DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
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

# WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number | Pool Code | Pool Name |
|---|---|---|
| 30-015- 46064 | 97565 | N. SEVEN RIVERS; GLORIETA-YESO |

| Property Code | Property Name | Well Number |
|---|---|---|
| 324926 | LAKEWOOD FEDERAL COM | 15H |

| OGRID No. | Operator Name | Elevation |
|---|---|---|
| 371755 | PERCUSSION PETROLEM OPERATING, LLC | 3529' |

Surface Location

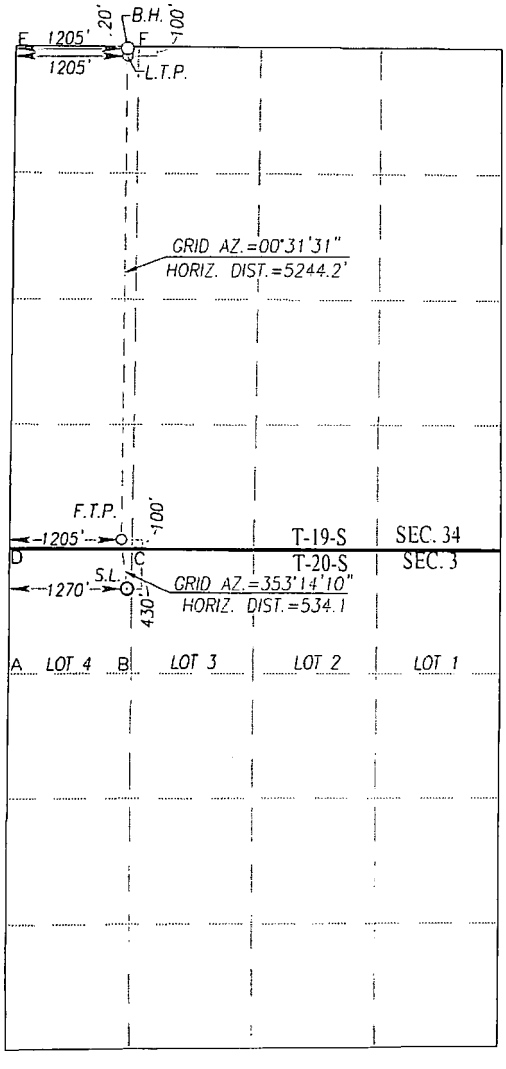
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| 4 | 3 | 20-S | 25-E | | 430 | NORTH | 1270 | WEST | EDDY |

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 |
|---|---|---|---|---|---|---|---|---|---|
| D | 34 | 19-S | 25-E | | 20 | NORTH | 1205 | WEST | EDDY |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|---|---|---|---|
| 160 | | C | |

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




SCALE: 1"=2000'

BOTTOM HOLE LOCATION
NAD 83 NME
Y= 590917.7 N
X= 497043.6 E
LAT.=32.624400° N
LONG.=104.477206° W

BOTTOM HOLE LOCATION
NAD 27 NME
Y= 590856.9 N
X= 455865.1 E
LAT.=32.624287° N
LONG.=104.476686° W

LAST TAKE POINT
NAD 83 NME
Y= 590837.7 N
X= 497042.9 E
LAT.=32.624181° N
LONG.=104.477208° W

LAST TAKE POINT
NAD 27 NME
Y= 590776.9 N
X= 455864.4 E
LAT.=32.624067° N
LONG.=104.476688° W

CORNER COORDINATES TABLE
NAD 27 NME
A - Y= 584180.0 N, X= 454608.0 E
B - Y= 584181.2 N, X= 455929.3 E
C - Y= 585514.1 N, X= 455932.2 E
D - Y= 585518.4 N, X= 454611.4 E
E - Y= 590883.8 N, X= 454660.7 E
F - Y= 590876.2 N, X= 455985.8 E

CORNER COORDINATES TABLE
NAD 83 NME
A - Y= 584240.6 N, X= 495786.5 E
B - Y= 584241.8 N, X= 497107.8 E
C - Y= 585574.7 N, X= 497110.7 E
D - Y= 585579.0 N, X= 495789.9 E
E - Y= 590944.5 N, X= 495839.1 E
F - Y= 590937.0 N, X= 497164.3 E

FIRST TAKE POINT
NAD 83 NME
Y= 585675.0 N
X= 496995.5 E
LAT.=32.609990° N
LONG.=104.477339° W

FIRST TAKE POINT
NAD 27 NME
Y= 585614.4 N
X= 455817.0 E
LAT.=32.609877° N
LONG.=104.476819° W

GEODETIC COORDINATES
NAD 83 NME
SURFACE LOCATION
Y= 585144.8 N
X= 497058.4 E
LAT.=32.608532° N
LONG.=104.477132° W

GEODETIC COORDINATES
NAD 27 NME
SURFACE LOCATION
Y= 585084.2 N
X= 455879.9 E
LAT.=32.608419° N
LONG.=104.476613° W

## OPERATOR CERTIFICATION

*I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

Signature — Date: 10-12-18

Printed Name: BRIAN WOOD

E-mail Address: brian@permitswest.com

505 466-8120

## 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.*

3239
APRIL 05, 2018

NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR

Date of Survey
Signature & Seal of Professional Surveyor:

Ronald J Eidson 05/24/2018

Certificate Number: Gary G. Eidson 12641
Ronald J. Eidson 3239

ACK REV.:5/23/18 REL. W.O.:18110118 JWSC W.O.: 18.11.0412

RP 6-11-19

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Oil Conservation Division
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Santa Fe, NM 87505

Submit Original to Appropriate District Office

# GAS CAPTURE PLAN

Date: 10-11-18

X Original
□ Amended - Reason for Amendment:

Operator & OGRID No.: Percussion Petroleum Operating, LLC (371755)

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 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 | Flare or Vent | Comments |
|---|---|---|---|---|---|---|
| Lakewood Federal Com 14H | 30-015- | D-3-20s-25e | 430' FNL & 1290' FWL | 100 | <30 days | flare until well clean, then connect |
| Lakewood Federal Com 15H | 30-015- | D-3-20s-25e | 430' FNL & 1270' FWL | 100 | <30 days | flare until well clean, then connect |
| Lakewood Federal Com 16H | 30-015- | D-3-20s-25e | 430' FNL & 1250' 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 not yet dedicated, but will be connected to a 3rd party gathering system located in Eddy County, New Mexico. It will require an unknown length of pipeline to connect the facility to a gathering system. Percussion will provide (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, Percussion and Gas Transporter will have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at an unknown Processing Plant located in 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 Gas Transporter system at that time. Based on current information, it is Percussion's belief a 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