DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (878) \$83-6161 Fax: (678) \$83-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (876) 748-1283 Fax: (678) 748-9720
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (606) \$34-6176 Fax: (606) 354-6170

1226 S. St. Francis Dr., Santa Fe, NM 87505 Phone (505) 478-3460 Fax: (506) 476-3482

DISTRICT IV

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102 Revised August 1, 2011

Submit one copy to appropriate District Office

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-015- 44911	Pool Code 97565	Pool Name N. SEVEN RIVERS; GLO	Pool Name RIVERS; GLORIETA-YESO		
Property Code 3/7243	-	Property Name HUBER FEDERAL			
ogrid No. 371755	-	Operator Name PERCUSSION PETROLEUM OPERATING, LLC			

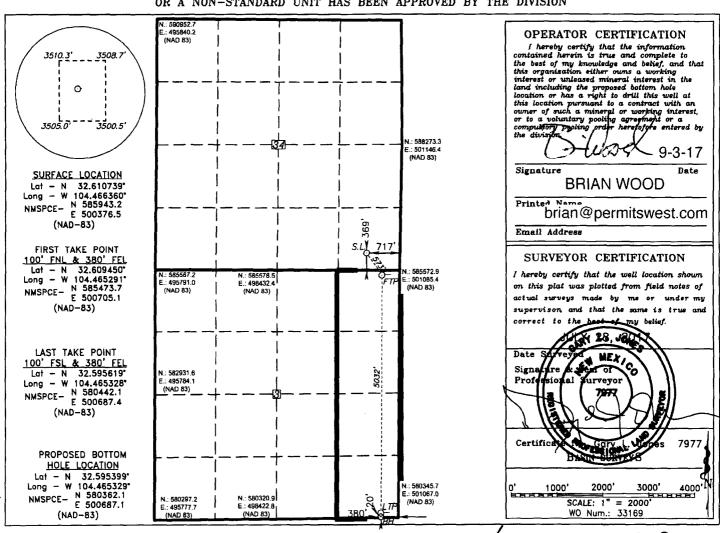
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
P	34	19 S	25 E		369	SOUTH	717	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
Ì	Р	3	20 S	25 E		20	SOUTH	380	EAST	EDDY
ſ	Dedicated Acres	Joint o	r Infill Co	nsolidation	Code Or	der No.				
	160.54									

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



NSP/NSL RND Required 2-20-18 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

Submit Original to Appropriate District Office

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

GAS CAPTURE PLAN

Date:	<u>9-3-17</u>

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, 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 N.M.4C).

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 13H	30-015- 4471/	P-34-19s-25e	369' FSL & 717' 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 <u>DCP</u> and will be connected to <u>DCP</u> low/high pressure gathering system located in <u>Eddy</u> County, New Mexico. It will require ≈1170.2' of pipeline to connect the facility to low/high pressure 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>Gas Transporter</u> Processing Plant located in Sec. <u>36</u>, T. <u>19 S.</u>, R. <u>24 E.</u>, <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 <u>Operator's</u> 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