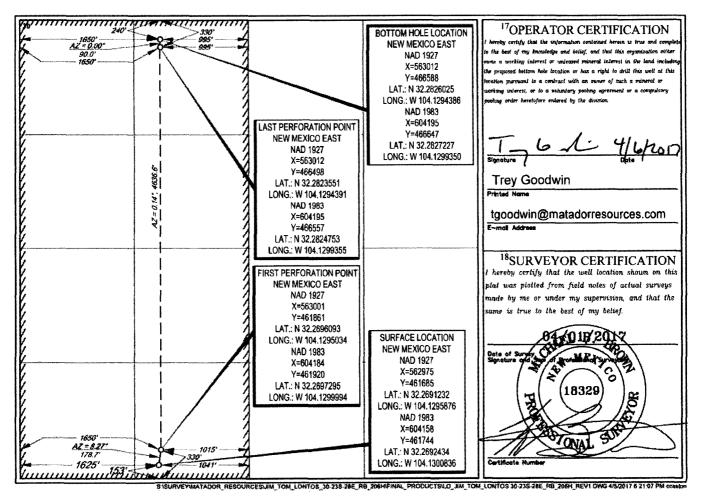
District I 1625 N French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District III 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S St. Francis Dr., Sante 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. Sante Fe, NM 87505 FORM C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

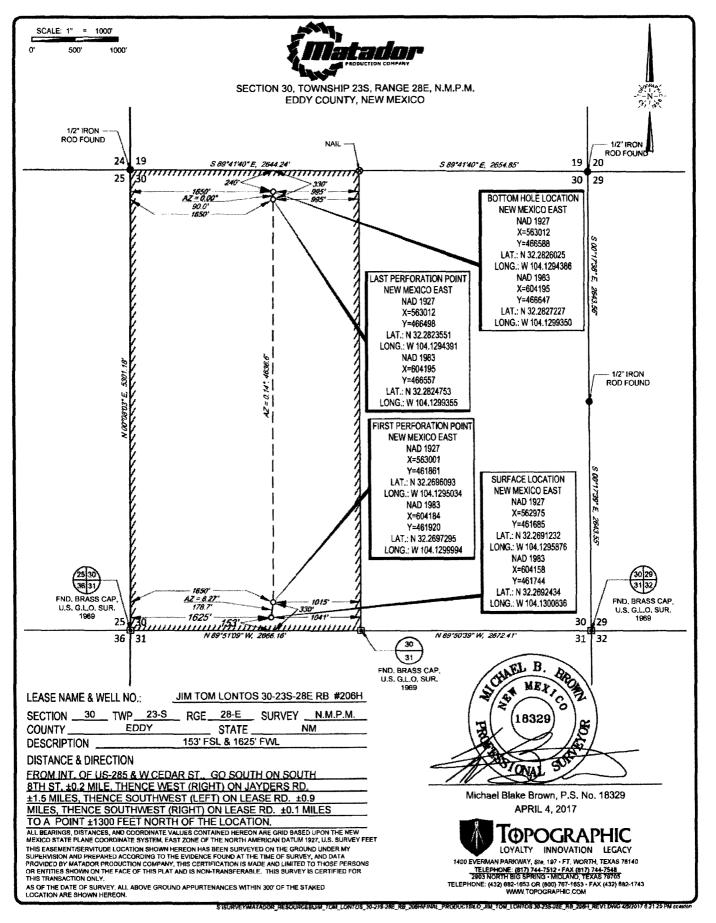
AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code Pool Nam 30-015-44139 PURPLE SAGE; WOLFCAMP (GAS) 98220 Well Number Property Name 316333 JIM TOM LONTOS 30-23S-28E RB #206H <sup>8</sup>Operator Name Elevation 228937 MATADOR PRODUCTION COMPANY 3121 <sup>10</sup>Surface Location UL or lot no. North/South line Feet from the East/West line County Sectio lownship Lot Idr Feet from the Rang 1625 Ν 30 23-S 28-E 153' SOUTH WEST EDDY North/South line East/West line UL or lot no. Townshir Feet from th County Section Lot Ide Feet from the Rang 30 23-S 28-E 240' NORTH 1650' WEST EDDY С <sup>32</sup>Dedicated Acre <sup>3</sup>Joint or Infill Conse Order No lidation Code 320

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.



Rup 4.18.17



30-015-44139

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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

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

# GAS CAPTURE PLAN

X Original	Operator & OGRID No.: _Matador Production Company (228937)_
Amended	Date:
Reason for Amendr	nent:

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: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule 19.15.18.12.A

## 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
Jim Tom Lontos #206H 30-0		UL-N Sec 31 T- 23S R-28E	153'South 1625'West	2000	21 days	Flare 21 days on FB before turn into TB

## **Gathering System and Pipeline Notification**

The well will be connected to a production facility after flowback operations are complete so long as the gas transporter system is in place. The gas produced from the production facility should be connected to Longwood Midstream Delaware, LLC's low/high pressure gathering system located in Eddy County, New Mexico. It will require ~1000' of pipeline to connect the facility to a low/high pressure gathering system. Matador Production Company periodically provides a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future to Longwood Midstream Delaware, LLC. If changes occur that will affect the drilling and completion schedule, Matador Production Company will notify Longwood Midstream Delaware, LLC. Additionally, the gas produced from the well will be processed at a processing plant further downstream and, although unanticipated, any issues with downstream facilities could cause flaring at the wellhead. The actual flow of the gas will be based on compression operating parameters and gathering system pressures measured when the well starts producing.

### Flowback Strategy

After the fracture treatment/completion operations (flowback), the well will be produced to temporary production tanks and the gas will be flared or vented. During flowback, the fluids and sand content will be monitored. If the produced fluids contain minimal sand, then the well will be turned to production facilities. The gas sales should start as soon as the well starts flowing through the production facilities, unless there are operational issues on the midstream system at that time. Based on current information, it is Matador's belief the system will be able to take the gas upon completion of the well.

Safety requirements during cleanout operations 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
  - Operating a generator will only utilize a portion of the produced gas and the remainder of gas would still need to be flared.
  - Power Company has to be willing to purchase gas back and if they are willing they require a 5 year commitment to supply the agreed upon amount of power back to them. With gas decline rates and unpredictability of markets

4-18-17

it is impossible to agree to such long term demands. If the demands are not met then operator is burdened with penalty for not delivering.

- Compressed Natural Gas On lease
  - Compressed Natural Gas is likely to be uneconomic to operate when the gas volume declines.
- NGL Removal On lease
  - NGL Removal requires a plant and is expensive on such a small scale rendering it uneconomic and still requires residue gas to be flared.