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 Depar**FE** t 1 2 2020

Submit Original to Appropriate District Office

Oil Conservation Division 1220 South St. Francis EMNRD-OCD ARTESIA Sonta Fo. NM 87505

Santa Fe, NM 87505

GAS CAPTURE PLAN

Date: 1-21-19

⊠ Original

Operator & OGRID No.: Mewbourne Oil Company - 14744

□ 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	Well Location (ULSTR)	Footages	Exp MC	ected F/D	Flared or Vented	Comments
Oxbow 23/24 W0MP Fed Com #1H		M-23-25S-28E		810' FSL 0	& 215' FWL)	NA	ONLINE AFTER FRAC

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 dedicated to <u>western</u> and will be connected to <u>in EDDY</u> County, New Mexico. It will require <u>3,400</u> ' of pipeline to connect the facility to low/high pressure gathering system. <u>Mewbourne Oil Company</u> provides (periodically) to <u>western</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, <u>Mewbourne Oil Company</u> and <u>western</u> have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at <u>western</u> Processing Plant located in Sec. <u>36</u>, Blk. <u>58</u> TIS, <u>Culberson</u> County, Texas. 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 <u>___Westerp.___</u> system at that time. Based on current information, it is <u>Operator's</u> belief the 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
 - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines



Intent X As Drilled

Operator Name:	Property Name:		Well Number
MEWBOURNE OIL COMPANY	OXBOW 23/24 W0	MP FED COM	1H

Kick Off Point (KOP)

Latitude		
32 1090361	gitude 4 0664701	NAD 83

First Take Point (FTP)

UL M	Section 23	Township 25S	Range 28E	Lot	Feet 330	From N/S S	Feet 330	From E/W W	County EDDY
Latitu 32.1	Latitude 32.1090385			Longitude -104.06	54398			NAD 83	

Last Take Point (LTP)

UL P	Section 24	Township 25S	Range 28E	Lot	Feet 330	From N/S S	Feet 330	From E/W E	County EDDY
Latitude			Longitu	Longitude			NAD		
32.1091074			-104.0332197				83		

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

Y

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name: MEWBOURNE OIL COMPANY	Property Name: OXBOW 23/24 W1MP FED COM	Well Number 1H
		KZ 06/29/2018

Mewbourne Oil Company Oxbow 23/24 W0MP Fed Com #1H Secs. 23 & 24, T25S, R28E SL: 810' FSL & 215' FWL (23) BHL: 330' FSL & 330' FEL (24)

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1. Geologic Formations

TVD of target	9753'	Pilot hole depth	NA
MD at TD:	19692'	Deepest expected fresh water:	50'

Basin		
Formation	Depth (TVD)	Water/Mineral Bearing/ Hazards*
	from KB	Target Zone?
Quaternary Fill	Surface	
Rustler		
Top Salt		
Castile	1145	
Base Salt	2480	
Lamar	2660	Oil/Gas
Bell Canyon	2690	Oil/Gas
Cherry Canyon	3565	Oil/Gas
Manzanita	3710	
Brushy Canyon	5210	Oil/Gas
Bone Springs	6440	Oil/Gas
1 st Bone Spring	7300	Oil/Gas
2 nd Bone Spring	8095	Oil/Gas
3 rd Bone Spring	9215	Oil/Gas
Abo		
Wolfcamp	9585	Target Zone
Devonian		
Fusselman		
Ellenburger		
Granite Wash		

*H2S, water flows, loss of circulation, abnormal pressures, etc.