

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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: 9-24-17

X Original  
☐ Amended - Reason for Amendment: \_\_\_\_\_

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

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	Flared or Vented	Comments
Huber Federal 12H	30-015- <b>44710</b>	N-34-19s-25e	454' FSL & 2256' 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 dedicated to DCP and will be connected to DCP low/high pressure gathering system located in Eddy County, NM. It will require ≈3227.6' 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, NM. 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

## DISTRICT I

1625 N. French Dr., Hobbs, NM 88240  
Phone (505) 393-6161 Fax: (505) 393-0720

## DISTRICT II

811 S. First St., Artesia, NM 88210  
Phone (505) 748-1263 Fax: (505) 748-9720

## DISTRICT III

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Phone (505) 334-6176 Fax: (505) 334-6170

## DISTRICT IV

1228 S. St. Francis Dr., Santa Fe, NM 87505  
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State of New Mexico  
Energy, Minerals and Natural Resources Department

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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate  
District Office

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015- <b>44710</b>	Pool Code 97565	Pool Name N SEVEN RIVERS, GLORIETA-YESO
Property Code <b>317243</b>	Property Name HUBER FEDERAL	Well Number 12H
OGRID No. 371755	Operator Name PERCUSSION PETROLEUM OPERATING, LLC	Elevation 3510'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
N	34	19 S	25 E		454	SOUTH	2385	WEST	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
N	3	20 S	25 E		20	SOUTH	2256	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160.61			

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

**SURFACE LOCATION**  
Lat - N 32.610978'  
Long - W 104.473490'  
NMSPCE- N 586033.0  
E 498181.0  
(NAD-83)

**FIRST TAKE POINT**  
100' FNL & 2256' FWL  
Lat - N 32.609457'  
Long - W 104.473924'  
NMSPCE- N 585479.8  
E 498046.7  
(NAD-83)

**LAST TAKE POINT**  
100' FSL & 2256' FWL  
Lat - N 32.595542'  
Long - W 104.473944'  
NMSPCE- N 580417.5  
E 498034.0  
(NAD-83)

**PROPOSED BOTTOM HOLE LOCATION**  
Lat - N 32.595322'  
Long - W 104.473947'  
NMSPCE- N 580337.4  
E 498033.0  
(NAD-83)

**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.

Signature: *Brian Wood* Date: 9-24-17  
Printed Name: BRIAN WOOD  
Email Address: brian@permitswest.com

**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 Surveyed: *SEP 27, 2017*  
Signature: *[Signature]*  
Professional Surveyor: 7977

Certificate No. 7977

Scale: 1" = 2000'  
WO Num: 73103