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EMNRD-OCD ARTESIA

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

GAS CAPTURE PLAN

Date: 7-11-19

☒ 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, recomple 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	Expected MCF/D	Flared or Vented	Comments
Buffalo Trace 1/36 H3OB Fed Com#2H		O 1-T26S-R29E	600' FSL & 1660' FEL	0	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 Western and will be connected to Western low/high pressure gathering system located in EDDY County, New Mexico. It will require 3,400' of pipeline to connect the facility to low/high pressure gathering system. Mewbourne Oil Company provides (periodically) to Western a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Mewbourne Oil Company and Western have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Western Processing Plant located in Sec. 36, Blk. 58 T1S, Culberson 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 Western system at that time. Based on current information, it is Operator's belief the system can take this gas upon completion of the well(s).

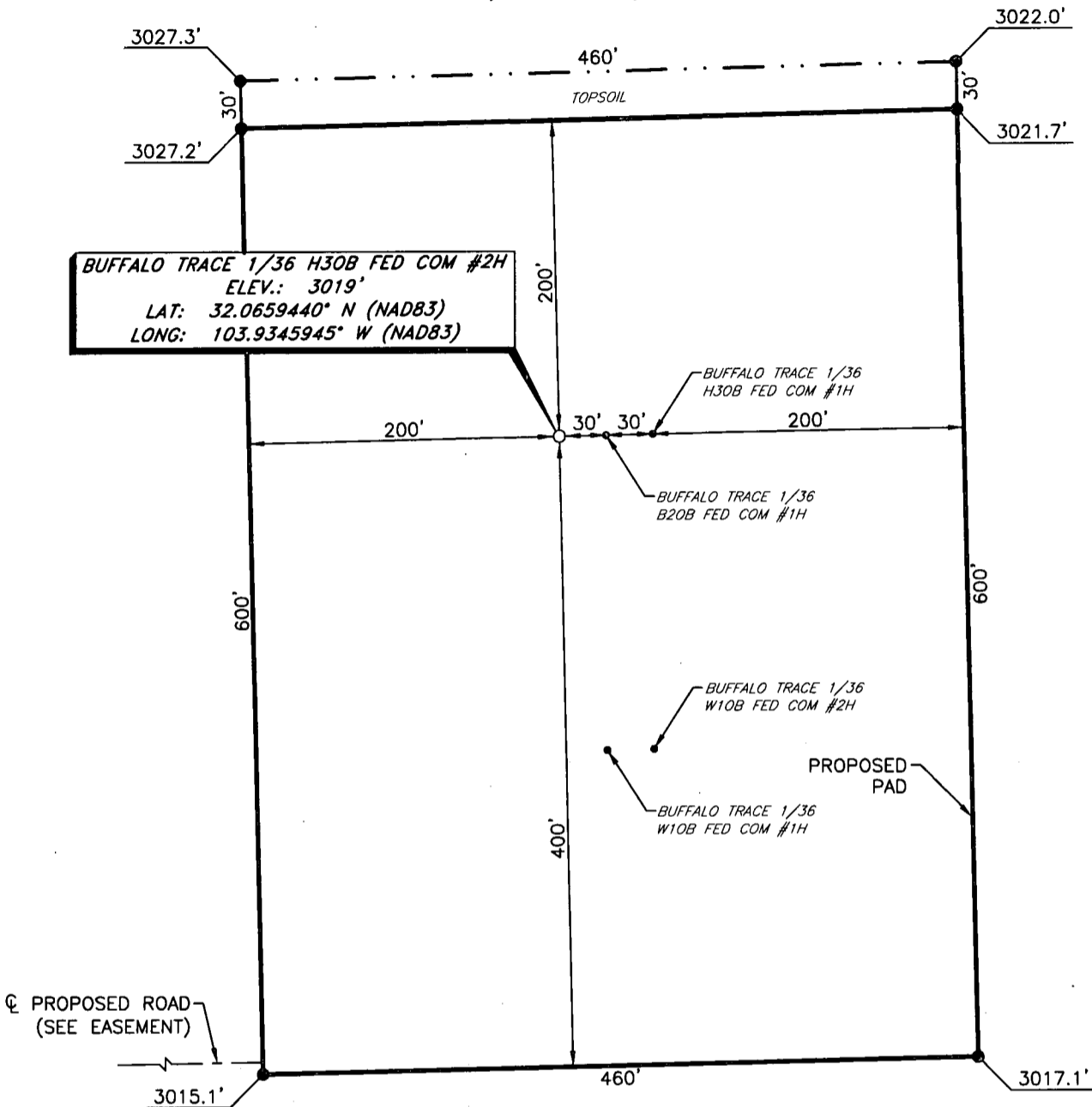
Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

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
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

MEWBOURNE OIL COMPANY  
BUFFALO TRACE 1/36 H3OB FED COM #2H  
(600' FSL & 1660' FEL)  
SECTION 1, T26S, R29E  
N. M. P. M., EDDY CO., NEW MEXICO

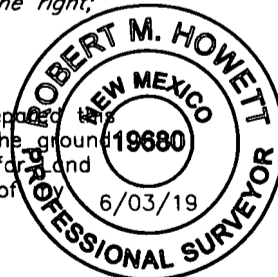


DIRECTIONS TO LOCATION

From the intersection of CR-725 (Longhorn Rd.) and CR-725A (Tarbrush Rd.);  
Go Northeast on CR-725A approx. 0.5 miles to a curve to the left;  
Take curve left and go Northwest approx. 0.3 to a curve to the right;  
Take curve right and go Northeast approx. 1.4 to a road on the right;  
Turn right and go East approx. 1.0 miles to a lease road on the left;  
Turn left and go Northeast approx. 213 feet to a proposed road on the right;  
Turn right and go East approx. 356 feet to location on the left.

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that I prepared this unclassified survey of a well location from an actual survey made on the ground under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

*Robert M. Howett*  
Robert M. Howett NM PS 19680



SCALE: 1" = 100'  
0 50 100

BEARINGS ARE  
NAD 83 GRID - NM EAST  
DISTANCES ARE  
GROUND.

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NO.	REVISION	DATE
JOB NO.:	LS19050628	
DWG. NO.:	19050628-4	

**RRC**

701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 100'
DATE: 5-28-19
SURVEYED BY: ML/JC
DRAWN BY: GA
APPROVED BY: RMH
SHEET: 1 OF 1