

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6181 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 746-1263 Fax: (575) 746-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 854-6176 Fax: (505) 354-6170

DISTRICT IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

CONSERVATION

WESTERN DISTRICT

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

RECEIVED

MAR 28 2018

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

| | | |
|------------------------------------|--|---|
| API Number 30-015- 44848 | Pool Code 97565 | Pool Name N. SEVEN RIVERS; GLORIETA-YESO |
| Property Code 317243 | Property Name HUBER FEDERAL | Well Number 10H |
| OGRID No. 371755 | Operator Name PERCUSSION PETROLEUM OPERATING, LLC | Elevation 3506' |

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 | | 474 | SOUTH | 2535 | 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 | 2571 | WEST | EDDY |

| | | | |
|---------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 160.61 | Joint or Infill | Consolidation Code | Order No. |
|---------------------------|-----------------|--------------------|-----------|

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 32.611032°
Long - W 104.473002°
NMSPC- N 586052.6
E 498331.3
(NAD-83)

FIRST TAKE POINT
100' FNL & 2599' FWL
Lat - N 32.609455°
Long - W 104.472810°
NMSPC- N 585478.7
E 498389.7
(NAD-83)

LAST TAKE POINT
100' FSL & 2571' FWL
Lat - N 32.596183°
Long - W 104.472922°
NMSPC- N 580650.3
E 498349.1
(NAD-83)

PROPOSED BOTTOM HOLE LOCATION
Lat - N 32.595331°
Long - W 104.472924°
NMSPC- N 580340.3
E 498348.0
(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.

Brian Wood 9-19-17
Signature Date

BRIAN WOOD

Printed Name
brian@permitswest.com

Email Address

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 **JUNE 27, 2017**

Signature & Title of Professional Surveyor
[Signature]
7977

Certificate No. **7977**

Scale: 1" = 2000'
WO Num.: 33103

NSP/NSL
RUB 3-30-18

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

Submit Original
to Appropriate
District Office

RECEIVED
CONSERVATION
ARTESIA DISTRICT
MAR 28 2018

GAS CAPTURE PLAN

Date: 9-19-17

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 4 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 10H | 30-015- <u>44848</u> | N-34-19s-25e | 474' FSL & 2535' 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 $\approx 3227.6'$ 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