

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 **NM OIL CONSERVATION**
1220 South St. Francis Dr. **ARTESIA DISTRICT**
Santa Fe, NM 87505

JUN 06 2018

GAS CAPTURE PLAN

RECEIVED

Date: 9-28-17

☒ Original

Operator & OGRID No.: Mewbourne Oil Company - 14744

☐ 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 |
|---|-----|-----------------------|---------------------|----------------|------------------|-------------------|
| FNR 17/20 B3JO FED COM #1H 30-015-45024 | | J-17-23S-30E | 2592 FSL & 1619 FEL | 0 | NA | ONLINE AFTER FRAC |
| | | | | | | |

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 Frontier Field Services and will be connected to Frontier Field Services low/high pressure gathering system located in _____ County, New Mexico. It will require _____ of pipeline to connect the facility to low/high pressure gathering system. Mewbourne Oil Company provides (periodically) to Frontier Field Services a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Mewbourne Oil Company and Frontier Field Services have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Frontier Field Services Processing Plant located in Sec. 21, Twn. 17S, 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 Frontier Field Svc 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).

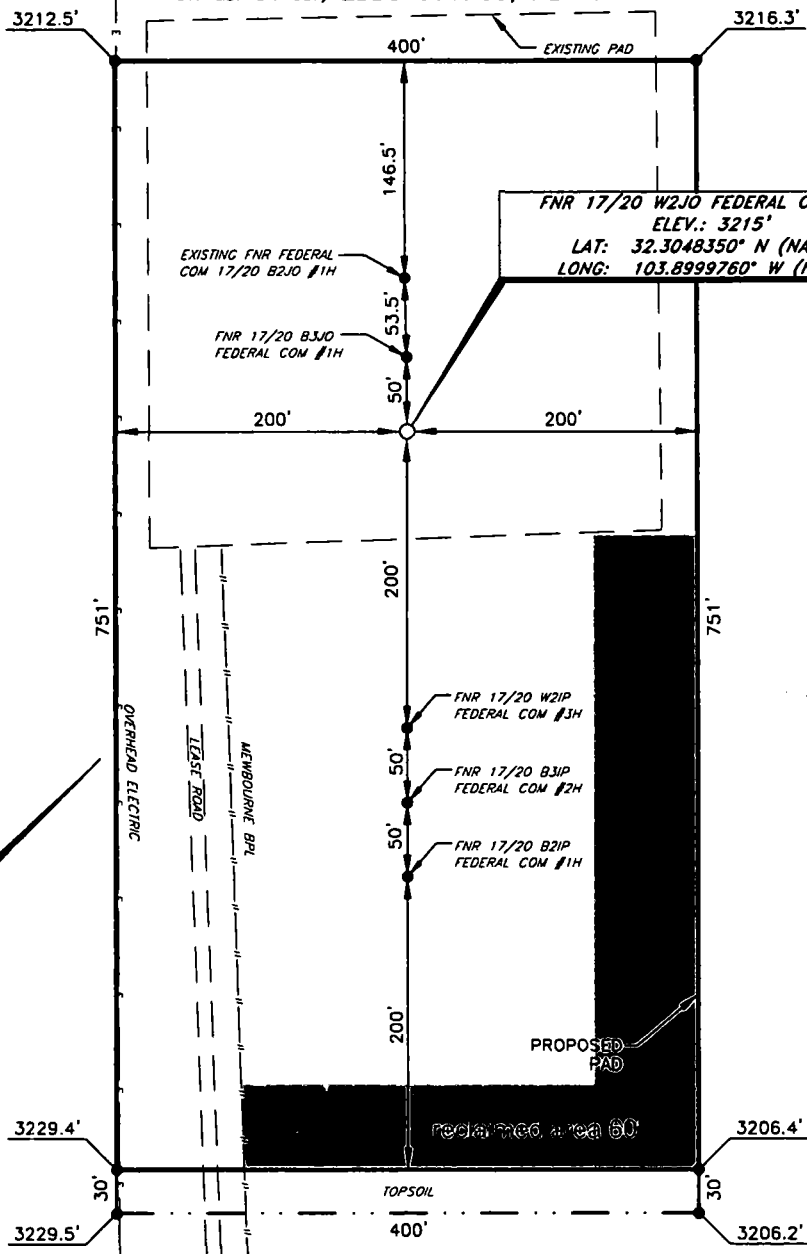
Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - 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

MEWBOURNE OIL COMPANY
FNR 17/20 W2JO FEDERAL COM #1H
(2556' FSL & 1583' FEL)
SECTION 17, T23S, R30E
N. M. P. M., EDDY COUNTY, NEW MEXICO



FNR 17/20 W2JO FEDERAL COM #1H
ELEV.: 3215'
LAT: 32.3048350° N (NAD83)
LONG: 103.8999760° W (NAD83)

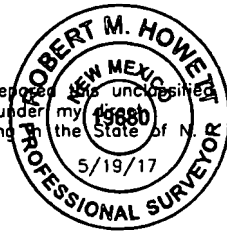
DIRECTIONS TO LOCATION

From the intersection of HWY 128 and CR-793 (Rawhide Rd.);
 Go South on CR-793 approx. 3.6 miles to a lease road on the left;
 Turn left and go East approx. 2.1 miles to location.

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that I prepared this undesignated survey of a well location from an actual survey made on the ground under my personal supervision, said survey and plot meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Robert M. Howett

Robert M. Howett NM PS 19680



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|----------|------------|
| REVISION | DATE |
| 1 | 5/17/2012 |
| 2 | 4-17/04212 |



308 W. BROADWAY ST., HOEBS, NM 88240 (575) 964-8200

| |
|--------------------|
| SCALE: 1" = 100' |
| DATE: 5-15-2017 |
| SURVEYED BY: ML/JL |
| DRAWN BY: KAKN |
| APPROVED BY: RMH |
| SHEET: 1 OF 1 |