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

Dat	re:12/01/2017	NOV 29 2018	GAS CAPTURE PLAN			
\boxtimes	Original	RECEIVED	Operator & OGRID No.: XTO Energy, Inc [005380]			
	Amended - Reason fo	or 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: Nash Unit 42

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
Nash Unit 401H		A-19-23S-30E	140'FNL & 580'FEL	1950mcf/d	Flared/Sold	CTB Connected to P/L
30-015	-4550	3				

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 <u>Gas Transporter</u> and will be connected to <u>Enterprise</u> low/high pressure gathering system located in Eddy County, New Mexico. It will require 0' of pipeline to connect the facility to low/high pressure gathering system. <u>XTO Energy, Inc.</u> provides (periodically) to <u>Enterprise</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, <u>XTO Energy, Inc.</u> and <u>Enterprise</u> have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at <u>Enterprises</u>' Processing Plant located in Sec. 17 Twn.19S, Rng. 31E, Eddy 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 Energy. Inc.'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
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

North Reference Sheet for Nash Unit - Nash Unit 401H - Wellbore #1

All data is in US Feet unless otherwise stated. Directions and Coordinates are relative to Grid North Reference.

Vertical Depths are relative to Plat @ 3142.00usft (GL:3117'+25ft=3142ft(KB)). Northing and Easting are relative to Nash Unit 401H

Coordinate System is US State Plane 1927 (Exact solution), New Mexico East 3001 using datum NAD 1927 (NADCON CONUS), ellipsoid Clarke 1866

Projection method is Transverse Mercator (Gauss-Kruger)

Central Meridian is -104.33°, Longitude Origin:0° 0' 0.000 E°, Latitude Origin:0° 0' 0.000 N°

False Easting: 500,000.00usft, False Northing: 0.00usft, Scale Reduction: 0.99992835

Grid Coordinates of Well: 472,096.40 usft N, 629,666.90 usft E

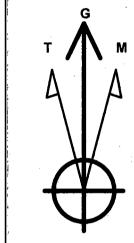
Geographical Coordinates of Well: 32° 17' 49.96" N, 103° 54' 49.28" W

Grid Convergence at Surface is: 0.22°

Based upon Minimum Curvature type calculations, at a Measured Depth of 22,366.32usft

the Bottom Hole Displacement is 11,870.48usft in the Direction of 0.84° (Grid).

Magnetic Convergence at surface is: -7.03° (4 May 2017, , BGGM2015)



Magnetic Model: BGGM2015
Date: 04-May-17
Declination: 7.25°
Inclination/Dip: 60.11°
Field Strength: 48030

Grid North is 0.22° East of True North (Grid Convergence)
Magnetic North is 7.25° East of True North (Magnetic Declination)
Magnetic North is 7.03° East of Grid North (Magnetic Convergence)

To convert a True Direction to a Grid Direction, Subtract 0.22°
To convert a Magnetic Direction to a True Direction, Add 7.25° East
To convert a Magnetic Direction to a Grid Direction, Add 7.03°