

# HOBBS OCD

JAN 23 2019

## RECEIVED

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

X Original

Operator & OGRID No.: Matador Production Company (228937)

☐ Amended

Date: 1/18/19

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 – 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
Dr. Ireland Fed Com No. 123H Banker-33-23S-28E-RB-201H	30-015-*****	UL-OD Sec 331943 T2324S R352827E	##FSL ##FEL	+/- 2,000 1,000	~21 days	Flare ~14-21 days on flow back before turn into TB. Time est. depends on sales connect and well cleanup.
Dr. Ireland Fed Com No. 124H Banker-33-23S-28E-RB-201H	30-015-*****	UL-PD Sec 331943 T2324S R352827E	##FSL ##FEL	+/- 2,000 1,000	~21 days	Flare ~14-21 days on flowback before turn into TB. Time est. depends on sales connect and well cleanup.
Dr. Ireland Fed Com No. 133H	30-015-*****	UL-OD Sec 331943 T2324S R352827E	##FSL ##FEL	+/- 2,000 2,000	21 days	Flare ~14-21 days on flowback before turn into TB. Time est. depends on sales connect and well cleanup.

#### Gathering System and Pipeline Notification

The wells will be connected to production facilities after flowback operations are complete so long as the gas transporter system is in place. The gas produced from the production facilities should be connected to an Energy Transfer Partners gathering system. It will require ~750' of pipeline to connect each facility to the Energy Transfer Partners gathering system. Matador Production Company periodically provides a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future to Energy Transfer Partners. If changes occur that will affect

### Flowback Strategy

After the fracture treatment/completion operations (flowback), the well(s) will be produced to temporary production tanks and the gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, then the wells will be turned to production facilities. The gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on the midstream Longwood Midstream Delaware LLC's system at that time. Based on current information, it is Matador's belief the system can will be able to take the gas upon completion of the well(s).

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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
  - Operating a generator will only utilize a Only a portion of the produced gas and is consumed operating the generator the remainder of gas would still need will to be flared.
  - Power Company has to be willing to purchase gas back and if they are willing they require a 5 year commitment to supply the agreed upon amount of power back to them. With gas decline rates and unpredictability of markets it is impossible to agree to such long term demands. If the demands are not met then operator is burdened with penalty for not delivering.
- Compressed Natural Gas – On lease
  - Gas flared would be minimal, Compressed Natural Gas is likely to but might be uneconomical to operate when the gas volume declines.
- NGL Removal – On lease
  - NGL Removal requires a pPlants and is are expensive on such a small scale rendering it uneconomic and still requires residue gas to is best still flared, and uneconomical to operate when gas volume declines.

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