

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

**NM OIL CONSERVATION
ARTESIA DISTRICT**

GAS CAPTURE PLAN

FEB 20 2018

Date: 12/29/2017

RECEIVED

☒ Original Operator & OGRID No.: Strata Production Company - 21712
☐ 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
Sandy 4H	30-015-41042	L-24-23S-30E	2180' FSL 515' FWL	200 MCF	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 will be connected to Gas Transporter's high pressure gathering system located in Eddy County, New Mexico. It will require 1000 ' of pipeline to connect the facility to low/high pressure gathering system. Operator provides (periodically) to Gas Transporter a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Operator and Gas Transporter have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Gas Transporter Processing Plant located in Sec. 12, Twn. 23S, Rng. 27E, 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 Gas Transporter system at that time. Based on current information, it is Operator'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

STRATA PRODUCTION COMPANY
Emergency Contact List

Sheriff's Departments:

Eddy County Emergency #	575-616-7155
Eddy County Sheriff	575-887-7551
Lea County Sheriff	575-396-3611

New Mexico State Police (Hobbs)	575-392-5588
New Mexico State Police (Roswell)	575-622-7200

Fire Departments:

911

Carlsbad	575-885-3125
Eunice	575-394-2111
Hobbs	575-397-9308
Jal	575-395-2221
Lovington	575-396-2359

Hospitals:

911

Carlsbad Hospital	575-887-4100
Eunice Medical Emergency	575-394-2112
Hobbs Medical Emergency	575-397-9308
Jal Medical Emergency	575-395-2221
Lea Regional Hospital (Hobbs)	575-492-5000
Lovington Medical Emergency	575-396-2359
Eastern NM Medical Center (Roswell)	575-622-8170
Ambulance Service	575-885-2111

Agent Notifications:

Bureau of Land Management (Carlsbad)	575-234-5972
Bureau of Land Management (Hobbs)	575-393-3612
New Mexico Oil Conservation Division	575-393-6161
Mosaic Potash - Carlsbad	575-887-2871

Strata Personnel:

575-622-1127

Paul Ragsdale, Operations Manager	575-626-7903
Dwight Adamson, Field Supervisor	575-626-8657
Leroy Clark	575-703-4479
Richard Marr	575-626-1479
Woody Woodrum	575-626-7220
Ron Crenshaw	575-626-9211