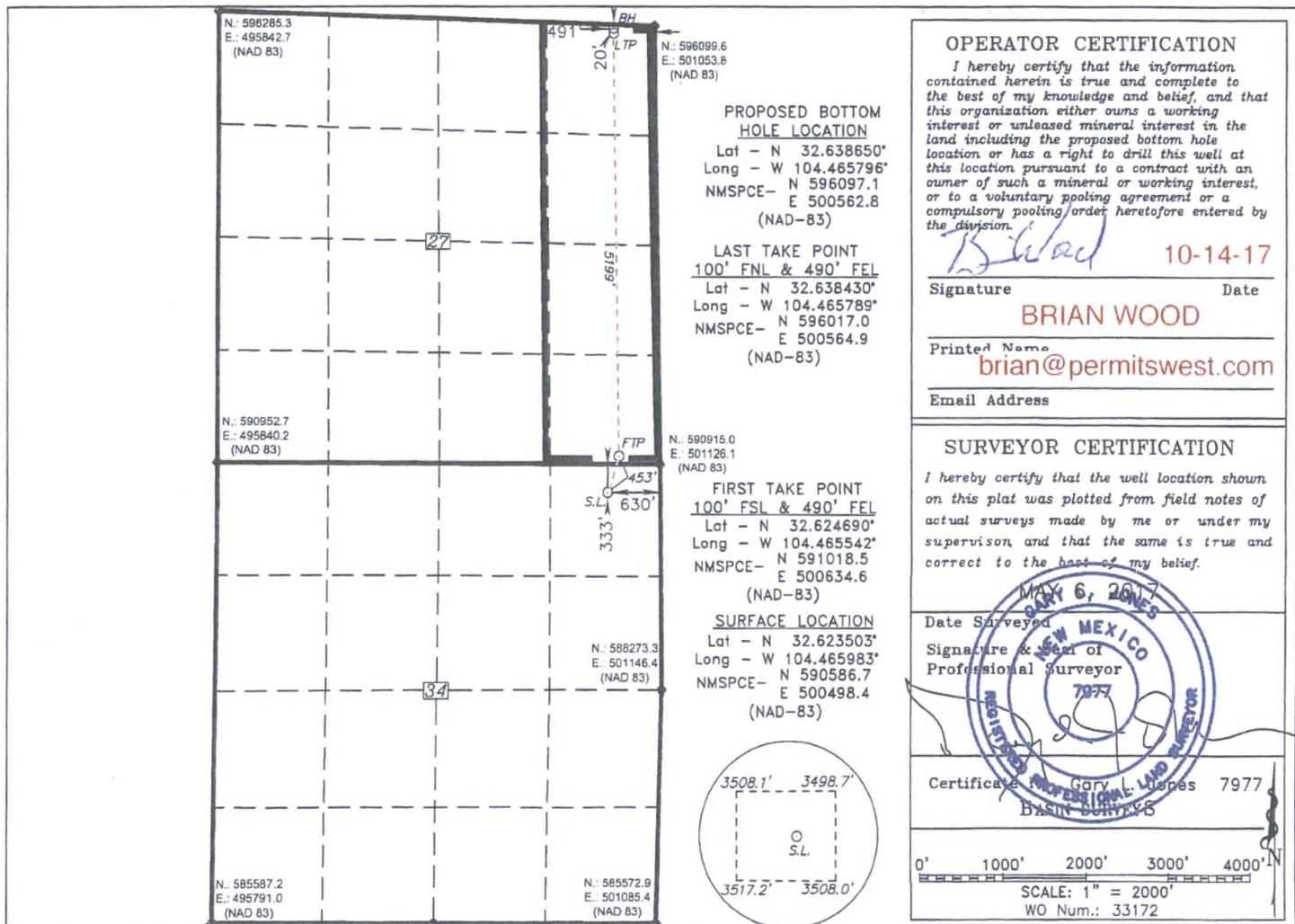
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
A	34	19 S	25 E		333	NORTH	630	EAST	EDDY

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	27	19 S	25 E		20	NORTH	491	EAST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code C	Order No.
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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



RW 4-13-18

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NM OIL CONSERVATION

ARTESIA DISTRICT

APR 09 2018

HOBBS OCD

APR 05 2018

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

RECEIVED

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GAS CAPTURE PLAN

Date: 10-14-17

X Original

Operator & OGRID No.: Percussion Petroleum Operating, LLC (371755)

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	SHL (ULSTR)	SHL Footages	Expected MCF/D	Flare or Vent	Comments
South Boyd Federal Cóm 14H	30-015- 44881	A-34-19s-25e	333' FNL & 630' FEL	100	<30 days	flare until well clean, then connect

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 and will be connected to DCP low/high pressure gathering system located in Eddy County, New Mexico. It will require ≈3,794.9' 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. 36, T. 19 S., R. 24 E., Eddy 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