District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District HI
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

Submit Original to Appropriate District Office

Oil Conservation Divisio HOBBS OCD 1220 South St. Francis Dr. Santa Fe, NM 87505 SEP 26 2019

| Date: 09/25/2019 | GAS CAPTURE PLAN | RECEIVED | |
|---|-----------------------|---------------------------------------|------|
| ☐ Original | Operator & OGRID No.: | EOG Resources Inc | 7377 |
| Amended - Reason for Amendment: <u>COMP</u> | LETED WELL | · · · · · · · · · · · · · · · · · · · | |

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.

Well(s)/Production Facility - Name of facility

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

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|--|--------------|-----------------------|------------------------|----------------|-----------------------|----------|--|
| Well Name | API | Well Location (ULSTR) | Footages | Expected MCF/D | Flared or Vented | Comments | |
| WILD WEASEL 22 FEDERAL COM #705H | 30-025-45799 | SEC 22 T25S R34E | 326 FNL & 1074' FEL | 3600 MCFD | 0 mcf total flared | New Well | |
| | | | | | | | |

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 ENTERPRISE & REGENCY and will be connected to EOG Resources Inc low/high pressure gathering system located in LEA County, New Mexico. It will require N/A' of pipeline to connect the facility to low/high pressure gathering system. EOG Resources Inc provides (periodically) to ENTERPRISE & REGENCY a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, EOG Resources Inc and ENTERPRISE & REGENCY Processing Plant located in 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 <u>ENTERPRISE & REGENCY</u> system at that time. Based on current information, it is <u>EOG Resources Inc</u> 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
 - o 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
- NGL Removal On lease
 - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines