

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-4161 Fax: (575) 393-4729

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Hondo Rd., Artesia, NM 87410
Phone: (505) 334-6176 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87501
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Minerals & Natural Resources Department
NM OIL CONSERVATION OIL CONSERVATION DIVISION
ARTESIA DISTRICT
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

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

APR 28 2017

RECEIVED WELL LOCATION AND ACREAGE DEDICATION PLAT AS DRILLED PLAT

API Number 30-015-43349	Pool Code 98220	Pool Name PURPLE SAGE - WOLFCAMP GAS POOL
Property Code 40484	Property Name EAST PECOS FEDERAL 22	Well Number 9H
OGRID No. 246289	Operator Name RKI EXPLORATION & PRODUCTION	Elevation 2879'

Surface Location

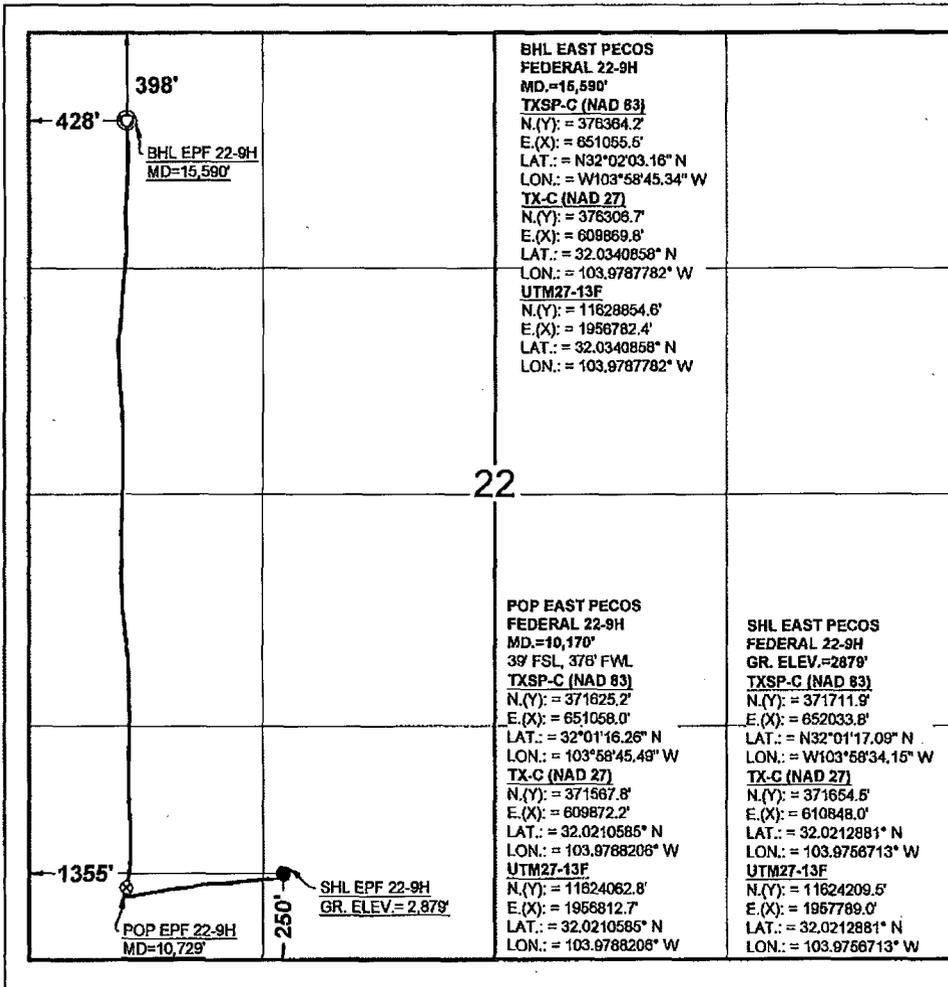
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	22	26S	29E		250	S	1355	W	EDDY

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
D	22	26S	29E		398	N	428	W	EDDY

Dedicated Acres 320.00 W 1/2 OF SEC. 22	Joint or Infill	Consolidated Code	Order No.
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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.



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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jessica DeMarce 3/27/2017

Signature _____ Date _____
Jessica M DeMarce
Print Name _____
jessica.demarce@wpenergy.com
E-mail Address _____

SURVEYORS 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.

MARCH 23, 2017
Date of Survey

Signature and Seal of Professional Surveyor:

Job No.: WTC51737
JAMES E. TOMPKINS 14729
Certificate Number _____

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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

NM OIL CONSERVATION
ARTESIA DISTRICT

APR 28 2017

GAS CAPTURE PLAN

Date: 04/28/2017

RECEIVED

Original

Operator & OGRID No.: RKI Exploration and Production, LLC #246289

Reason for Amendment: _____

This Gas Capture Plan outlines actions to be taken by the RKI Exploration & Production, LLC 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	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
EAST PECOS FED 22-9H	30-015-433 49	SEC. 22, T26S, R29E	SHL: 250'FSL 1,355 FWL	5,400 MCF/D	FLARE 2000 MCF/D	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if Delaware Basin Midstream, LLC system is in place. The gas produced from production facility is dedicated to Delaware Basin Midstream, LLC and will be connected to Delaware Basin Midstream, LLC low/high pressure gathering system located in Reeves County, Texas. It will require 50' of pipeline to connect the facility to low/high pressure gathering system. RKI Exploration and Production, LLC provides (periodically) to Delaware Basin Midstream, LLC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, RKI Exploration and Production, LLC and Delaware Basin Midstream, LLC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Delaware Basin Midstream, LLC Processing Plant located: **See Below**. 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 Delaware Basin Midstream, LLC system at that time. Based on current information, it is RKI Exploration and Production, 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

GAS CAPTURE PLAN, Cont.

RKI Exploration and Production, LLC:

Gas Capture Plan: Delaware Basin Midstream, LLC Processing Plant Information

RKI Exploration and Production, LLC has the ability to deliver to the below listed Gas Processing Plants.

Delaware Basin Midstream, LLC

Block 58-T1-Section 36
Reeves County, Texas