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

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DISTRICT II-ARTESIA O.C.D.

GAS CAPTURE PLAN

Date: 3/21/2018

☒ Original
☐ Amended - Reason for Amendment:

Operator & OGRID No.: COG Operating LLC, OGRID 229137

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
Littlefield 33 Fed Com 707H	**30-015-45164**	**9-33-26S-29E**	**250' FSL & 826' FWL**	**2,637 MCF**		**Gas will connect on proposed CTB.**

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 **DBM**, and will be connected to **Ramsey** low/high pressure gathering system located in **Reeves** County, Texas. It will require **0' to an undetermined amount of feet** of pipeline to connect the facility to low/high pressure gathering system. **COG Operating LLC** provides (periodically) to **DBM** a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, **COG Operating LLC** and **DBM** have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at **Ramsey** Processing Plant located in **Sec 36, Blk 58-T1-T&P, Reeves** County, Texas. 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 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

COG Operating, LLC - Littlefield 33 Federal Com 707H

1. Geologic Formations

TVD of target	10,060' EOL	Pilot hole depth	NA
MD at TD:	17,216'	Deepest expected fresh water:	200'

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Quaternary Fill	Surface	Water	
Rustler	471	Water	
Top of Salt	624	Salt	
Base of Salt	2625	Salt	
Lamar	2810	Salt Water	
Delaware	2810	Salt Water	
Bone Spring	6502	Oil/Gas	
1st Bone Spring	7419	Oil/Gas	
2nd Bone Spring	8568	Oil/Gas	
3rd Bone Spring	9283	Oil/Gas	
Wolfcamp A	9647	Target Oil/Gas	
Wolfcamp B	10116	Not Penetrated	
Wolfcamp C	10410	Not Penetrated	
Wolfcamp D	10746	Not Penetrated	
Strawn	12200	Not Penetrated	

2. Casing Program

Hole Size	Casing Interval		Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Body
	From	To							
13.5"	0	585	10.75"	45.5	N80	BTC	9.23	1.41	39.07
9.875"	0	10050	7.875"	29.7	P110	BTC	1.51	1.45	3.64
6.75"	0	9550	5.5"	23	P110	BTC	2.52	2.66	4.03
6.75"	9550	17,216	5"	18	P110	BTC	2.52	2.66	4.03
			BLM Minimum Safety Factor				1.125	1	1.6 Dry 1.8 Wet

Intermediate casing will be kept at least 1/3 full while running casing.to mitigate collapse. Surface burst based on 0.7 frac gradient at the shoe with Gas Gradient 0.1 psi/ft to surface and
All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

The 5" casing will be run back 500' into the intermediate casing to ensure the coupling OD clearance is greater than .422" for the cement bond tie in.