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

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

NAD 83 NME

Y= 587918.7 N

X = 490525.9 E

LAT.=32.616131' N

LONG. = 104.498361' W

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

State of New Mexico Energy, Minerals & Natural Resources Department

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

MAY 2 1 2019

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

DISTRICT II-ARTESIA O.C.D.

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-015- 46010	Pool Code 97565	Pool Name N. SEVEN RIVERS; GLORIETA-YESO				
Property Code 3/7237	•	perty Name Well Nun 33 FED COM 2H				
OGRID No. 37/755	•	rator Name LEUM OPERATING, LLC	Elevation 3529'			

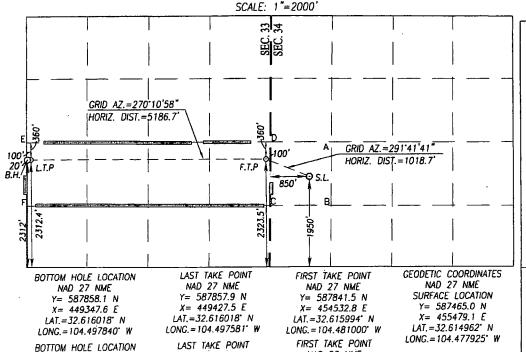
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	34	19-S	25-E		1950	SOUTH	850	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section 33	Township 19-S	Range 25-E	Lot Idn	Feet from the 2312	North/South line SOUTH	Feet from the 20	East/West line WEST	County EDDY
Dedicated Acres	Joint or	infill C	onsolidation C		er No.				

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



NAD 83 NME

Y= 587902.2 N

X = 4957112 F

LAT. = 32.616107 N

LONG. = 104.481520° W

GEODETIC COORDINATES NAD 83 NME

SURFACE LOCATION

Y= 587525.7 N

X= 496657.6 E LAT.=32.615075° N LONG. = 104.478445° W

CORNER COORDINATES TABLE CORNER COORDINATES TABLE NAD 27 NME NAD 83 NME 588195.5 N, X= 455959.0 E - Y= 588256.2 N. X= 497137.5 E 8 - Y= 586855.2 N, X= 455945.6 E - Y= 586915.8 N, X= 497124.1 E - Y= 586920.4 N, X= 495802.2 E C - Y= 586859.8 N, X= 454623.7 E - Y= 588261.8 N, X= 495814.5 E D - Y= 588201.1 N, X= 454636.0 E E - Y= 588218.1 N, X= 449328.3 E - Y= 588278.7 N, X= 490506.6 E - Y= 586882.5 N, X= 449325.7 E - Y= 586943.0 N, X= 490504.0 E

NAD 83 NME

Y= 587918.5 N

X= 490605.9 E

LAT.=32.616131° N

LONG. = 104.498101° W

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

100

11-10-18

Date BRIAN WOOD

Printed Name

brian@permitswest.com

E-mail Address

505 466-8120

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.

OCTOBER 04, 2018

Date of Survey Signature & Seal of Professional Surveyor: SEN ME

CU Certificate Number Garyo G. Eidson 12641 SSI Ronald J. Eidson 3239

Rev. 10/23/18 JWSC W.O.: 18.11.0954

RW 5-21-19

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State of New Mexico Energy, Minerals and Natural Resources Department

Submit Original to Appropriate District Office

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

GAS CAPTURE PLAN

Date: 11-10-18

X Original Operator & OGRID No.: <u>Percussion Petroleum Operating, LLC (371755)</u>

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, 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 & Number	APİ	SHL (ULSTR)	SHL Footages	Expected MCF/D	Flare or Vent	Comments
Dorami 33 Fed Com 2H	30-015-	L-34-19s-25e	1950' FSL & 850' FWL	100	<30 days	flare until well clean, then connect
Dorami 33 Fed Com 3H	30-015-	L-34-19s-25e	1930' FSL & 850' FWL	100	<30 days	flare until well clean, then connect
Dorami 33 Fed Com 4H	30-015-	L-34-19s-25e	1910' FSL & 850' FWL	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 not yet dedicated, but will be connected to a 3rd party gathering system located in <u>Eddy</u> County, New Mexico. It will require an <u>unknown length</u> of pipeline to connect the facility to a gathering system. <u>Operator</u> provides (periodically) to <u>Gas Transporter</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, <u>Operator</u> and <u>Gas Transporter</u> have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at <u>an unknown</u> Processing Plant located in <u>Eddy</u> 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 <u>Gas Transporter</u> 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
 - o Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas On lease
 - o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
 - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines