

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

Submit Original
to Appropriate
District Office

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

GAS CAPTURE PLAN

Date: June 5, 2017

Original Operator & OGRID No.: Juniper Resrc Explrn Co LLC; OGRID No: 371654
 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, 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) **OIL CONS. DIV DIST. 3**

Well(s)/Production Facility – Name of facility

JUN 06 2017

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
Pinon Unit #305H	30-045-35637	Sec 16, T24N, R10W	SHL:1277'FSL, 288' FWL	1,500	Flared	
Pinon Unit #306H	30-045-35638	Sec 16, T24N, R10W	SHL:1277'FSL, 318' FWL	1,500	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 See Below and will be connected to See Below low/high pressure gathering system located in San Juan County, New Mexico. It will require 10,788' of pipeline to connect the facility to low/high pressure gathering system. Juniper Resources provides (periodically) to See Below a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Juniper Resources and See Below have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Enterprise Chaco Gas Processing Plant located in Sec. 16, Twn. 26N, Rng. 12W, San Juan 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 See Below system at that time. Based on current information, it is Juniper 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
 - 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

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Juniper Resources Exploration Co., LLC:

Gas Capture Plan: Gas Transporter & Processing Plant Information

Juniper Resources Exploration Co., LLC has elected to partner with multiple gas gatherers to ensure infrastructure is in place and gas volumes can be promptly transported and sold. Details are as follows:

1. Shiprock San Juan, LLC

Will gather and ship gas from the wellsite / pad, to the Enterprise Good Times L10 CDP located:
Sec. 10, T24N, R10W
San Juan County
New Mexico
EFS Meter – 91115

2. Enterprise Field Services, LLC

Will take custody at the Good Times L10 CDP and transport gas to their **Chaco Gas Plant** located:
Sec 16, T26N, R12W
San Juan County
New Mexico

Note: All gas from the Pinon Unit is dedicated to these gatherers and will be processed at the Chaco Gas Plant as noted above.