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District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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EMNRD-OCD ARTESIA

GAS CAPTURE PLAN

Date: 04/26/2019

☒ Original Operator & OGRID No.: XTO Energy, Inc [005380]
☐ 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: Chain-Blue CTBN

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
Chain-Blue Lightning 26 Fed 108H		P-23-25S-29E	331'FSL & 273'FEL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 703H		N-23-25S-29E	296'FSL & 2025'FWL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 162H		M-23-25S-29E	366'FSL & 955'FWL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 161H		M-23-25S-29E	366'FSL & 705'FWL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 121H		M-23-25S-29E	331'FSL & 705'FWL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 122H		M-23-25S-29E	331'FSL & 955'FWL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 701H		M-23-25S-29E	296'FSL & 705'FWL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 102H		M-23-25S-29E	296'FSL & 955'FWL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 164H		N-23-25S-29E	366'FSL & 2275'FWL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 163H		N-23-25S-29E	366'FSL & 2025'FWL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 103H		N-23-25S-29E	331'FSL & 2025'FWL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 104H		N-23-25S-29E	331'FSL & 2275'FWL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 124H		N-23-25S-29E	296'FSL & 2275'FWL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Federal 166H		O-23-25S-29E	365'FSL & 2230'FEL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 165H		O-23-25S-29E	365'FSL & 2480'FEL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 125H		O-23-25S-29E	330'FSL & 2480'FEL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 126H		O-23-25S-29E	330'FSL & 2230'FEL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 105H		O-23-25S-29E	295'FSL & 2480'FEL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 705H		O-23-25S-29E	295'FSL & 2230'FEL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 168H		P-23-25S-29E	366'FSL & 273'FEL	2500MCF/D	Flared/Sold	

Chain-Blue Lightning 26 Fed 167H		P-23-25S-29E	365'FSL & 523'FEL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 107H		P-23-25S-29E	330'FSL & 523'FEL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 127H		P-23-25S-29E	295'FSL & 523'FEL	2500MCF/D	Flared/Sold	
Chain-Blue Lightning 26 Fed 708H		P-23-25S-29E	296'FSL & 273'FEL	2500MCF/D	Flared/Sold	

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 Loving County, Texas. 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, 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 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