District I
1625 N. French Dr., Hobbs, NM 88 NM OIL CONSERVATION
District II
811 S. First St., Artesia, NM 88210   ARTESIA DISTRICT

District III
1000 Rio Brazos Road, Aztec, NM 87410   MAR 2 0 2017
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
                                    RECEIVED

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: **02/24/2017**

☒ Original

☐ Amended - Reason for Amendment:_____

Operator & OGRID No.: **ROCKCLIFF OPERATING NEW MEXICO, LLC; 371115**

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
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
EL TORO GIGANTE 23 431H	30-015-44089	UL – M; S-14; T-23S; R-28E	340'FSL, 780'FWL	2,760'	N/A	GAS TO BE SOLD IMMEDIATELY
EL TORO GIGANTE 23 211H	30-015-44090	UL – M; S-14; T-23S; R-28E	340'FSL, 350'FWL	1,360	N/A	GAS TO BE SOLD IMMEDIATELY
EL TORO INVICTA 14 221H	30-015-44091	UL – M; S-14; T-23S; R-28E	340'FSL, 330'FWL	3,050	N/A	GAS TO BE SOLD IMMEDIATELY
EL TORO INVICTA 14 301H	30-015-44088	UL – M; S-14; T-23S; R-28E	340'FSL, 800'FWL	1,180	N/A	GAS TO BE SOLD IMMEDIATELY

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 Operating Company, LP ("DCP")** and will be connected to **DCP's** low/high pressure gathering system located in **Eddy** County, New Mexico. It will require **approximately 10,000'** of pipeline to connect the facility to low/high pressure gathering system. **Rockcliff Operating New Mexico, LLC** 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, **Rockcliff Operating New Mexico, LLC** and **DCP** have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at **DCP's** Processing Plant located in **Sec. 19, Twn. 19S, Rng. 32E, Lea** 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 **Rockcliff Operating New Mexico, 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