District I
1625 N. French Dr., Hobbs, NM 88240
District II
8f1 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

Date: October 3, 2016

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Original to Appropriate District Office

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

OIL CONS. DIV DIST. 3

GAS CAPTURE PLAN

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	Original	Operator & OGRID No.: WPX Energy Production, LLC OGRID No. 120782
\boxtimes	Amended - Reason for Amendment:	UPDATED MCFD

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 (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
ROSA UT 04 #001H	30-045- 35357	Sec. 4, T31N, R6W	UL:N 290' FSL & 1621' FWL	6647	Flared	

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>Gas Transporter</u> and will be connected to <u>Gas Transporter</u> low/high pressure gathering system located in <u>San Juan</u> County, New Mexico. It will require <u>124.6'</u> of pipeline to connect the facility to low/high pressure gathering system. <u>Operator</u> provides (periodically) to <u>Gas Transporter</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, <u>Operator</u> and <u>Gas Transporter</u> have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at <u>Gas Transporter</u> Processing Plant located in Sec. <u>See Below</u>, Twn. , Rng. , County, New Mexico. 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>Gas Transporter</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
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

WPX Energy Production, LLC:

Gas Capture Plan: Gas Transporter Processing Plant Information



WPX Energy Production, LLC has the ability to deliver to the below listed Gas Processing Plants at any time with the gathering infrastructure that is in place today.

Se de la Principa

1. Chaco Gas Plant

Section, 16, T26N, R12W San Juan County New Mexico

2. Ignacio Gas Plant

Section 22, T35N, R9W La Plata County Colorado

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OIL CONS. DIV DIS 1. 3

GAS CAPTURE PLAN

	Date: August 25, 2016			AUG 2 9 2016					
	☑ Original☑ Amended - Reason	for Amendme	-	Operator & OGRID No.: WPX Energy Production, LLC OGRID No. 120782					
L	Note: A C-129 must be Well(s)/Production F	n outlines actions to be taken by the Operator to reduce well/production facility flaring/venting f drill, recomplete to new zone, re-frac) activity. **submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC) **Facility - Name of facility* **per 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		
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	The gas produced from pressure gathering sys 2 of pipeline to connect a drilling, completion a addition, Operator and Gas from these wells	ed to a production for production production far term located in the facility to and estimated find as Transported will be process County, New Market in the facility to and estimated find the facility to an estimated find the facility to an estimated find the facility to an estimate the facility the facility to an estimate the facility	ion facility after to cility is dedicated San Juan Co low/high pressure that production dated have periodic cosed at Gas Tran	d to Gas Transporte unty, New Mexico re gathering system ate for wells that are conference calls to a sporter Processing	er and will be of . It will require . Operator proper scheduled to discuss change Plant located	re 124.6' re 124.6' re ovides (period be drilled in to drilling a in Sec. See	porter system is in place Gas Transporter low/hig ically) to Gas Transporte the foreseeable future. Ind completion schedules Below , Twn. operating parameters an	er In	
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8

Section 22, T35N, R9W La Plata County Colorado