

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico **NM OIL CONSERVATION**

Form C-102

Energy, Minerals & Natural Resources Department

ARTESIA DISTRICT

Revised October 12, 2005

OIL CONSERVATION DIVISION JUL 03 2017

Submit to Appropriate District Office

1220 South St. Francis Dr.

State Lease - 4 Copies

Santa Fe, NM 87505

Fee Lease - 3 Copies

RECEIVED**AS DRILLED**☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

| | | |
|---|---|--|
| ¹ API Number 30-015-44021 | ² Pool Code 96836 | ³ Pool Name Red Lake, Glorieta-Yeso NE |
| ⁴ Property Code 308953 | ⁵ Property Name EAGLE 34 G FEDERAL | ⁶ Well Number 88 |
| ⁷ OGRID No. 277558 | ⁸ Operator Name LIME ROCK RESOURCES II-A, L.P. | ⁹ Elevation 3546' GL |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| G | 34 | 17-S | 27-E | | 1495 | NORTH | 2275 | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| G | 34 | 17-S | 27-E | | 1678 | NORTH | 2207 | EAST | EDDY |

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

| | | | | | |
|--|--|--|--|--|--|
| | | | | 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. | |
| | | | | Date 3/29/17 Signature Mike Pippin Printed Name | |
| 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 2/10/16 Signature and Seal of Professional Surveyor: Filmon F. Jaramillo 12797 Certificat Number | |
| | | | | | |



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



In Reply Refer to
3162.4 (P0220)

AUG 21 2017

RKI Exploration & Production LLC
3500 One Williams Center MD-35
Tulsa, OK 74172

SC 8-29-17
Accepted for record - NMOCD

Gentlemen:

Your Application for Permit to Drill (APDs) for the wells listed below have expired because drilling has not commenced per Onshore Order #1:

| <u>LEASE</u> | <u>WELL NAME AND LOCATION</u> | <u>EXPIRATION</u> |
|--------------|---|-------------------|
| NM61349 | Longview Federal 31 – 4H <i>30-015-43286</i> 370'S & 2230'W, sec. 31, T. 22 S., R 29 E. | July 30, 2017 |
| NM61349 | Longview Federal 31 – 6H <i>30-015-43288</i> 370'S & 2205'W, sec. 31, T. 22 S., R. 29 E. | July 30, 2017 |

If the well has not been spud, but site construction activities have occurred please contact Jim Amos at (575) 234-5909 for surface reclamation instructions. If drilling operations have commenced send all necessary reports (spud, casing/cementing, etc., 1 original and 3 copies) to the BLM so we may correct our records.

If you wish to drill this wells at a later date, please submit a complete application (1 original and 3 copies) to this office. Since the original APD has expired, the resubmitted APD will be subject to all processing requirements including the \$9,610 application fee and the 30-day posting period. Please note on the resubmitted APD that it was previously approved and we will review the expired file for information which will help expedite the processing.

If you have any questions, please contact Jim Amos at (575) 234-5909.

Sincerely,
DMcKinney
Sur Cody Layton
Assistant Field Manager, Lands & Minerals

cc: NMOCD

NM OIL CONSERVATION
ARTESIA DISTRICT

AUG 29 2017

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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

NM OIL CONSERVATION
ARTESIA DISTRICT

GAS CAPTURE PLAN

SEP 18 2017

Date: 10-05-2016

RECEIVED

☒ Original

Operator & OGRID No.: OXY USA INC. - 16696

☐ 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 | Well Location (ULSTR) | Footages | Expected MCF/D | Flared or Vented | Comments |
|--------------------------------|--------------------------------|------------------------------|-------------------|-------------------|---------------------|----------|
| Cedar Canyon 23-24 Fed #31H | Pending <u>30-015-44179</u> | Unit A Sec 22, T24S, R29E | 491FNL 1177FEL | 1,598 | 0 | |
| Cedar Canyon 23-24 Fed #32H | Pending <u>30-015-44180</u> | Unit A Sec 22, T24S, R29E | 520FNL 172FEL | 1,598 | 0 | |

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, where a gas transporter system is in place. The gas produced from production facility is dedicated to Enterprise Field Services, LLC ("Enterprise") and is connected to Enterprise low/high pressure gathering system located in Eddy County, New Mexico. OXY USA INC. ("OXY") provides (periodically) to Enterprise a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, OXY and Enterprise have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at OXY USA WTP LP Processing Plant located in Sec. 23, Twn. 21S, Rng. 23E, 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 Enterprise system at that time. Based on current information, it is OXY'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