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

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DISTRICT II-ARTESIA O.C.D.

GAS CAPTURE PLAN

Date: 05/01/2018

☒ Original Operator & OGRID No.: XTO Energy, Inc [005380]

☐ Amended - 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, 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: Corral Canyon 10 East CTB

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
Corral Canyon 3-34 Federal #907H		A-10-25S-29E	185'FNL & 944'FEL	2500MCF/D	Flared/Sold	
	30-015-45432					

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 Enlink and will be connected to Enlink low/high pressure gathering system located in Loving County, Texas. It will require 0' of pipeline to connect the facility to low/high pressure gathering system. XTO Energy, Inc. provides (periodically) to Enlink a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, XTO Energy, Inc. and Enlink have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Enlink Processing Plant located in Block 27, Section 4, Loving 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, 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 Enlink system at that time. Based on current information, it is XTO Energy, Inc.'s 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
  - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

Database:	EDM 5000.1 Single User Db	**Local Co-ordinate Reference:**	Well 907H
Company:	XTO Energy	**TVD Reference:**	RKB = 27' @ 3061.00usft
Project:	Eddy County, NM (NAD-27)	**MD Reference:**	RKB = 27' @ 3061.00usft
Site:	Corral Canyon 3 34 Fed 907H	**North Reference:**	Grid
		Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PERMIT		

Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
20,400.00	90.58	359.50	10,000.24	10,543.78	-103.49	10,544.28	0.00	0.00	0.00
20,423.53	90.58	359.50	10,000.00	10,567.30	-103.70	10,567.80	0.00	0.00	0.00

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
907H: SHL (185' FNL - plan hits target center - Point	0.00	0.00	0.00	0.00	0.00	418,968.90	613,589.60	32.151330	-103.966306
907H: LTP - plan misses target center by 1.52usft at 20293.52usft MD (10001.31 TVD, 10437.31 N, -102.56 E) - Point	0.00	0.00	10,000.00	10,437.30	-101.80	429,406.20	613,487.80	32.180023	-103.966520
907H: PBHL (200' FN - plan hits target center - Point	0.00	0.00	10,000.00	10,567.30	-103.70	429,536.20	613,485.90	32.180380	-103.966525
907H: FTP - plan misses target center by 4.07usft at 10370.35usft MD (10098.12 TVD, 515.14 N, -13.94 E) - Point	0.00	0.00	10,101.00	514.80	-16.80	419,483.70	613,572.80	32.152745	-103.966355
907H: LP - plan hits target center - Point	0.00	0.00	10,101.00	578.55	-15.65	419,547.45	613,573.95	32.152921	-103.966350

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
566.00	566.00	Rustler			
823.00	823.00	Top Salt			
2,957.00	2,957.00	Base Salt			
3,151.00	3,151.00	Delaware			
6,884.00	6,884.00	Bone Spring			
7,824.00	7,824.00	1st Bone Spring Ss			
8,686.00	8,686.00	2nd Bone Spring Ss			
8,915.00	8,915.00	3rd Bone Spring Lm			
9,743.01	9,738.00	3rd Bone Spring Ss			