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

**GAS CAPTURE PLAN**

Date: 4/14/2020

☒ Original

Operator & OGRID No.: [372098] MARATHON OIL PERMIAN LLC

☐ 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
NEMESIS 7 WXY FEE #003H	3001547080	P-18-23S-28E	1101 FSL 691 FEL	1500	Flared	

**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 SENDERO CARLSBAD NGL, LLC and will be connected to SENDERO CARLSBAD NGL, LLC Low Pressure gathering system located in Eddy County, New Mexico. It will require 5280' of pipeline to connect the facility to Low Pressure gathering system. MARATHON OIL PERMIAN LLC provides (periodically) to SENDERO CARLSBAD NGL, LLC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, MARATHON OIL PERMIAN LLC and SENDERO CARLSBAD NGL, LLC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at SENDERO CARLSBAD NGL, LLC Processing Plant located in Sec. 31, Twn. 23S, Rng. 28E, 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 SENDERO CARLSBAD NGL, LLC system at that time. Based on current information, it is MARATHON OIL PERMIAN 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