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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

EMNRD-OCDARTESIA

GAS CAPTURE PLANDate: 10/10/2019☒ OriginalOperator & OGRID No.: XTO Permian Operating, LLC [373075]☐ 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, 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: BEU 38 CTB

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
Big Eddy Unit 38E Stark 100H		A-28-22S-29E	348'FNL & 471'FEL	2500 MCF/D	Sold	CTB to be Connected
Big Eddy Unit 38E Stark 101H		A-28-22S-29E	402'FNL & 635'FEL	2500 MCF/D	Sold	CTB to be Connected
Big Eddy Unit 38E Stark 102H		A-28-22S-29E	375'FNL & 484'FEL	2500 MCF/D	Sold	CTB to be Connected
Big Eddy Unit 38E Stark 103H		A-28-22S-29E	429'FNL & 648'FEL	2500 MCF/D	Sold	CTB to be Connected
Big Eddy Unit 38E Stark 104H		A-28-22S-29E	542'FNL & 563'FEL	2500 MCF/D	Sold	CTB to be Connected
Big Eddy Unit 38E Stark 105H		A-28-22S-29E	597'FNL & 727'FEL	2500 MCF/D	Sold	CTB to be Connected
Big Eddy Unit 38E Stark 106H		A-28-22S-29E	570'FNL & 576'FEL	2500 MCF/D	Sold	CTB to be Connected
Big Eddy Unit 38E Stark 107H		A-28-22S-29E	570'FNL & 714'FEL	2500 MCF/D	Sold	CTB to be Connected
Big Eddy Unit 38E Stark 108H		A-28-22S-29E	878'FNL & 721'FEL	2500 MCF/D	Sold	CTB to be Connected
Big Eddy Unit 38E Stark 109H		A-28-22S-29E	878'FNL & 859'FEL	2500 MCF/D	Sold	CTB to be Connected
Big Eddy Unit 38E Stark 110H		A-28-22S-29E	905'FNL & 734'FEL	2500 MCF/D	Sold	CTB to be Connected
Big Eddy Unit 38E Stark 111H		A-28-22S-29E	905'FNL & 872'FEL	2500 MCF/D	Sold	CTB to be Connected

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 DCP Midstream and will be connected to DCP Midstream low/high pressure gathering system located in Eddy County, New Mexico. It will require 0' of pipeline to connect the facility to low/high pressure gathering system. XTO Permian Operating, LLC provides (periodically) to DCP Midstream a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, XTO Permian Operating, LLC and DCP Midstream have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at DCP Midstream Processing Plant located in Sec. 19, Twn. 19S, Rng. 32E, 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 Midstream system at that time. Based on current information, it is XTO Permian Operating, LLC'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