

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: 10-13-18

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 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 17H	30-015-	D-3-20s-25e	555' FNL & 645' FWL	100	<30 days	flare until well clean, then connect
Lakewood Federal Com 18H	30-015-	D-3-20s-25e	555' FNL & 625' FWL	100	<30 days	flare until well clean, then connect
Lakewood Federal Com 19H	30-015-	D-3-20s-25e	555' FNL & 605' 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

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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 30-015- 46067	Pool Code 97565	Pool Name N. SEVEN RIVERS; GLORIETA-YESO
Property Code 324 926	Property Name LAKEWOOD FEDERAL COM	Well Number 18H
OGRID No. 371755	Operator Name PERCUSSION PETROLEUM OPERATING, LLC	Elevation 3524'

Surface Location

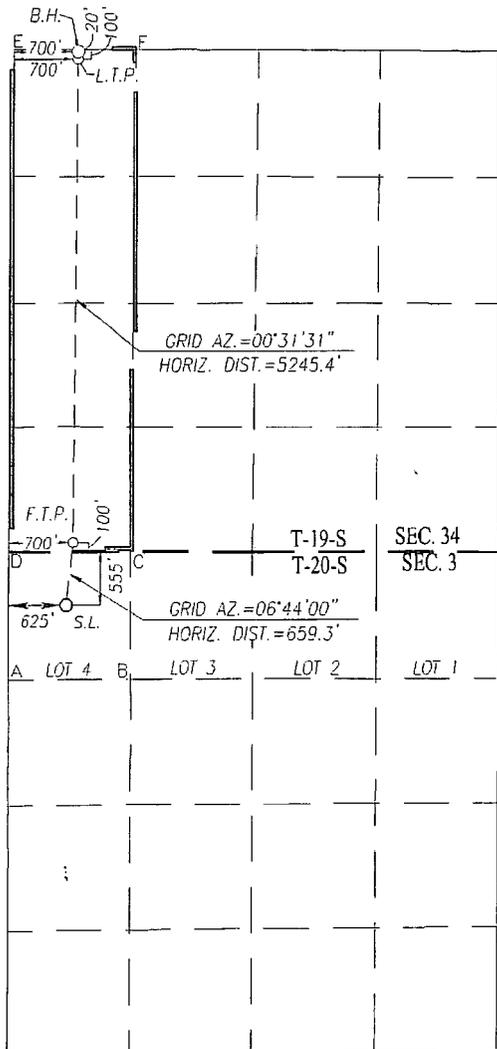
UL or lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
4	3	20-S	25-E		555	NORTH	625	WEST	EDDY

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	700	WEST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code C	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



SCALE: 1"=2000'

BOTTOM HOLE LOCATION NAD 83 NME Y= 590920.6 N X= 496538.7 E LAT.=32.624406° N LONG.=104.478846° W	BOTTOM HOLE LOCATION NAD 27 NME Y= 590859.8 N X= 455360.3 E LAT.=32.624293° N LONG.=104.478326° W
LAST TAKE POINT NAD 83 NME Y= 590840.6 N X= 496538.0 E LAT.=32.624187° N LONG.=104.478848° W	LAST TAKE POINT NAD 27 NME Y= 590779.8 N X= 455359.5 E LAT.=32.624074° N LONG.=104.478328° 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= 585676.7 N X= 496490.7 E LAT.=32.609992° N LONG.=104.478979° W	FIRST TAKE POINT NAD 27 NME Y= 585616.1 N X= 455312.2 E LAT.=32.609879° N LONG.=104.478459° W
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GEODETIC COORDINATES NAD 83 NME SURFACE LOCATION Y= 585022.1 N X= 496413.4 E LAT.=32.608193° N LONG.=104.479227° W	GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y= 584961.5 N X= 455234.9 E LAT.=32.608030° N LONG.=104.478707° W
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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.

Brian Wood 10-14-18
Signature Date

BRIAN WOOD
Printed Name
brian@permitswest.com

E-mail Address 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.

Ronald J. Eidson FEBRUARY 28, 2018
Date of Survey Signature Seal of Professional Surveyor

Ronald J. Eidson 03/27/2018
Certificate Number Gary G. Eidson 12641
Ronald J. Eidson 3239
I.S.I. JWSC W.O.: 18.11.0121

RWP 6-11-19