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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

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GAS CAPTURE PLAN

Date: 07/23/18

☒ Original

Operator & OGRID No.: BOPCO, LP [260737]

☐ 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: PLU 17 Twin Wells Ranch 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
PLU 17 Twin Wells Ranch 701H		D-20-24S-31E	318' FNL & 533' FWL	2900	Flared/Sold	
PLU 17 Twin Wells Ranch 901H		D-20-24S-31E	283' FNL & 533' FWL	3000	Flared/Sold	
PLU 17 Twin Wells Ranch 102H		D-20-24S-31E	283' FNL & 783' FWL	2800	Flared/Sold	
PLU 17 Twin Wells Ranch 121H		D-20-24S-31E	248' FNL & 533' FWL	4800	Flared/Sold	
PLU 17 Twin Wells Ranch 122H		D-20-24S-31E	248' FNL & 783' FWL	4800	Flared/Sold	
PLU 17 Twin Wells Ranch 125H		B-20-24S-31E	5' FNL & 1863' FEL	4300	Flared/Sold	
PLU 17 Twin Wells Ranch 705H		B-20-24S-31E	75' FNL & 1863' FEL	2600	Flared/Sold	
PLU 17 Twin Wells Ranch 905H		B-20-24S-31E	40' FNL & 1863' FEL	2700	Flared/Sold	
PLU 17 Twin Wells Ranch 106H		B-20-24S-31E	40' FNL & 1613' FEL	2600	Flared/Sold	
PLU 17 Twin Wells Ranch 126H		B-20-24S-31E	5' FNL & 1613' FEL	4300	Flared/Sold	
PLU 17 Twin Wells Ranch 104H		C-20-24S-31E	282' FNL & 2272' FWL	2800	Flared/Sold	
PLU 17 Twin Wells Ranch 123H		C-20-24S-31E	247' FNL & 2023' FWL	4800	Flared/Sold	
PLU 17 Twin Wells Ranch 124H		C-20-24S-31E	247' FNL & 2273' FWL	3300	Flared/Sold	
PLU 17 Twin Wells Ranch 703H		C-20-24S-31E	317' FNL & 2023' FWL	2900	Flared/Sold	
PLU 17 Twin Wells Ranch 903H		C-20-24S-31E	282' FNL & 2023' FWL	3000	Flared/Sold	
PLU 17 Twin Wells Ranch 707H		A-20-24S-31E	95' FNL & 1035' FEL	2600	Flared/Sold	
PLU 17 Twin Wells Ranch 907H		A-20-24S-31E	60' FNL & 1035' FEL	2700	Flared/Sold	
PLU 17 Twin Wells Ranch 108H		A-20-24S-31E	60' FNL & 785' FEL	2600	Flared/Sold	
PLU 17 Twin Wells Ranch 127H		A-20-24S-31E	25' FNL & 1035' FEL	4300	Flared/Sold	
PLU 17 Twin Wells Ranch 128H		A-20-24S-31E	25' FNL & 785' FEL	4300	Flared/Sold	

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 low/high pressure gathering system located in Eddy County, New Mexico. It will require 653.67' of pipeline to connect the facility to low/high pressure gathering system. BOPCO 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, BOPCO and Lucid have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Red Hills Plant, Sec. 13, T24S, R33E or Roadrunner, Sec. 32, T32S, R28E, Eddy County. 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 Lucid system at that time. Based on current information, it is BOPCO'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