

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

MAY 30 2019
Submit Original
to Appropriate
District Office

DISTRICT II-ARTESIA O.C.D.

GAS CAPTURE PLAN

Date: 11-27-2018

☒ 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 |
|------------------------|---------|-----------------------|--------------|----------------|------------------|----------|
| Mesa Verde WC Unit 2H | Pending | M-16-24S-32E | 250 S 1035 W | 4184 | 0 | |
| Mesa Verde WC Unit 3H | Pending | M-16-24S-32E | 250 S 1000 W | 4184 | 0 | |
| Mesa Verde WC Unit 4H | Pending | M-16-24S-32E | 250 S 965 W | 4184 | 0 | |
| Mesa Verde WC Unit 7H | Pending | N-17-24S-32E | 280 S 1421 W | 4184 | 0 | |
| Mesa Verde WC Unit 8H | Pending | N-17-24S-32E | 280 S 1386 W | 4184 | 0 | |
| Mesa Verde WC Unit 15H | Pending | P-13-24S-31E | 171 S 1125 E | 2719 | 0 | |
| Mesa Verde WC Unit 16H | Pending | P-13-24S-31E | 171 S 1160 E | 2719 | 0 | |
| Mesa Verde WC Unit 17H | Pending | P-13-24S-31E | 171 S 1160 E | 2719 | 0 | |
| Mesa Verde WC Unit 18H | Pending | M-13-24S-31E | 118 S 1138 W | 2719 | 0 | |
| Mesa Verde WC Unit 19H | Pending | M-13-24S-31E | 118 S 1103 W | 2719 | 0 | |
| Mesa Verde WC Unit 20H | Pending | M-13-24S-31E | 118 S 1068 W | 2719 | 0 | |
| Mesa Verde WC Unit 21H | Pending | M-13-24S-31E | 271 S 210 W | 4197 | 0 | |
| Mesa Verde BS Unit 25H | Pending | M-13-24S-31E | 940 S 1225 W | 1640 | 0 | |
| Mesa Verde BS Unit 26H | Pending | M-13-24S-31E | 940 S 1260 W | 1640 | 0 | |
| Mesa Verde BS Unit 27H | Pending | M-13-24S-31E | 940 S 1295 W | 1640 | 0 | |
| Mesa Verde BS Unit 28H | Pending | O-13-24S-31E | 925 S 1460 E | 1640 | 0 | |
| Mesa Verde BS Unit 29H | Pending | O-13-24S-31E | 925 S 1425 E | 1640 | 0 | |
| Mesa Verde BS Unit 30H | Pending | O-13-24S-31E | 925 S 1390 E | 1640 | 0 | |
| Mesa Verde BS Unit 31H | Pending | M-13-24S-31E | 236 S 210 W | 945 | 0 | |

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 Delaware G&P LLC ("Enlink") and is connected to Enlink low/high pressure gathering system located in Eddy County, New Mexico. OXY USA INC. ("OXY") provides (periodically) to Enlink a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, OXY and Enlink have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Enlink's LOBO Processing Plant located in Sec. 3, Block C-27, PSL, Loving 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 Enlink 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).