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State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division DEC 19 2019
1220 South St. Francis Dr.
Santa Fe, NM 87505

DISTRICT II-ARTESIA O.C.D.

GAS CAPTURE PLAN

Original

Operator & OGRID No: Matador Production Company (228937)

Amended

Date: 4/23/19

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: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule 19.15.18.12.A

Well(s)/Production Facility – Name of facility

The wells 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	Comments
Boros Federal # 023H	N/A	UL-BØ Sec 3315 &22 T2624S R312827E	### FNL ### FEL	+/- 400	~30 days	Flare ~1+30 days on fFlowback before turn into TB. Time est. depends on sales connect
Boros Federal # 103H	N/A	UL-BØ Sec 3315 &22 T2624S R312827E	### FNL ### FEL	+/- 3,000	~30 days	Flare ~1+30 days on fFlowback before turn into TB. Time est. depends on sales connect and well cleanup.
Boros Federal # 107H	N/A	UL-BØ Sec 3315 &22 T2624S R312827E	### FNL ### FEL	+/- 3,000	~30 days	Flare ~1+30 days on fFlowback before turn into TB. Time est. depends on sales connect and well cleanup
Boros Federal # 113H	N/A	UL-BØ Sec 3315 &22 T2624S R312827E	### FNL ### FEL	+/- 2,500	~30 days	Flare ~1+30 days on fFlowback before turn into TB. Time est. depends on sales connect and well cleanup
Boros Federal # 123H	N/A	UL-BØ Sec 3315 &22 T2624S R312827E	### FNL ### FEL	+/- 2,500	~30 days	Flare ~1+30 days on fFlowback before turn into TB. Time est. depends on sales connect and well cleanup

Boros 133H	Federal	#	N/A	UL-BØ 3315 T2624S R312827E	Sec &22	### FNL ### FEL	+/- 6,000	≈30 days	Flare ≈14-30 days on fFlowback before turn into TB. Time est. depends on sales connect and well cleanup.
Boros 203H	Federal	#	N/A	UL-BØ 3315 T2624S R312827E	Sec &22	### FNL ### FEL	+/- 6,000	≈30 days	Flare ≈14-30 days on fFlowback before turn into TB. Time est. depends on sales connect and well cleanup.
Boros 217H	Federal	#	N/A	UL-BØ 3315 T2624S R312827E	Sec &22	### FNL ### FEL	+/- 6,500	≈30 days	Flare ≈14-30 days on fFlowback before turn into TB. Time est. depends on sales connect and well cleanup.
Boros 223H	Federal	#	N/A	UL-BØ 3315 T2624S R312827E	Sec &22	### FNL ### FEL	+/- 5,900	≈30 days	Flare ≈14-30 days on fFlowback before turn into TB. Time est. depends on sales connect and well cleanup.
Boros 227H	Federal	#	N/A	UL-BØ 3315 T2624S R312827E	Sec &22	### FNL ### FEL	+/- 5,900	≈30 days	Flare ≈14-30 days on fFlowback before turn into TB. Time est. depends on sales connect and well cleanup.
Boros 243H	Federal	#	N/A	UL-BØ 3315 T2624S R312827E	Sec &22	### FNL ### FEL	+/- 10,000	≈30 days	Flare ≈14-30 days on fFlowback before turn into TB. Time est. depends on sales connect and well cleanup.

Gathering System and Pipeline Notification

The wells will be connected to a production facility after flowback operations are complete so long as the gas transporter system is in place. The gas produced from the production facility should be connected to Lucid Energy Delaware, LLC gathering system. It will require ~5,000' of pipeline to connect the facility to Lucid Energy Delaware, LLC gathering system. Matador Production Company periodically provides a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future to Lucid Energy Delaware, LLC. If changes occur that will affect the drilling and completion schedule, Matador Production Company will notify Lucid Energy Delaware, LLC. Additionally, the gas produced from the well will be processed at a processing plant further downstream and, although unanticipated, any issues with downstream facilities could cause flaring at the wellhead. The actual flow of the gas will be based on compression operating parameters and gathering system pressures measured when the well starts producing.

Flowback Strategy

After the fracture treatment/completion operations (flowback), the well(s) will be produced to temporary production tanks and the gas will be flared or vented. During flowback, the fluids and sand content will be monitored. ~~When~~ If the produced fluids contain minimal sand, then the wells will be turned to production facilities. The gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on the midstream ~~Longwood Midstream Delaware, LLC's~~ system at that time. Based on current information, it is Matador's belief the system can will be able to take their 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
 - Operating a generator will only utilize a portion of the produced gas and is consumed operating the generator the; remainder of gas would still need will to be flared.
 - Power Company has to be willing to purchase gas back and if they are willing they require a 5 year commitment to supply the agreed upon amount of power back to them. With gas decline rates and unpredictability of markets it is impossible to agree to such long term demands. If the demands are not met then operator is burdened with penalty for not delivering.
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, Compressed Natural Gas is likely to but might be uneconomical to operate when the gas volume declines.
- NGL Removal – On lease
 - NGL Removal requires a pPlants and isare expensive on such a small scale rendering it uneconomic and still; requires residue gas tois be still flared, and uneconomical to operate when gas volume declines.