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

RECEIVED
JUN 28 2019
DISTRICT II-ARTESIA O.C.D.

Submit Original to Appropriate District Office

GAS CAPTURE PLAN

Date: 06-12-19

☒ Original
☐ Amended - Reason for Amendment:

Operator & OGRID No.: XTO Energy, Inc [005380]

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 – Corral Canyon 12 CTB

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location	Footages	Expected MCF/D	Flared or Vented	Comments
Tombstone 11 State 102H		A-11-25S-29E	940'FNL & 125'FEL	2500	Flared/Sold	CTB Connected to P/L
Tombstone 11 State 103H		H-11-25S-29E	1995'FNL & 125'FEL	2500	Flared/Sold	CTB Connected to P/L
Tombstone 11 State 104H		H-11-25S-29E	2055'FNL & 125'FEL	2500	Flared/Sold	CTB Connected to P/L
Tombstone 11 State 105H		I-11-25S-29E	2025'FNL & 125'FEL	2500	Flared/Sold	CTB Connected to P/L
Tombstone 11 State 107H		P-11-25S-29E	1010'FSL & 125'FEL	2500	Flared/Sold	CTB Connected to P/L
Tombstone 11 State 108H		P-11-25S-29E	950'FSL & 125'FEL	2500	Flared/Sold	CTB Connected to P/L
Tombstone 11 State 121H		A-11-25S-29E	910'FNL & 125'FEL	2500	Flared/Sold	CTB Connected to P/L
Tombstone 11 State 122H		A-11-25S-29E	970'FNL & 125'FEL	2500	Flared/Sold	CTB Connected to P/L
Tombstone 11 State 125H		I-11-25S-29E	2055'FSL & 125'FEL	2500	Flared/Sold	CTB Connected to P/L
Tombstone 11 State 126H		I-11-25S-29E	1995'FSL & 125'FEL	2500	Flared/Sold	CTB Connected to P/L
Tombstone 11 State 127H		P-11-25S-29E	980'FSL & 125'FEL	2500	Flared/Sold	CTB Connected to P/L
Tombstone 11 State 705H		I-11-25S-29E	1965'FSL & 125'FEL	2500	Flared/Sold	CTB Connected to P/L
Tombstone 11 State 701H		A-11-25S-29E	880'FNL & 125'FEL	2500	Flared/Sold	CTB Connected to P/L
Tombstone 11 State 707H		P-11-25S-29E	920'FSL & 125'FEL	2500	Flared/Sold	CTB Connected to P/L

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 ENLINK and will be connected to ENLINK low/high pressure gathering system located in Lea County, New Mexico. It will require 0' of pipeline to connect the facility to low/high pressure gathering system. XTO ENERGY, INC 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, XTO ENERGY, INC and ENLINK have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at ENLINK Processing Plant located in Block 27, Section 4, Loving County TX. 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's system at that time. Based on current information, it is XTO 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
  - 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

NM STATE DRILLING PERMITTING

Tombstone 11 State 707H

		Deepest TVD	9046		KOP	8451		End of Curve	9415		Measured depth	14587	
Casing Type	Fluid Type	Mud Weight	Hole Size	Casing Size	Casing Grade	Casing Weight	Top MD	Setting Depth	Lead Cement	Tail Cement	Total Sks Cement	TOC	
Surface	FW/Native	8.4 - 10.0	17.5	13.375	J-55 LTC	54.5	0	950	520	289	809	0	
Intermediate	Brine	9.0-10.3	12.25	9.625	J-55 LTC	40	0	3100	493	309	802	1000	1st Stage
DV Tool								1000	200	17	217	0	2nd Stage
Production	FW/Cut Brine	8.8-10.5	8-3/4" to EOC	5.5	P110 BTC	17	0	14587	963	1143	2107	1000	
	Cut Brine	9.3	8-1/2" to TD										

Max Expected Surface Pressure
2385

BOP
Cameron 5M Double Ram BOP
Test Pressure 5000

Total Vertical Section 5172

Contingencies

1. Once 9-5/8" casing is set, should wellbore stability become an issue before reaching the end of curve, 7" csg will be set, and the wellbore will resemble the 4-string design attached.
2. In either design, OBM may be used in production hole if production hole becomes unstable while drilling with WBM
3. DV Tool may be set in 9-5/8" fr/ 950' - 2000'
4. If cmt is not circulated to surface on 5.5" casing, it will be brought at least 500' into Intermediate shoe

NM STATE DRILLING PERMITTING

Tombstone 11 State 707H

Contingency

Deepest TVD 9046 KOP 8451 End of Curve 9415 Measured depth 14587

Casing Type	Fluid Type	Mud Weight	Hole Size	Casing Size	Casing Grade	Casing Weight	Top MD	Setting Depth	Lead Cement	Tail Cement	Total Sks Cement	TOC
Surface	FW/Native	8.4 - 10.0	17.5	13.375	J-55 LTC	54.5	0	950	556	237	793	0
1st Intermediate	Brine	9.0-10.3	12.25	9.625	J-55 LTC	40	0	3100	733	120	854	0
2nd Intermediate (Contingency*)	FW/Native	9.0-10.3	10.875	7	P110 BTC	32	0	9415	2101	125	2226	0
Production	FW/Cut Brine	9.5-10.5	6	4.5	P110 BTC	13.5	8451	14587	0	732	732	8915
	OBM	9.3	6									

Max Expected Surface Pressure
2385

BOP
Cameron 5M Double Ram BOP
Test Pressure 5000

Total Vertical Section 5172

Contingencies

1. Requesting Exception to not get cmt to surface if 7" production string is set. Cement will be brought 500' in Intermediate Shoe if not circulated to surface
2. 7" csg may be set between KOP and Landing Point
3. DV Tool may be set in 9-5/8" fr/ 950' - 2000'
4. 4.5" liner will be brought kick-off point or 300' above end of 7" (Whichever is higher)