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

State of New Mexico Energy, Minerals and Natural Resources Department

to Appropriate District Office **NM OIL CONSERVATION ARTESIA DISTRICT**

Submit Original

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

GAS CAPTURE PLAN

RECEIVED

X Original

Date: 2-2-18

Operator & OGRID No.: Tap Rock Operating, LLC (372043)

☐ 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	API		SHL Footages	Expected MCF/D	Flared or Vented	Comments	
Double Diamond Fed Com 158H	30-015- 44978	P-14-24s-31e	305' FSL & 935' FEL	750	<30 days	flare until well clean, then	
Double Diamond Fed Com 224H	30-015-	P-14-24s-31e	305' FSL & 885' FEL	750	<30 days	flare until well clean, then	
Double Diamond Fed Com 228H	30-015-	P-14-24s-31e	305' FSL & 910' FEL	750	<30 days	flare until well clean, then	
Double Diamond Fed Com 238H	30-015-	P-14-24s-31e	305' FSL & 860' FEL	750	<30 days	flare until well clean, then	

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. Gas produced from this production facility has not yet been dedicated. However, a possible connection is an existing Agave pipeline that is 1/8 mile northeast. Operator will provide (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 will have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Gas Transporter Processing Plant at an as yet undetermined location. 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 Gas Transporter system at that time. Based on current information, it is Operator's belief the system ultimately 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 nonpipeline 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



Drilling Plan Data Report

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

APD ID: 10400027255

Operator Name: TAP ROCK OPERATING LLC

Well Name: DOUBLE DIAMOND FED COM

Well Type: OIL WELL

Submission Date: 02/14/2018

Highlighted data reflects the most recent changes

Well Number: 158H Show Final Text

Well Work Type: Drill

Section 1 - Geologic Formations

Formation	\sim	~~	True Vertical		Lithologies	Mineral Resources	Producing Formation
ID 1	Formation Name	Elevation 3586	Depth 0	Depth 0	OTHER : Quaternary caliche	USEABLE WATER	No
2	RUSTLER ANHYDRITE	2855	731	731		NONE	No
3	SALADO	2519	1067	1067	SALT	NONE	No
4	BASE OF SALT	771	2815	2815		NONE	No
5	BELL CANYON	-1027	4613	4613	SANDSTONE	NATURAL GAS,CO2,OIL	No
6	BRUSHY CANYON	-3137	6723	6726	SANDSTONE	NATURAL GAS,CO2,OIL	No
7	BONE SPRING	-4852	8438	8470	LIMESTONE	NATURAL GAS,CO2,OIL	No
8	BONE SPRING 1ST	-5862	9448	9496	SANDSTONE	NATURAL GAS,CO2,OIL	No
9	BONE SPRING 2ND	-6182	9768	9821	OTHER : Carbonate	NATURAL GAS,CO2,OIL	No
10	BONE SPRING 2ND	-6497	10083	10138	SANDSTONE	NATURAL GAS,CO2,OIL	No
11	BONE SPRING 3RD	-7047	10633	10693	OTHER : Carbonate	NATURAL GAS,CO2,OIL	Yes

Section 2 - Blowout Prevention

Pressure Rating (PSI): 10M

Rating Depth: 13000

Equipment: A 13,000' 10,000-psi BOP stack consisting of 3 rams with 2 pipe rams, 1 blind ram, and 1 annular preventer will be used below surface casing to TD. An accumulator will be on site. It will comply with Onshore Order 2 requirements for the BOP stack pressure rating. Rotating head will be installed as needed.

Requesting Variance? YES

Variance request: Tap Rock requests a variance to use a co-flex hose between the BOP stack and choke manifold. Co-flex hose certification is attached. Manufacturer does not require the hose to be anchored. If the specific hose is not available, then one of equal or higher rating will be used.

Testing Procedure: Pressure tests will be conducted before drilling out from under all casing strings. BOP will be inspected and operated as required by Onshore Order 2. A top drive check valve and sub equipped with a full opening valve sized to fit the drill pipe and collars will be available on the rig floor in the open position. A third-party company will test the BOPs. Test