District 1 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

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 WW OIL CONSERVATION. 1220 South St. Francis Dr.

ARTESIA DISTRICT

Santa Fe, NM 87505

MAY **0 4** 2017

Operator & OGRID No.: Read & Stevens, Inc., #18917  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 NLAC)  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 Footages Expected Flared or Comments  (ULSTR) MCF/D Vented  Hackberry Hills Federal #4 30-015-10805 F. 22-225-26E 2310 F4.43 1980 FW. 100 -0- Detailed to Gas Transporter and will be connected to Gas Transporter low/hig pressure gathering system located in Eddy County, New Mexico. It will require 'of pipeline to connect the facility to low/high pressure gathering system. Operator provides (periodically) to Gas Transporter a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Operator and Gas Transporter have periodic conference calls to discuss changes to drilling and completion decidedles. Gas from these wells will be processed at Gas Transporter Processing Plant located in Sec. , Twn. , Rug. , County, New Mexico. Th actual flow of the gas will be based on compression operating parameters and gathering system pressures.	Date: 5/4/2017	GAS CA	GAS CAPTURE PLAN			RECEIVED		
Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subvection 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 Footages Expected Flared or Comments (ULSTR)  Hackberry Hills Federal #4 30-015-10805 F, 22-22S-26E 2310 FNLA1980 FW. 100 -0-  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 Gas Transporter and will be connected to Gas Transporter low/hig pressure gathering system located in Eddy County, New Mexico. It will require ' of pipeline to connect the facility to low/high pressure gathering system. Operator provides (periodically) to Gas Transporter a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Operator and Gas Transporter have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will b processed at Gas Transporter Processing Plant located in Sec, Twn, Rng, County, New Mexico. The	d Original Operator & OGRID No.: Read & Stevens, Inc., #18917							
The well(s) that will be located at the production facility are shown in the table below.  Well Name  API  Well Location Footages  Expected Flared or Comments  MCF/D Vented  Hackberry Hills Federal #4 30-015-10805 F. 22-22S-26E  Production Footages Expected Flared or Comments  MCF/D Vented  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 Gas Transporter and will be connected to Gas Transporter low/hig pressure gathering system located in Eddy  County, New Mexico. It will require of pipeline to connect the facility to low/high pressure gathering system.  Operator provides (periodically) to Gas Transporter a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Operator and Gas Transporter have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Gas Transporter Processing Plant located in Sec, Twn, Rng, County, New Mexico. The	new completion (new drill,	recomplete to	o new zone, re-fr	ac) activity.				
Well Name  API  Well Location (ULSTR)  Footages  Expected Flared or MCF/D  Vented  Hackberry Hills Federal #4 30-015-10805  F, 22-22S-26E  2310 FNLA19807 FW, 100  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 Gas Transporter and will be connected to Gas Transporter low/hig pressure gathering system located in Eddy  County, New Mexico. It will require' of pipeline to connect th facility to low/high pressure gathering system. Operator provides (periodically) to Gas Transporter a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Operator and Gas Transporter have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Gas Transporter Processing Plant located in Sec, Twn, Rng, County, New Mexico. The	Well(s)/Production Facility	ty – Name of	facility					
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 Gas Transporter and will be connected to Gas Transporter low/high pressure gathering system. Operator provides (periodically) to Gas Transporter a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Operator and Gas Transporter have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Gas Transporter Processing Plant located in Sec, Twn, Rng, County, New Mexico. The	The well(s) that will be loca	ated at the pro	oduction facility a	are shown in	the table be	low.		
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 Gas Transporter and will be connected to Gas Transporter low/hig pressure gathering system located in Eddy County, New Mexico. It will require of pipeline to connect the facility to low/high pressure gathering system. Operator provides (periodically) to Gas Transporter a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Operator and Gas Transporter have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Gas Transporter Processing Plant located in Sec, Twn, Rng, County, New Mexico. The	Well Name	API		Footages			Comments	
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 <u>Gas Transporter</u> and will be connected to <u>Gas Transporter</u> low/hig/pressure gathering system located in <u>Eddy</u> . County, New Mexico. It will require of pipeline to connect the facility to low/high pressure gathering system. <u>Operator</u> provides (periodically) to <u>Gas Transporter</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, <u>Operator</u> and <u>Gas Transporter</u> have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at <u>Gas Transporter</u> Processing Plant located in Sec, Twn, Rng, County, New Mexico. The	Hackberry Hills Federal #4	30-015-10805	F, 22-22S-26E	2310 FNL&1980 FW	100	-0-		
Flowback Strategy	Well(s) will be connected to. The gas produced from proc pressure gathering system facility to low/high pressure estimated first production da <u>Transporter</u> have periodic co processed at <u>Gas Transporter</u> actual flow of the gas will be	a production the function facility located in gettering systems for wells the formal of the formal of the formal of the formal of the function	facility after flow by is dedicated to go ddy County, 1 ystem. Operator part are scheduled to to discuss change lant located in Sec.	Gas Transpor New Mexico. provides (perico be drilled in es to drilling a , Twn.	ter and will  It will recodically) to go the foresee and completion.  Rng.	be connected quire Gas Transpor able future. I on schedules.	to Gas Transporter low/hig of pipeline to connect th ter a drilling, completion and n addition, Operator and Ga Gas from these wells will b County, New Mexico. Th	

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 Gas Transporter system at that time. Based on current information, it is Operator'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
  - o Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas On lease
  - o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
  - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines