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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: 03/14/18

x Original

Devon & OGRID No.: Devon Energy Prod Co., LP (6137)

☐ Amended - Reason for Amendment: Submitting new APD's for Mr. Potato Head 11-14 331H, 332H, 621H, 622H. 623H, 711H, 712H, 731H, & 732H.

This Gas Capture Plan outlines actions to be taken by the Devon 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/ Vented	Comments
Mr. Potato Head 11-14 Fed Com 331H		Sec. 11, T24S, R29E	350 FNL, 1105 FWL			Mr. Potato Head 11 CTB 1
Mr. Potato Head 11-14 Fed Com 332H		Sec. 11, T24S, R29E	350 FNL, 2046 FWL			Mr. Potato Head 11 CTB 1
Mr. Potato Head 11-14 Fed Com 621H		Sec. 11, T24S, R29E	350 FNL, 1045 FWL			Mr. Potato Head 11 CTB 1
Mr. Potato Head 11-14 Fed Com 622H		Sec. 11, T24S, R29E	350 FNL, 1135 FWL			Mr. Potato Head 11 CTB 1
Mr. Potato Head 11-14 Fed Com 623H		Sec. 11, T24S, R29E	350 FNL, 2016 FWL			Mr. Potato Head 11 CTB 1
Mr. Potato Head 11-14 Fed Com 711H		Sec. 11, T24S, R29E	350 FNL, 1075 FWL			Mr. Potato Head 11 CTB 1
Mr. Potato Head 11-14 Fed Com 712H		Sec. 11, T24S, R29E	350 FNL, 1986 FWL			Mr. Potato Head 11 CTB 1
Mr. Potato Head 11-14 Fed Com 731H		Sec. 11, T24S, R29E	200 FNL, 1045 FWL			Mr. Potato Head 11 CTB 1
Mr. Potato Head 11-14 Fed Com 732H		Sec. 11, T24S, R29E	200 FNL, 1075 FWL			Mr. Potato Head 11 CTB 1

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if DCP system is in place. The gas produced from production facility is dedicated to DCP and will be connected to DCP low/high pressure gathering system located in Eddy County, New Mexico. It will require 200' of pipeline to connect the facility to low/high pressure gathering system. Devon provides (periodically) to DCP a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Devon and DCP have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at DCP Processing Plant located NENW in Sec.6, Twn. 24S, Rng. 29E, 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 DCP system at that time. Based on current information, it is Devon'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