

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

**NM OIL CONSERVATION
ARTESIA DISTRICT**

GAS CAPTURE PLAN

FEB 21 2019

Date: 10-04-2018

RECEIVED

☒ Original

Operator & OGRID No.: OXY USA INC. - 16696

☐ 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, recomple 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
Pure Gold MDP1 29-17 Fd Com 7H	Pending	M-29-23S-31E	764 FSL 415 FWL	3900		
Pure Gold MDP1 29-17 Fd Com 8H	Pending	N-29-23S-31E	718 FSL 1370 FWL	3900		
Pure Gold MDP1 29-17 Fd Com 9H	Pending	O-29-23S-31E	618 FSL 2130 FEL	3900		
Pure Gold MDP1 29-17 Fd Com 10H	Pending	P-29-23S-31E	632 FSL 550 FEL	3900		
Pure Gold MDP1 29-17 Fd Com 11H	Pending	M-29-23S-31E	694 FSL 415 FSL	1800		
Pure Gold MDP1 29-17 Fd Com 12H	Pending	N-29-23S-31E	770 FSL 1461 FWL	1800		
Pure Gold MDP1 29-17 Fd Com 13H	Pending	O-29-23S-31E	618 FSL 2060 FEL	1800		
Pure Gold MDP1 29-17 Fd Com 14H	Pending	P-29-23S-31E	632 FSL 480 FEL	1800		
Pure Gold MDP1 29-17 Fd Com 21H	Pending	M-29-23S-31E	799 FSL 415 FWL	3000		
Pure Gold MDP1 29-17 Fd Com 22H	Pending	N-29-23S-31E	735 FSL 1401 FWL	3000		
Pure Gold MDP1 29-17 Fd Com 23H	Pending	O-29-23S-31E	618 FSL 2165 FEL	3000		
Pure Gold MDP1 29-17 Fd Com 24H	Pending	P-29-23S-31E	632 FSL 585 FEL	3000		

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, where a gas transporter system is in place. The gas produced from production facility is dedicated to Enterprise Field Services, LLC ("Enterprise") and is connected to Enterprise low/high pressure gathering system located in Eddy County, New Mexico. OXY USA INC. ("OXY") provides (periodically) to Enterprise a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, OXY and Enterprise have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Enterprise's Processing Plant located in Sec. 36, Twn. 24S, Rng. 30E, 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 Enterprise system at that time. Based on current information, it is OXY'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.

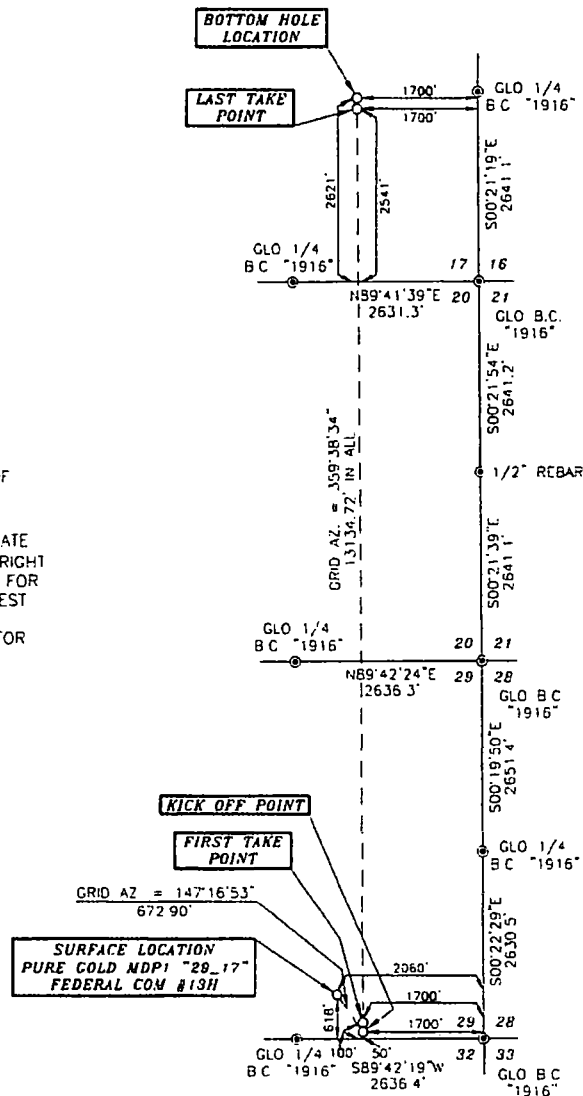
Alternatives to Reduce Flaring

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

SECTIONS 29, 20 & 17, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY NEW MEXICO

DRIVING DIRECTIONS.
BEGINNING AT THE INTERSECTION OF
N.M. STATE HWY #128 AND EDDY
COUNTY ROAD #787 (TWIN WELLS
ROAD), GO SOUTHEAST ON N.M. STATE
HWY #128 FOR 1.1 MILES, TURN RIGHT
ON CALICHE ROAD AND GO SOUTH FOR
1.4 MILES, TURN RIGHT AND GO WEST
FOR 0.5 MILES, TURN RIGHT ON
PROPOSED ROAD AND GO NORTH FOR
217.5 FEET TO LOCATION



North Arrow
Basis of Bearings - GPS Geodetic Measurements
NAD 83 North American Datum of 1983



SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR
NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM
RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS
TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND
BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR
SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW
MEXICO STATE BOARD OF REGISTRATION FOR
PROFESSIONAL ENGINEERS AND SURVEYORS

Terry J. Asel 9/24/2010
Terry J. Asel, N.M. R.P.L.S. No. 15079

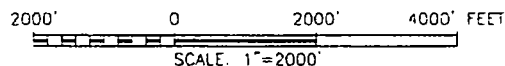
Asel Surveying

P.O. BOX 393 - 310 W TAYLOR
MORRIS, NEW MEXICO - 575-393 9146



LEGEND

⊙ - DENOTES FOUND MONUMENT AS NOTED



OXY USA INC.

PURE GOLD MDP1 "29_17" FEDERAL COM #13H
LOCATED AT 618' FSL & 2060' FEL IN SECTION
29, TOWNSHIP 23 SOUTH, RANGE 31 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO

Survey Date: 05/15/18	Sheet 1 of 1 Sheets
W.O. Number: 180615WL-e	Drawn By: KA Rev:
Date: 09/21/18	180615WL-e Scale: 1"=2000'