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 Oil Conservation Division 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

1220 South St. Francis Dr. Santa Fe, NM 87505

GAS CAPTURE PLAN

Operator & OGRID No.: Matador Production Company (228937)

□ Amended Reason for Amendment:

X Original

Date: 4/23/19

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: 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 Vented	Comments
Boros #021H	Fed	Com	N/A	UL-D Sec 15 &22 T268 R31E	### FNL ### FWL	+/- 400	~30 days	Flare ~30 days on flowback before turn into TB. Time est. depends on sales connect and well
Boros #101H	Fed	Com	N/A	UL-D Sec 15 &22 T26S R31E	### FNL ### FWL	+/- 3,000	~30 days	Flare ~30 days on flowback before turn into TB. Time est. depends on sales connect and well cleanup.
Boros #105H	Fed	Com	N/A	UL-D Sec 15 &22 T26S R31E	### FNL ### FWL	+/- 3,000	~30 days	Flare ~30 days on flowback before turn into TB. Time est. depends on sales connect and well cleanup
Boros #111H	Fed	Com	N/A	UL-D Sec 15 &22 T26S R31E	### FNL ### FWL	+/- 2,500	~30 days	Flare ~30 days on flowback before turn into TB. Time est. depends on sales connect and well cleanup
Boros #121H	Fed	Com	N/A	UL-D Sec 15 &22 T26S R31E	### FNL ### FWL	+/- 2,500	~30 days	Flare ~30 days on flowback before turn into TB. Time est. depends on sales connect and well cleanup
Boros #131H	Fed	Com	N/A	UL-D Sec 15 &22 T26S R31E	### FNL ### FWL	+/- 6,000	~30 days	Flare ~30 days on flowback before turn into TB. Time est. depends on sales connect and well cleanup

Boros #201H	Fed	Com	N/A	UL-D &22 R31E	Sec 15 T26S	### FNL ### FWL	+/ 6,000	~30 days	Flare ~30 days on flowback before turn into TB. Time est. depends on sales connect and well cleanup
Boros #215H	Fed	Com	N/A	UL-D &22 R31E	Sec 15 T26S	### FNL ### FWL	+/- 6,500	~30 days	Flare ~30 days on flowback before turn into TB. Time est. depends on sales connect and well cleanup
Boros #221H	Fed	Com	N/A	UL-D &22 R31E	Sec 15 T26S	### FNL ### FWL	+/- 8950	~30 days	Flare ~30 days on flowback before turn into TB. Time est. depends on sales connect and well cleanup
Boros #225H	Fed 30-	Com - 018	N/A 5- 46	UL-D &22 R31E 797	Sec 15 T26S	### FNL ### FWL	+/- 5,900	~30 days	Flare ~30 days on flowback before turn into TB. Time est. depends on sales connect and well cleanup
Boros #241H	Fed	Com	N/A	UL-D &22 R31E	Sec 15 T26S	### FNL ### FWL	+/-10,000	~30 days	Flare ~30 days on flowback 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 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. If the produced fluids contain minimal sand, then the well will be turned to production facilities. The gas sales should start as soon as the well starts flowing through the production facilities, unless there are operational issues on the midstream system at that time. Based on current information, it is Matador's belief the system will be able to take the gas upon completion of the well.

Safety requirements during cleanout operations 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 the remainder of gas would still need 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