

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: 10/16/2019

☒ Original Operator & OGRID No.: DJR Operating, LLC OGRID No. 371838  
☐ 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/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
E W Mudge 008	30-045-26217	J-16-25N-11W	1980' FSL 1770' FEL	20	None	Tied to existing pipeline

#### Gathering System and Pipeline Notification

Well will be reconnected to the existing pipeline immediately after recompletion operations. No additional pipeline installation will be required. The gas produced from this well is sold to Enterprise Products and will be reconnected to DJR Operating and Enterprise Products' low-pressure gathering systems located in San Juan County, New Mexico. DJR Operating provides (periodically) to Enterprise Products a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, DJR Operating and Enterprise Products have periodic conference calls to discuss changes to drilling and completion schedules. Gas from this well will be processed at Enterprise Products' Chaco Processing Plant located in Sec 16, T26N-R12W, San Juan County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

#### Flowback Strategy

No fracture treatment, flowback operations, or venting/flaring operations are planned for this recompletion. Gas from this well will be reconnected to the existing pipeline already in place on the well pad. Gas sales should start as soon as the pumping unit is started, and the well starts flowing through the production facilities, unless there are operational issues on DJR Operating or Enterprise Products' systems at that time. Based on current information, it is DJR Operating's belief the system can take this gas upon recompletion of the well. No sand production is expected, and no gas will be flared or vented.

2