

District I
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District II
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District IV
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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

NM OIL CONSERVATION
ARTESIA DISTRICT

FEB 27 2019

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

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-45837	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP
⁴ Property Code 325338	⁵ Property Name BODACIOUS 5-32 FED COM WCB	⁶ Well Number 6H
⁷ OGRID No. 372137	⁸ Operator Name CHISHOLM ENERGY OPERATING, LLC	⁹ Elevation 3364.5

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
O	5	23 S	26 E		230	SOUTH	1840	EAST	EDDY

¹¹ 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	32	22 S	26 E		330	NORTH	400	EAST	EDDY

¹² Dedicated Acres 641.579	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. 40
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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.

<p>NMSP EAST (FT) N = 493237.32 E = 544249.67</p> <p>NMSP EAST (FT) N = 493250.50 E = 546900.94</p> <p>330' BHL 400'</p> <p>STATE</p> <p>SEC 32</p> <p>SEC 5</p> <p>LANDING POINT 330' FSL, 400' FEL LAT. = 32.3272418°N LONG. = 104.3080161°W N = 482783.63 E = 549057.11 GRID AZ. TO LP N85°59'44"E HORIZ. DIST 1447.19 FT</p> <p>NMSP EAST (FT) N = 487791.23 E = 544299.49</p> <p>NMSP EAST (FT) N = 487808.24 E = 546960.33</p> <p>L4 L3 L2 L1</p> <p>GRID AZ. = N00°33'14"E HORIZ. DIST. = 1013.25 FT</p> <p>NMSP EAST (FT) N = 487843.92 E = 549609.44</p> <p>BODACIOUS 5-32 FED COM WCB 6H ELEV. = 3364.5' LAT. = 32.3269649°N (NAD83) LONG. = 104.3130140°W NMSP EAST (FT) N = 482682.59 E = 547613.81</p> <p>NMSP EAST (FT) N = 482438.91 E = 544088.62</p> <p>NMSP EAST (FT) N = 482452.03 E = 546765.30</p> <p>SFL</p> <p>230' 1840'</p> <p>NMSP EAST (FT) N = 482453.99 E = 549447.32</p>		<p>" OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Jennifer Elrod</i> 7/17/18 Signature Date</p> <p>Jennifer Elrod Printed Name</p> <p>jelrod@chisholmenenergy.com E-mail Address</p> <p>" SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MAY 22, 2018 Date of Survey</p> <p><i>FILIMON F. JARAMILLO</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number: FILIMON F. JARAMILLO, PLS 12797</p> <p>SURVEY NO. 6285</p>
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4-11-19

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GAS CAPTURE PLAN

Date: 07/25/2018

☒ Original
☐ Amended - Reason for Amendment: _____

Operator & OGRID No.: Chisholm Energy Operating, LLC/372137

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
BODACIOUS 5-32 FED COM WCB-6H	015-	O-5-23S-26E	230 FSL 1840 FEL	1900	FLARED	PIPELINE IN PLACE; FLARE ONLY WHEN NEEDED

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 LUCID and will be connected to LUCID low/high pressure gathering system located in EDDY County, New Mexico. It will require FLOWLINES to connect the facility to low/high pressure gathering system. Chisholm Energy Operating, LLC provides (periodically) to LUCID a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Chisholm Energy Operating, LLC and LUCID have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at LUCID Processing Plant located in Sec. 13, Twn. 24S, Rng. 33E, 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 LUCID system at that time. Based on current information, it is Chisholm Energy Operating, LLC 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