

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

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District Office

Oil Conservation Division

JAN 08 2020

1220 South St. Francis Dr.
Santa Fe, NM 87505

EMNRD-OCD ARTESIA

GAS CAPTURE PLAN

Date: 9/13/18

Original Operator & OGRID No.: EOG Resources, Inc. 7377
 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
Barb Federal Com 3H		P-18-19S-25E	973' FSL & 560' FEL	500	0	
Barb Federal Com 4H		P-18-19S-25E	943' FNL & 560' FEL	500	0	

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 not dedicated to Lucid Energy and will be connected to Lucid Energy's low/high pressure gathering system located in Eddy County, New Mexico. It will require 2800' of pipeline to connect the facility to low/high pressure gathering system. EOG Resources, Inc. provides (periodically) to Lucid Energy a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, EOG Resources, Inc. and Lucid Energy have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Lucid Energy Processing Plant located in Sec. 26, Twn. 18S, Rng. 25E, 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 Gas Transporter 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
 - 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
 - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

10/15/10

10/15/10

Intent As Drilled

API #

Operator Name:	Property Name:	Well Number
EOG Resources, Inc.	Barb Federal Com	4H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
P	18	19S	25E		943	S	560	E	Eddy
Latitude					Longitude			NAD	
32.6563672					-104.5174746			83	

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
M	17	19S	25E		330	S	100	W	Eddy
Latitude					Longitude			NAD	
32.6546825					-104.5153417			83	

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
P	17	19S	25E		330	S	100	E	Eddy
Latitude					Longitude			NAD	
32.6547658					-104.4986942			83	

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:	Property Name:	Well Number
EOG Resources, Inc.	Barb Federal Com	3H