

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description

Effective May 25, 2021

I. Operator: EOG RESOURCES, INC. **OGRID:** 7377 **Date:** 1 / 20 / 22

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
FORD UNIT #203H	30-043-21354	M-6-21N-4W	1058 FSL & 579 FWL	254	1903	1272
FORD UNIT #204H	30-043-21365	M-6-21N-4W	1041 FSL & 598 FWL	21	125	1831

IV. Central Delivery Point Name: Harvest Four Corners LLC, pending pipeline installation, currently selling gas to Type X which is the flare mitigation purchaser on site. [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
FORD UNIT #203H	30-043-21354	1/2/21	1/4/22	2/11/22	2/12/22	2/22/22
FORD UNIT #204H	30-043-21365	8/31/22	10/23/22	12/11/22	12/14/22	12/20/22

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications**Effective May 25, 2021**

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☐ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☒ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: <i>Lacey Granillo</i>
Printed Name: Lacey Granillo
Title: Regulatory Specialist
E-mail Address: lacey_granillo@eogresources.com
Date: 3/1/23
Phone: 575-909-5284
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

EOG Resources
Ford Unit #203H
Bullitt Pad
Natural Gas Management Plan

VI. Separation Equipment

This exploratory well will be produced into a high-pressure separator on the subject well pad. This is the initial stage of separation where bulk water, gas and oil are separated from the full well stream. The produced gas off the high-pressure separator proceeds to a piping header where the gas is either burned in the subject wells heater treater and/or generator or sold to Type X (Type X is the company purchasing the produced gas from EOG on location to operate their off-grid data center which serves the purpose of flare mitigation while awaiting the installation of the pipeline gathering system) where it is burned in their generators. The anticipated production rates from this well will be accounted for during design/construction to ensure sufficient capacity exists at the surface to capture all produced fluids.

VII. Operational Practices

EOG Resources, Inc., will take the following actions outlined below to comply with 19.15.27.8 NMAC

- 1) EOG Resources, Inc., plans to maximize recovery of natural gas and minimize waste thru venting / flaring.
- 2) EOG Resources, Inc., plans to flare during drilling operations from a location exceeding 100' away from the SHL. The flare will be used to combust natural gas brought to the surface during normal drilling operations. Safety will remain priority #1 , and EOG Resources, Inc., will account and report appropriately pertaining to any potential emergency.
- 3) EOG Resources, Inc., plans to flare any natural gas brought to the surface during normal completions operations. During flowback, fluids will immediately flow thru a separator, gas will not be flared/vented unless there's a safety concern with pressures at the surface. Gas is expected to meet pipeline / generator quality standards; if not, EOG Resources, Inc., will flare until the gas meets quality specifications. EOG Resources, Inc., plans to sample the produced gas at a reasonable frequency or upon request from regulatory bodies.
- 4) EOG Resources, Inc., does not plan to flare or vent natural gas except during situations outlined in 19.15.27.8 D. (1-4).
- 5) EOG Resources, Inc., will comply with standards outlined in 19.15.27.8 E. (1-8). EOG Resources, Inc., will conduct AVO inspections as described in 19.15.27.8 E (5) (a) with frequencies specified in 19.15.27.8 E (5) (b) and (c). All emergencies will be resolved as quickly and safely as feasible to minimize waste.
- 6) The volume of natural gas that is vented or flared as the result of malfunction or emergency during drilling and completion operations will be estimated. The volume of natural gas that is vented, flared, or beneficially used during production operations, will be measured, or estimated. If metering is not practicable due to circumstances such as low flow rate or low pressure venting and flaring, EOG Resources, Inc., will estimate the volume of vented or flared natural gas. Custody transfer measurement equipment will conform to industry standards and will not be designed or equipped with a manifold that allows the diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing the measurement equipment.

VIII. Best Management Practices

Pressure maintenance at surface is vital to maintain safe working conditions; venting will be utilized only to depressurize our surface equipment. When maintaining surface or downhole equipment associated with our current production, the well will be shut in to eliminate venting. If maintenance works takes place on the off-grid data center generators, gas will route to flare to eliminate venting.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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Oil Conservation Division
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Santa Fe, NM 87505

QUESTIONS

Action 191926

QUESTIONS

Operator: EOG RESOURCES INC P.O. Box 2267 Midland, TX 79702	OGRID: 7377
	Action Number: 191926
	Action Type: [UF-NGMP] NG Management Plan (NGMP)

QUESTIONS

II. Type:	
Original	True
Amendment due to 19.15.27.9.D(6)(a) NMAC	False
Amendment due to 19.15.27.9.D(6)(b) NMAC	False
Other	False
If other, please describe	Not answered.

III. Well(s)	
Number of wells identified above	1

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1000 Rio Brazos Rd., Aztec, NM 87410
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CONDITIONS

Action 191926

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	Action Number: 191926
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CONDITIONS

Created By	Condition	Condition Date
kpickford	None	3/13/2023