

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

NMOC

GAS CAPTURE PLAN

MAR 18 2019

DISTRICT III

Date: March 13, 2019

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, 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

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 |
|------------------------|-----|-----------------------|-----------------------|----------------|------------------|----------|
| Coal Creek State 16-1H | TBD | Sec 16, T24N, R11W | SHL:352'FSL, 447' FEL | 200 | Flared | |

Gathering System and Pipeline Notification

Well 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. Gas from this well 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 associated with the contemplated gathering build out.

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 have been adequately recovered and contain minimal sand, the well will be shut-in. Well test volumes will be gauged for economic sufficiency to justify extension of the Pinon Unit Gas Gathering system operated by Shiprock San Juan, LLC.

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

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, via a gathering extension connected 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 Coal Creek State 16-1H is dedicated to these gatherers and will be processed at the Chaco Gas Plant as noted above.