

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

NM OIL CONSERVATION
ARTESIA DISTRICT

FEB 07 2010

GAS CAPTURE PLAN

RECEIVED

X Original

☐ Amended

Reason for Amendment: _____

Operator & OGRID No.: Matador Production Company (228937)

Date: 01/04/2018

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple 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
SST 6 State Com No: 133H	30-015 45692	UL-I Sec 6 T19S R29E	1870' FSL 115' FEL	~2500	~21 days	Flare ~21 days on flowback before turn into TB. Time est. depends on sales connect and well cleanup.
SST 6 State Com No: 134H		UL-P Sec 6 T19S R29E	499' FSL 215' FEL	~2500	~21 days	Flare ~21 days on flowback before turn into TB. Time est. depends on sales connect and well cleanup.

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 Enterprise Products Partners L.P. pipeline located in Eddy County, New Mexico. It will require ~5000' 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 Enterprise Products Partners L.P. If changes occur that will affect the drilling and completion schedule, Matador Production Company will notify Enterprise Products Partners L.P. 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 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.

FEB 07 2019

FORM C-102

Revised August 1, 2011

RECEIVED - copy to appropriate

District Office

☐ AMENDED REPORT

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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State of New Mexico
Energy, Minerals & Natural Resources
Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-45693	² Pool Code 49553	³ Pool Name Palmillo; Bone Spring, East
⁴ Property Code 318383	⁵ Property Name SST 6 STATE	
⁶ UGRID No. 228937	⁷ Operator Name MATADOR PRODUCTION COMPANY	⁸ Well Number 134H
		⁹ Elevation 3386'

¹⁰Surface 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	19-S	29-E	-	499'	SOUTH	215'	EAST	EDDY

¹¹Bottom 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
7	6	19-S	29-E	-	330'	SOUTH	100'	WEST	EDDY

¹² Dedicated Acreage	¹³ Joint or Infill Infill	¹⁴ Consolidation Code	¹⁵ 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.

<p>¹⁶</p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px;"> <p>LAST PERFORATION POINT/ BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 X=608467 Y=612528 LAT.: N 32.6837052 LONG.: W 104.1216430 NAD 1927 X=565288 Y=612466 LAT.: N 32.6835881 LONG.: W 104.1211347</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p>FIRST PERFORATION POINT NEW MEXICO EAST NAD 1983 X=611330 Y=612489 LAT.: N 32.6835703 LONG.: W 104.1058389 NAD 1927 X=570150 Y=612427 LAT.: N 32.6834531 LONG.: W 104.1053308</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p>SURFACE LOCATION NEW MEXICO EAST NAD 1983 X=611214 Y=612659 LAT.: N 32.6840372 LONG.: W 104.1062132 NAD 1927 X=570035 Y=612598 LAT.: N 32.6839199 LONG.: W 104.1057051</p> </div> </div>			<p>¹⁷OPERATOR CERTIFICATION</p> <p>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 undivided 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.</p> <p><i>Nicholas Weeks</i> 1/14/2019 Signature Date</p> <p>Nicholas Weeks Printed Name</p> <p>nweeks@matadorresources.com E-mail Address</p> <p>¹⁸SURVEYOR CERTIFICATION</p> <p>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 to the best of my belief.</p> <p>10/01/2018 Date of Survey</p> <p><i>Michael J. Brown</i> Signature and Seal of Professional Surveyor</p> <p>18329 Professional Surveyor</p> <p>Certificate Number</p>
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Rev 2-7-19