

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

Date: October 22, 2018

☒ Original Operator & OGRID No.: MARATHON OIL PERMIAN, LLC
☐ Amended - Reason for Amendment: OGRID: 372098

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: 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
Blue Steel 21 FB Fee 21H		D-28-T23S-R29E	270' FNL 1165' FWL	2200	Flared	
Blue Steel 21 WA Fee 2H		D-28-T23S-R29E	270' FNL 1105' FWL	3200	Flared	
Blue Steel 21 WA Fee 9H		D-28-T23S-R29E	270' FNL 1225' FWL	3200	Flared	
Blue Steel 21 WD Fee 3H		D-28-T23S-R29E	270' FNL 1135' FWL	3200	Flared	
Blue Steel 21 WXY Fee 6H		D-28-T23S-R29E	270' FNL 1195' FWL	3200	Flared	
Blue Steel 21 WXY Fee 8H		D-28-T23S-R29E	270' FNL 1255' FWL	3200	Flared	
Blue Steel 21 SB Fee 4H		D-28-T23S-R29E	470' FNL 1104' FWL	2200	Flared	
Blue Steel 21 SB Fee 7H		D-28-T23S-R29E	470' FNL 1224' FWL	2200	Flared	
Blue Steel 21 FB Fee 25H		D-28-T23S-R29E	470' FNL 1194' FWL	2200	Flared	
Blue Steel 21 WD Fee 5H		D-28-T23S-R29E	470' FNL 1134' FWL	3200	Flared	
Blue Steel 21 WD Fee 10H		D-28-T23S-R29E	470' FNL 1164' FWL	3200	Flared	
Blue Steel 21 WD Fee 23H		D-28-T23S-R29E	470' FNL 1254' FWL	3200	Flared	

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 Lucid and will be connected to Lucid's low pressure gathering system located in Lea County, New Mexico. It will require about 1 mile of pipeline to connect the facility to low pressure gathering system. Marathon provides (periodically) to Lucid a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Marathon and Lucid have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Red Hills Processing Plant located in Sec.13, Twn. 24S, Rng. 33E, Lea County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy