<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Department Submit Original to Appropriate District Office
Date: 10/03/2018	GAS CAPTURE PLAN	H WATER HA
 Original Amended - Reason for Amendment:_ 	Operator & OGRID No.:EC	OG Resources, Inc. 7377

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: 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(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
Trigg 5 Fed 603H	30-025-****	3-5-23S-35E	400 FNL & 1950 FWL	±3500	None Planned	APD Submission
Trigg 5 Fed 604H	30-025-****	3-5-23S-35E	400 FNL & 1983 FWL	±3500	None Planned	APD Submission
Trigg 5 Fed 605H	30-025-****	2-5-23S-35E	400 FNL & 1983 FEL	±3500	None Planned	APD Submission
Trigg 5 Fed 606H	30-025-**** 499952	2-5-23S-35E	400 FNL & 1950 FEL	±3500	None Planned	APD Submission
Trigg 5 Fed 607H	30-025-****	1-5-23S-35E	401 FNL & 863 FEL	±3500	None Planned	APD Submission

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>Lucid Energy</u> and will be connected to <u>EOG Resources</u> low/high pressure gathering system located in Eddy/Lea County, New Mexico. EOG Resources provides (periodically) to <u>Lucid Energy</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, EOG Resources and <u>Lucid Energy</u> have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at <u>Lucid Energy</u> Processing Plant located in <u>Lea</u> 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 **Lucid Energy** system at that time. Based on current information, it is **EOG Resources'** 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