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

Submit Original to Appropriate District Office

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

CAS CAPTURE PLAN	

Date	e: <u>8/25/2017</u>	······································	G/ID C/I	TORBIA	2 E V			
	Original		Devon &	OGRID No	.: Devon E	nergy Prod. (Co., LP (6137)	
	Amended - Reason for	Amendment:				,		
com Note	s Gas Capture Plan out apletion (new drill, reconstruction) Form C-129 must be sufficed by the sufficed by th	omplete to new	w zone, re-frac) ac	ctivity.				
The	well(s) that will be loc	cated at the pr	oduction facility a	re shown in	the table bel	ow.		
	Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments	
	Cotton Draw Unit 516H	30.015	Unit A, Sec 25, Twp 24S, R 31E	485 FNL 440 FEL			CDU 25 CTB 2	
		44717						

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if DCP system is in place. The gas produced from production facility is dedicated to DCP and will be connected to DCP low/high pressure gathering system located in Lea County, New Mexico. It will require 600' of pipeline to connect the facility to low/high pressure gathering system. Devon provides (periodically) to DCP a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Devon and DCP have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at DCP Processing Plant located in Sec. 19, Twn. 19S, Rng. 32E, Lea County, New Mexico. 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 <u>DCP</u> system at that time. Based on current information, it is <u>Devon's</u> belief the system can take this gas upon completion of the well(s).

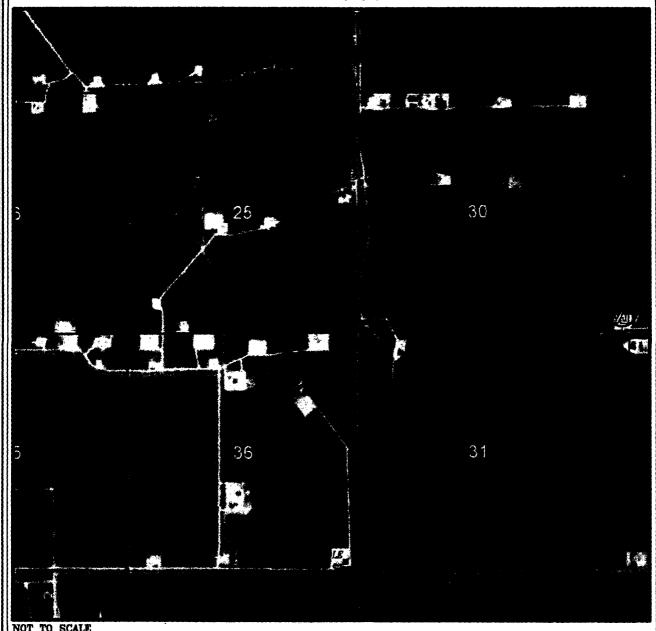
Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

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
 - 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

SECTION 25, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO AERIAL PHOTO



NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH FEB. 2017

DEVON ENERGY PRODUCTION COMPANY, L.P. COTTON DRAW UNIT 516H

LOCATED 485 FT. FROM THE NORTH LINE AND 440 FT. FROM THE EAST LINE OF SECTION 25, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO

JULY 13, 2017

SURVEY NO. 5334
MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO