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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

HOBBS OCD

JAN 09 2020

GAS CAPTURE PLAN

RECEIVED

X Original Operator & OGRID No.: CHEVRON U S A INC (4323)
☐ Amended Date: 7/11/2019
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: 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 – Salado Draw CTB 23

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
SD 15 FED P418 7H	Pending	UL:O, SEC 15, T26S- R32E	574' FSL, 2,601 FEL	5,000	0	
SD 15 FED P418 8H <i>NO-025-46726</i>	Pending	UL:O, SEC 15, T26S- R32E	574' FSL, 2,576 FEL	5,000	0	
SD 15 FED P418 9H	Pending	UL:O, SEC 15, T26S- R32E	574' FSL, 2,551 FEL	5,000	0	
SD 15 FED P418 10H	Pending	UL:O, SEC 15, T26S- R32E	574' FSL, 2,526 FEL	5,000	0	

Gathering System and Pipeline Notification

Wells 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 Delaware Basin Midstream, LLC (DBM) and will be connected to DBM's low pressure gathering system located in LEA County, New Mexico. The facility is already connected to a low pressure gathering system. Chevron provides (periodically) to DBM a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Chevron and DBM have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at DBM's Ramsey Processing Plant located in Sec.36, Block 57-T1, Reeves 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, wells will be turned to permanent production facilities. Wells will have temporary sand catchers that will be installed at the well location to prevent sand from getting into the flowlines. These sand separators will be blown down periodically which will result in minimal venting of gas. Gas sales will start as soon as the wells start flowing through the production facilities, unless there are operational issues on DBM's system at that time. Based on current information, it is Chevron's belief the system can take this gas upon completion of the well(s).