

DISTRICT I

1825 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Frances Dr.
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 70-025-43262	Pool Code 14270 54490	Pool Name Crossroads, San Andres, East
Property Code 316120	Property Name FLYING SPUR 6 STATE	Well Number 003H
OCRID No. 310809	Operator Name NEMO FUND I, LLC	Elevation 3985'

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	6	10 S	37 E		10	SOUTH	1310	EAST	LEA

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
B	6	10 S	37 E	2	330	NORTH	1980	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160	N		

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

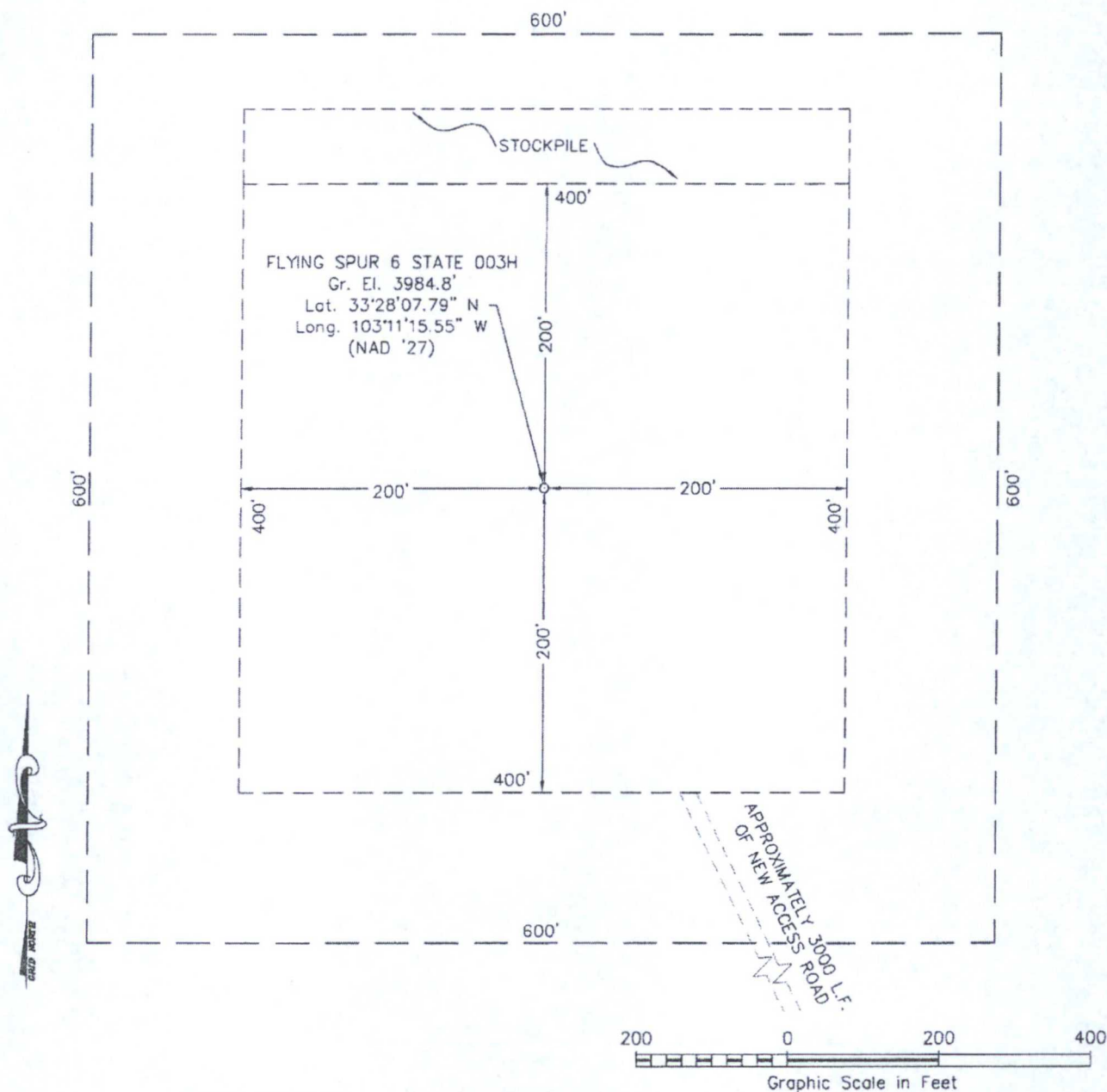
<u>GEODETTIC COORDINATES</u> NAD 27 NME <u>SURFACE LOCATION</u> X = 849386.6 Y = 900013.8 LAT = 33°28'07.79" N LONG. = 103°11'15.55" W <u>BOTTOM HOLE LOCATION</u> X = 848642.6 Y = 904953.2 <u>CORNER COORDINATES</u> TABLE <table border="1"> <tr> <td>A:</td> <td>X=850696.8 Y=900016.5</td> </tr> <tr> <td>B:</td> <td>X=848064.6 Y=899990.9</td> </tr> <tr> <td>C:</td> <td>X=847594.8 Y=905275.9</td> </tr> <tr> <td>D:</td> <td>X=850517.2 Y=905305.3</td> </tr> </table> Scale 1" = 1000' NOTE: 1) Plane Coordinates and Bearings shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.	A:	X=850696.8 Y=900016.5	B:	X=848064.6 Y=899990.9	C:	X=847594.8 Y=905275.9	D:	X=850517.2 Y=905305.3	OPERATOR CERTIFICATION I hereby certify the information contained herein is true and complete to the best of my knowledge and belief, and that this organization shall cause a surveying interest in adjacent mineral interests the land including the proposed bottom hole location or the right to drill this well at this location pursuant to a contract with an owner of such a mineral or mining interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>DJ Holcomb</i> 5/16/16 Signature Date Danny J. Holcomb Printed Name Agent for Nemo Fund I, LLC 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. Moy 4, 2016 Date of Survey Signature & Seal of Licensed Surveyor SC <i>W.O. Num. 2886-0074</i> Certificate No. 23263
A:	X=850696.8 Y=900016.5								
B:	X=848064.6 Y=899990.9								
C:	X=847594.8 Y=905275.9								
D:	X=850517.2 Y=905305.3								

SECTION 6, TOWNSHIP 10 SOUTH, RANGE 37 EAST, N.M.P.M.

LEA COUNTY

NEW MEXICO

2016-0074-1-K2



DRIVING DIRECTIONS

FROM THE INTERSECTION OF STATE HIGHWAY 206 AND U.S. HIGHWAY 380 IN TATUM, NEW MEXICO, GO EAST ON U.S. HIGHWAY 380 4.0 MILES TO BLEDSOE HWY. / CO. RD. 125 ON NORTH (LEFT) SIDE OF THE HIGHWAY. THEN GO NORTH AND NORTHEAST 15.4 MILES TO A LEASE ROAD ON THE WEST (LEFT) SIDE OF THE ROAD, THEN GO NORTHWEST 0.20 MILE AND CONTINUE AROUND CURVE ON ROAD TO LEFT 1.60 MILES TO A POINT APPROXIMATELY 0.60 MILE SOUTHEAST OF THE PROPOSED LOCATION.



SURVEYORS - ENGINEERS - PLANNERS
FIRM REGISTRATION NUMBER: 100682-00
110 W. LOUISIANA AVE., SUITE 110
MIDLAND, TEXAS 79701
(432) 687-0865 - FAX (432) 687-0868

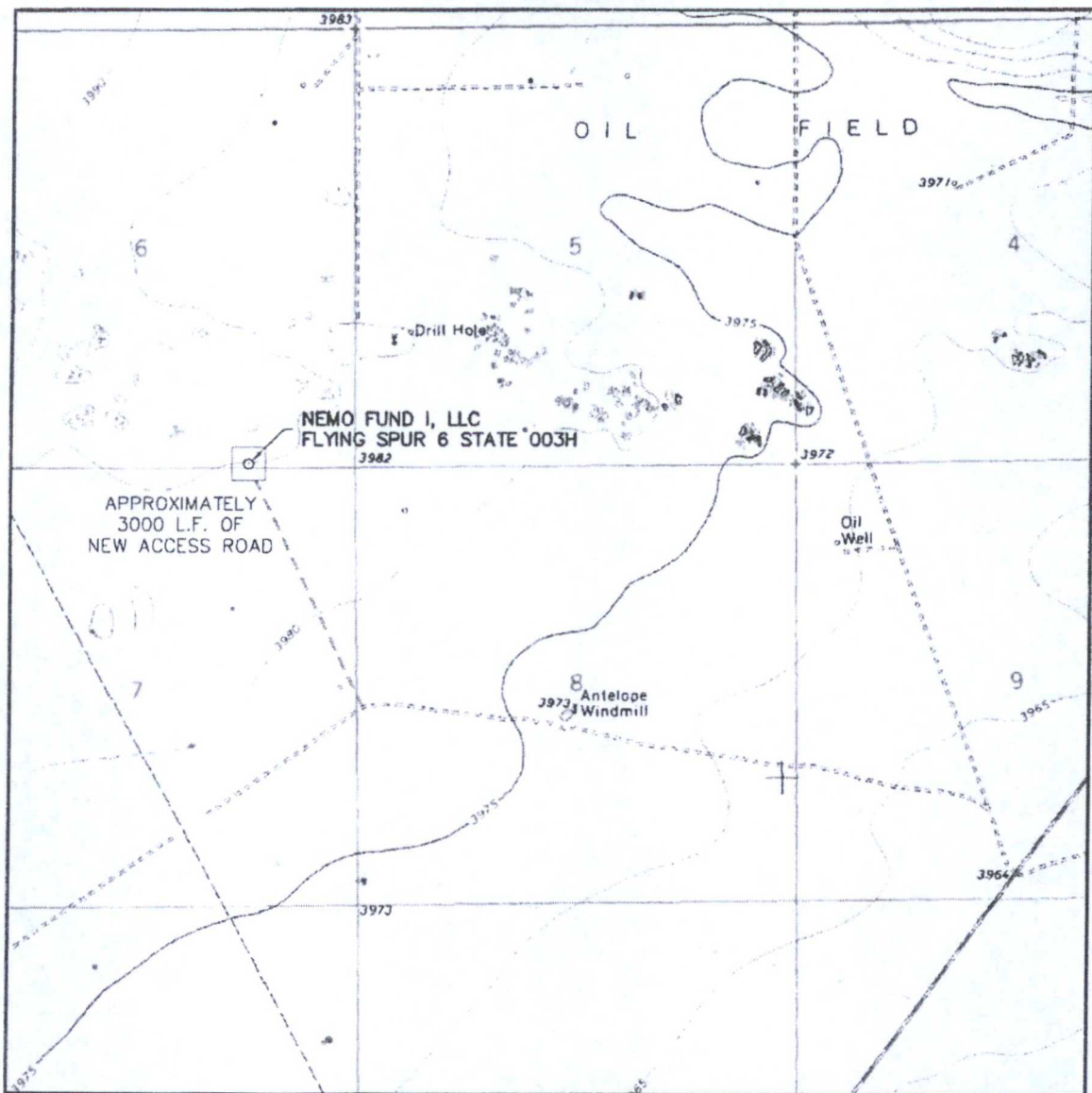
NEMO Fund I, LLC

FLYING SPUR 6 STATE 003H

Located 10' FSL & 1310' FEL, Section 6
Township 10 South, Range 37 East, N.M.P.M.
Lea County, New Mexico

Drawn By: SC	Date: May 10, 2016
Scale: 1" = 200'	Field Book: 629/ 04-05
Revision Date:	Quadrangle: Lea
W.O. No: 2016-0074-1	Dwg. No.: 2016-0074-1-K2

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
LEA - 10'

SEC. 6 TWP. 10-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 10' FSL & 1310' FEL

ELEVATION 3985'

OPFRATOR NEMO FUND I, LLC

LEASE FLYING SPUR 6 STATE

U.S.G.S. TOPOGRAPHIC MAP
LEA



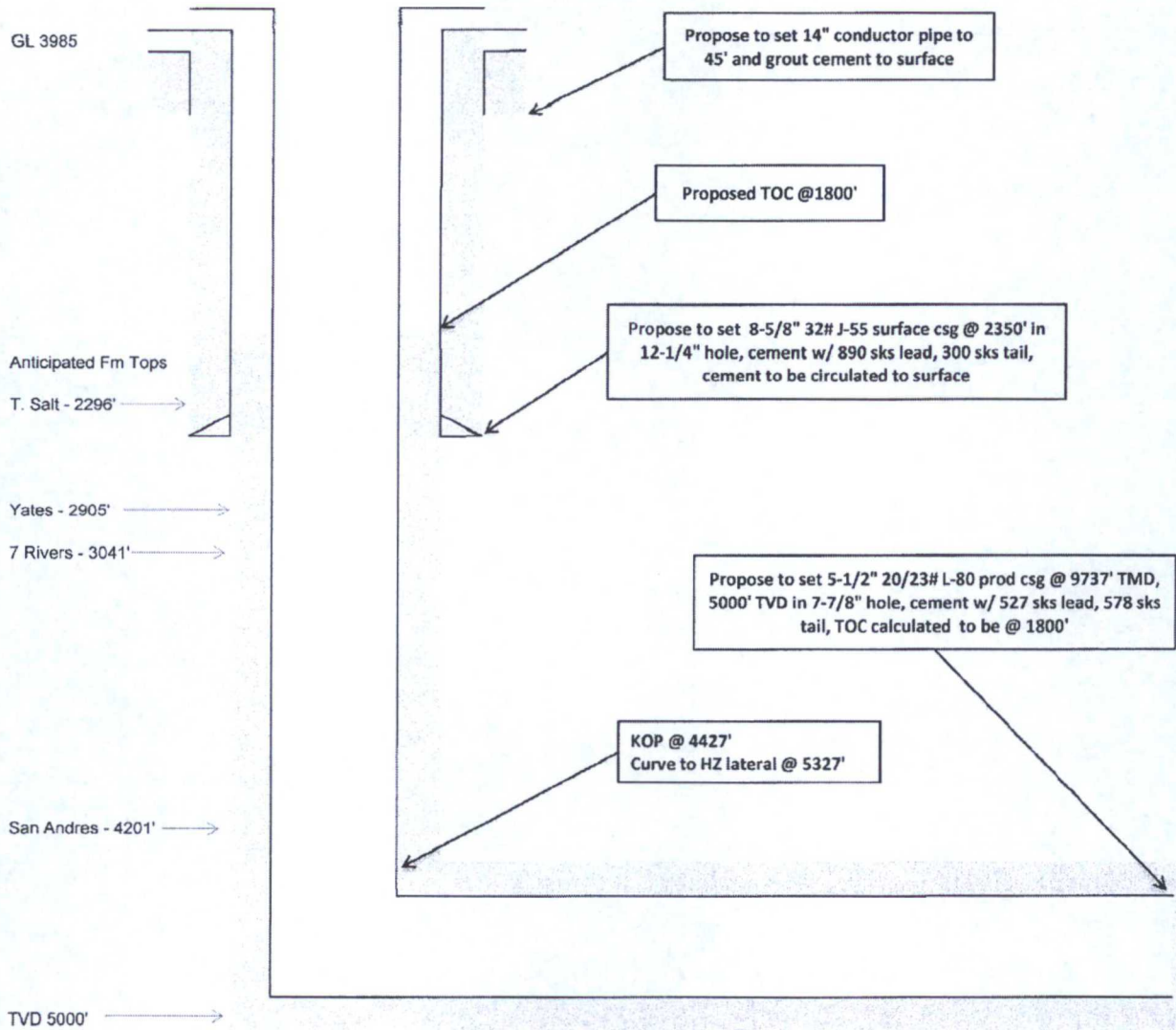
WEST COMPANY
Land Surveyors & Civil Engineers

SURVEYORS - ENGINEERS - PLANNERS
FIRM REGISTRATION NUMBER: 100682-00
110 W. LOUISIANA AVE., SUITE 110
MIDLAND, TEXAS 79701
(432) 687-0865 - FAX (432) 687-0868

PROPOSED WELLBORE DIAGRAM

Nemo Fund I, LLC
Flying Spur 6 State #3H
API # 30-025-TBD

SL - 10' FSL x 1310' FEL, UL 'P' Sec 6, T10S, R37E, Lea County, NM
BHL - 330' FNL x 1980' FEL, UL 'B' Sec 6, T10S, R37E, Lea County, NM



TMD 9737'

Drawing Not to Scale

Proposed

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LONG's METHOD OF SURVEY COMPUTATION

OBLIQUE CIRCULAR ARC INTERPOLATION

6000	MD OF INTERPOLATION DEPTH,(feet)
4999.96	TVD COORDINATE OF THE DEPTH (feet)
1235.01	N/S COORDINATE OF DEPTH (feet)
-164.79	E/W COORDINATE OF DEPTH (feet)

3 D DISTANCE BETWEEN STATION A AND STATION B

DISTANCE TABLE

STATION A	STATION B
400.00	600.00
300.00	400.00
100.00	300.00
300.00	ft

TABLE OF SURVEY STATIONS

Calculator =

STA #	ΔMD ft	INCL deg	AZIM deg	MD ft	TVD ft	N+/S- ft	E+/W- ft	DLS deg/100FT
1	TIE POINT =>	0	0	4427.00	4427.00	0.00	0.00	-
2	100	10	352.4	4527.00	4526.49	8.63	-1.15	10.00
3	100	20	352.4	4627.00	4622.96	34.25	-4.57	10.00
4	100	30	352.4	4727.00	4713.48	76.09	-10.15	10.00
5	100	40	352.4	4827.00	4795.29	132.87	-17.73	10.00
6	100	50	352.4	4927.00	4865.91	202.87	-27.07	10.00
7	100	60	352.4	5027.00	4923.20	283.96	-37.89	10.00
8	100	70	352.4	5127.00	4965.40	373.68	-49.86	10.00
9	100	80	352.4	5227.00	4991.25	469.31	-62.62	10.00
10	100	90	352.4	5327.00	4999.96	567.92	-75.78	10.00
11	100	90	352.4	5427.00	4999.96	667.05	-89.00	0.00
12	100	90	352.4	5527.00	4999.96	766.17	-102.23	0.00
13	100	90	352.4	5627.00	4999.96	865.29	-115.45	0.00
14	100	90	352.4	5727.00	4999.96	964.41	-128.68	0.00
15	100	90	352.4	5827.00	4999.96	1063.53	-141.91	0.00
16	100	90	352.4	5927.00	4999.96	1162.65	-155.13	0.00
17	100	90	352.4	6027.00	4999.96	1261.78	-168.36	0.00
18	100	90	352.4	6127.00	4999.96	1360.90	-181.58	0.00
19	100	90	352.4	6227.00	4999.96	1460.02	-194.81	0.00
20	100	90	352.4	6327.00	4999.96	1559.14	-208.03	0.00
21	100	90	352.4	6427.00	4999.96	1658.26	-221.26	0.00
22	100	90	352.4	6527.00	4999.96	1757.38	-234.48	0.00
23	100	90	352.4	6627.00	4999.96	1856.50	-247.71	0.00
24	100	90	352.4	6727.00	4999.96	1955.63	-260.94	0.00
25	100	90	352.4	6827.00	4999.96	2054.75	-274.16	0.00
26	100	90	352.4	6927.00	4999.96	2153.87	-287.39	0.00
27	100	90	352.4	7027.00	4999.96	2252.99	-300.61	0.00
28	100	90	352.4	7127.00	4999.96	2352.11	-313.84	0.00
29	100	90	352.4	7227.00	4999.96	2451.23	-327.06	0.00
30	100	90	352.4	7327.00	4999.96	2550.36	-340.29	0.00
31	100	90	352.4	7427.00	4999.96	2649.48	-353.52	0.00
32	100	90	352.4	7527.00	4999.96	2748.60	-366.74	0.00
33	100	90	352.4	7627.00	4999.96	2847.72	-379.97	0.00
34	100	90	352.4	7727.00	4999.96	2946.84	-393.19	0.00
35	100	90	352.4	7827.00	4999.96	3045.96	-406.42	0.00
36	100	90	352.4	7927.00	4999.96	3145.09	-419.64	0.00
37	100	90	352.4	8027.00	4999.96	3244.21	-432.87	0.00
38	100	90	352.4	8127.00	4999.96	3343.33	-446.10	0.00

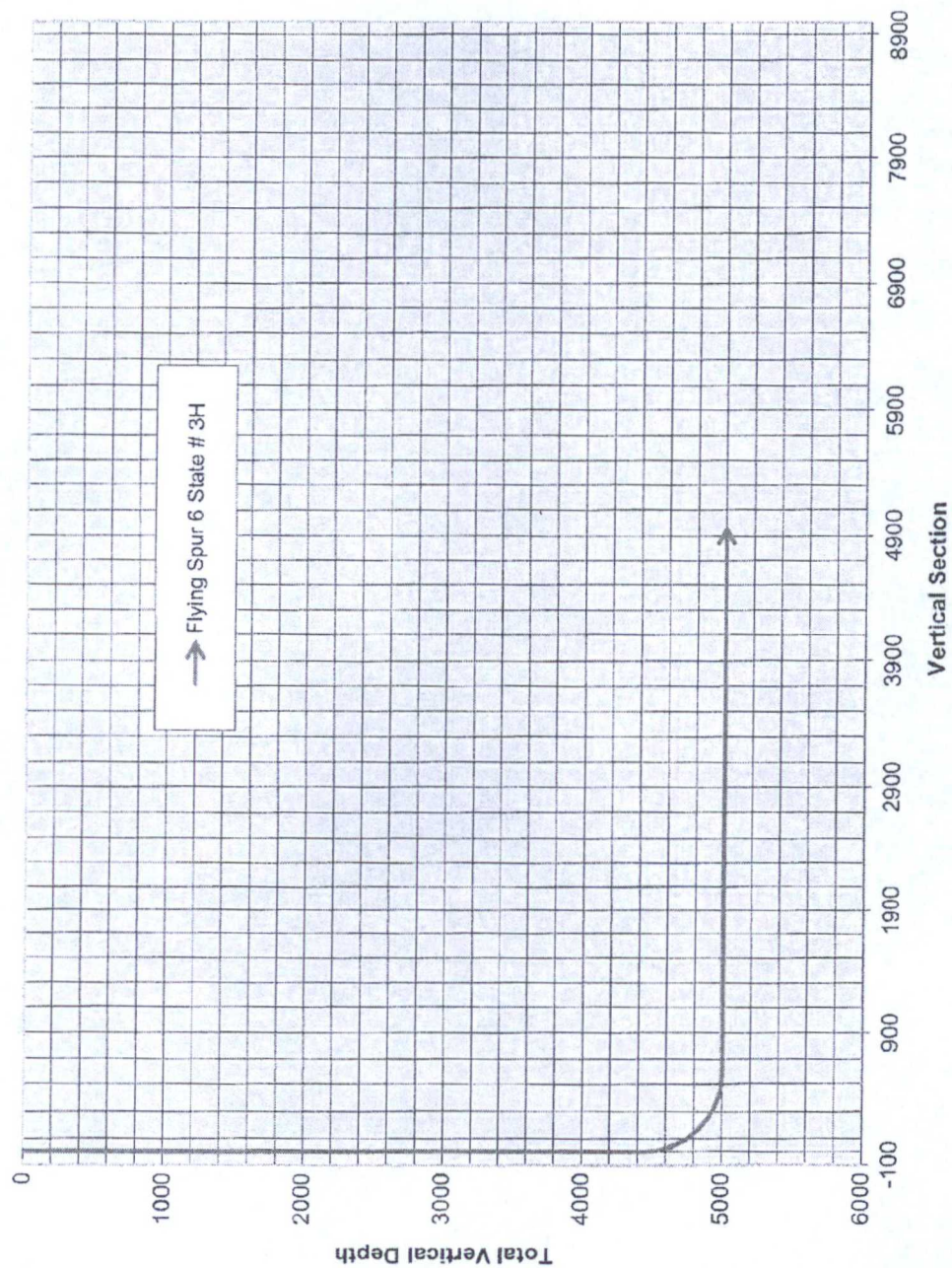
Flying Spur 6 State # 3H_ San Andres
Nemo Fund I, LLC

Proposed

39	100	90	352.4	8227.00	4999.96	3442.45	-459.32	0.00
40	100	90	352.4	8327.00	4999.96	3541.57	-472.55	0.00
41	100	90	352.4	8427.00	4999.96	3640.69	-485.77	0.00
42	100	90	352.4	8527.00	4999.96	3739.81	-499.00	0.00
43	100	90	352.4	8627.00	4999.96	3838.94	-512.22	0.00
44	100	90	352.4	8727.00	4999.96	3938.06	-525.45	0.00
45	100	90	352.4	8827.00	4999.96	4037.18	-538.67	0.00
46	100	90	352.4	8927.00	4999.96	4136.30	-551.90	0.00
47	100	90	352.4	9027.00	4999.96	4235.42	-565.13	0.00
48	100	90	352.4	9127.00	4999.96	4334.54	-578.35	0.00
49	100	90	352.4	9227.00	4999.96	4433.67	-591.58	0.00
50	100	90	352.4	9327.00	4999.96	4532.79	-604.80	0.00
51	100	90	352.4	9427.00	4999.96	4631.91	-618.03	0.00
52	100	90	352.4	9527.00	4999.96	4731.03	-631.25	0.00
53	100	90	352.4	9627.00	4999.96	4830.15	-644.48	0.00
54	100	90	352.4	9727.00	4999.96	4929.27	-657.71	0.00
55	10	90	352.4	9737.00	4999.96	4939.19	-659.03	0.00
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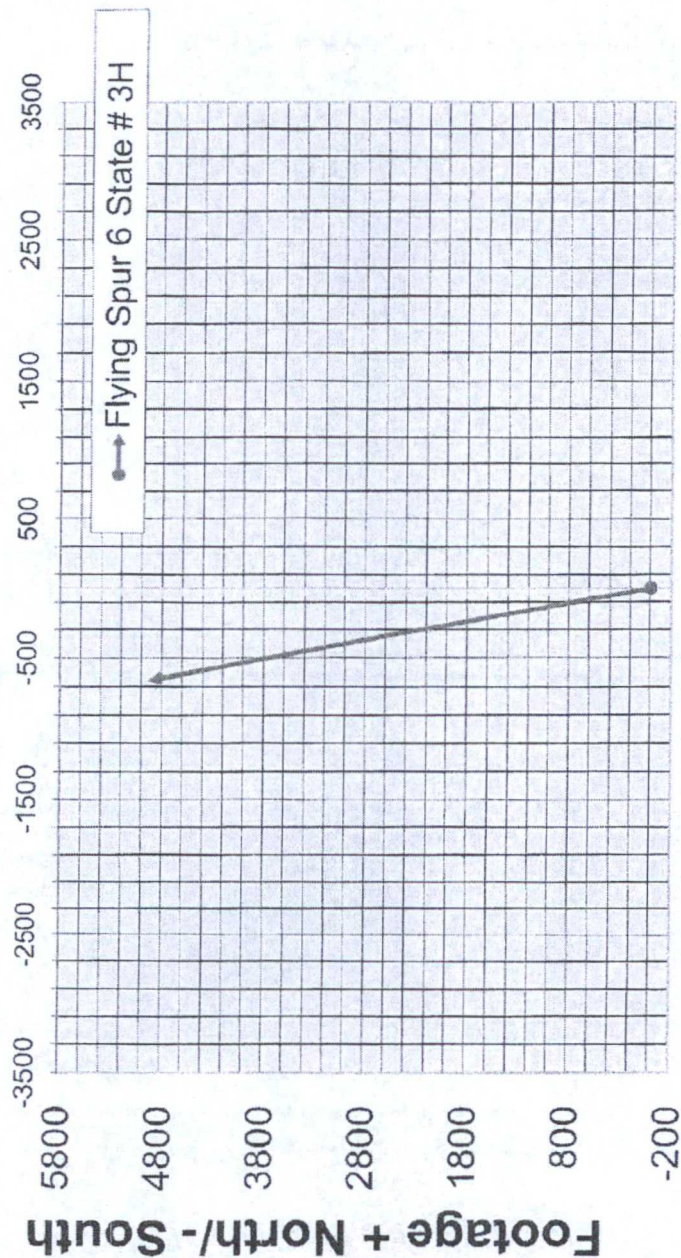
Proposed

San Andres



Proposed

Horizontal Plane Footage +East/-West



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1625 N. French Dr., Hobbs, NM 88240
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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

GAS CAPTURE PLAN

Date: 5/17/2016

☒ Original

Operator & OGRID No.: NEMO Fund I, LLC (OGRID 310809)

☐ 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/Production Facility – Flying Spur 6 State #3H/Flying Spur 6 State Lease Tank Battery

The well 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
Flying Spur 6 State #3H	30-025- TBD	SL - P-6-10S-37E BHL - B-6-10S-37E	SL – 10' FSL x 1310' FEL	300	Flared	Low gas quality - unmarketable

Gathering System and Pipeline Notification – N/A due to low gas quality

Flowback Strategy

After the fracture treatment/completion operations, well 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. Due to low gas quality, the San Andres casinghead gas in the Crossroads San Andres East Field is unmarketable. A recent purchase estimate by Targa Midstream Services indicated a $\pm$ negative \$0.35 per MCF value.

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.

Alternatives to Reduce Flaring

Gas production is expected to IP at about 300 MCFD and decline sharply over first year of production. Many San Andres wells in this field only produce minimal gas after one year of production.