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

x Original

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

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GAS CAPTURE PLAN

x Original	RECEIVED	Operator & OGRID No.: _	Devon Production Co., L.P. (6137)
☐ Amended	RECEI	•	Date: 4/13/2018

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: 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 – Flagler 8 CTB 3

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well	Footages	Expected	Flared or	Comments
		Location		MCF/D	Vented	
Flagler 8 Fed 39H		Sec 8-T25S-R33E	380'FSL 2560' FWL			Will connect to Flagler 8 CTB 3
Flagler 8 Fed 25H		Sec 8-T25S-R33E	380'FSL 2590' FWL			Will connect to Flagler 8 CTB 3
Flagler 8 Fed 20H		Sec 8-T25S-R33E	380'FSL 2620' FWL			Will connect to Flagler 8 CTB 3
Flagler 8 Fed 26H 30-02	5-45	Sec 8-T25S-R33E 259	380'FSL 2630' FEL			Will connect to Flagler 8 CTB 3

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 DCP and will be connected to DCP low/high pressure gathering system located in Lea County, New Mexico. It will require 0' of pipeline to connect the facility to low/high pressure gathering system. Devon provides (periodically) to DCP a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Devon and DCP have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at DCP Zia Processing Plant located in Sec. 19, TWN 19S, RNG 32E, Lea County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

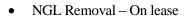
After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on DCP's system at that time. Based on current information, it is Devon'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
 - o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines



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