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DISTRICT II-ARTESIA O.C.D.

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

GAS CAPTURE PLAN

Date: 2-5-19

☒ Original
☐ Amended - Reason for Amendment:

Operator & OGRID No.: Mewbourne Oil Company - 14744

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
Lindale 24/25 W1BG Fed #2H		B 24-T26S-R30E	205' FNL & 1880' FEL	0	NA	ONLINE AFTER FRAC

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 Western and will be connected to Western low/high pressure gathering system located in EDDY County, New Mexico. It will require 3,400 ' of pipeline to connect the facility to low/high pressure gathering system. Mewbourne Oil Company provides (periodically) to Western a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Mewbourne Oil Company and Western have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Western Processing Plant located in Sec. 36, Blk. 58 T1S, Culberson 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 Western 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).

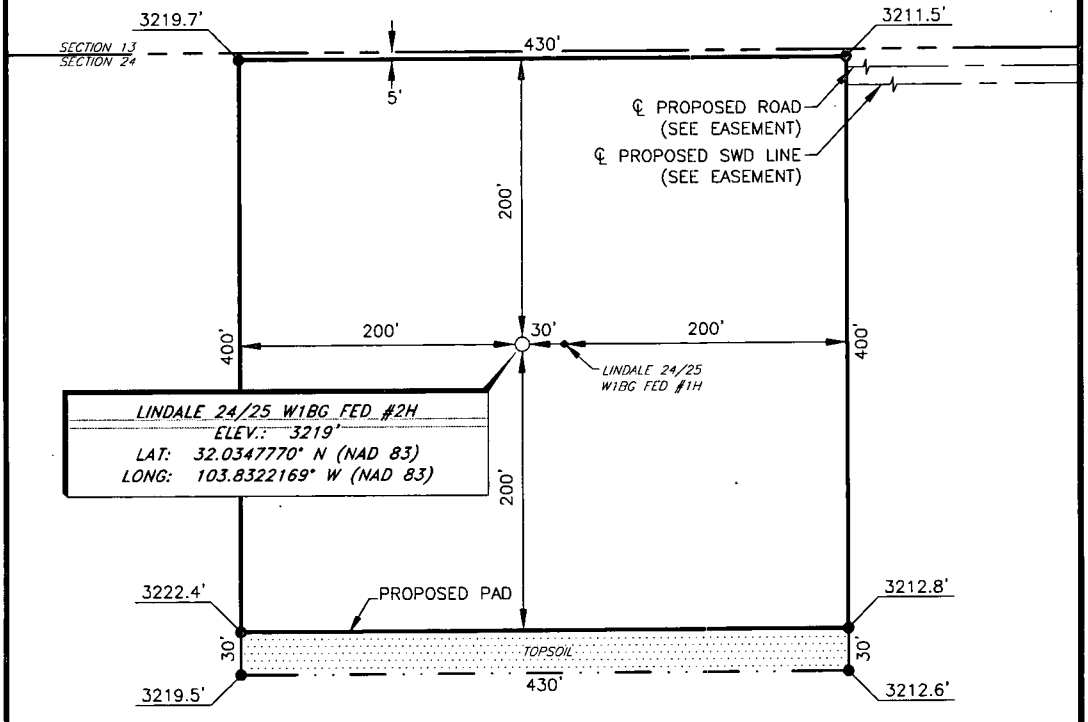
Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

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

MEWBOURNE OIL COMPANY
LINDALE 24/25 W1BG FED #2H
(205' FNL & 1880' FEL)
SECTION 24, T26S, R30E
N. M. P. M., EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

From the intersection of CR-2 (Battle Axe Rd.) and CR-1 (Orla HWY)

Go South on CR-1 approx. 1.6 miles to a road on the right;

Turn right and go West on State Line Rd. approx. 7.3 miles to a road on the right;

Turn right and go North approx. 2.7 miles to a lease road on the right;

Turn right and go Southeast approx. 0.4 miles to a curve to the left;

Continue on road heading East approx. 0.4 miles to a curve to the right;

Turn right and go South approx. 0.4 miles to an existing pad;

Turn right and go West approx. 0.4 miles to proposed location on the left.

THIS IS NOT A BOUNDARY SURVEY, APPARENT PROPERTY CORNERS AND PROPERTY LINES ARE SHOWN FOR INFORMATION ONLY, BOUNDARY DATA IS SHOWN FROM A PREVIOUS SURVEY REFERENCED HEREON.

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that I prepared this unclassified survey of a well location from an actual survey made on the ground under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Robert M. Howett

Robert M. Howett NM PS 19680

ROBERT M. HOWETT
NEW MEXICO
19680
12/05/18
PROFESSIONAL SURVEYOR

SCALE: 1" = 100'
0 50' 100'

BEARINGS ARE GRID NAD 83 NM EAST
DISTANCES ARE HORIZ. GROUND.

NO.	REVISION	DATE

JOB NO.: LS18111290
DWG. NO.: 18111290-4

RRC

701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

SCALE: 1" = 1000'
DATE: 12-03-2018
SURVEYED BY: ML/TF
DRAWN BY: KAKN
APPROVED BY: RMH
SHEET: 1 OF 1