

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 89210
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

APR 13 2018

Date: 2/28/2018

☒ Original

Operator & OGRID No.: Mack Energy Corporation - 013857

☐ 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
Chilliwaack Federal Com #1	30-005	Sec 17 T15S R29E	810 FSL & 965 FWL	50		
	64311					

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 Chaves County, New Mexico. It will require 0 (existing) of pipeline to connect the facility to low/high pressure gathering system. Mack Energy Corporation 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, Mack Energy Corporation 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 Linam Ranch Processing Plant located in Sec. 6, Twn. 19S, Rng. 37E, 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 Midstream system at that time. Based on current information, it is Mack Energy Corporation 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

District I
1625 N. French Dr., Hobbs, NM 88240
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OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

ARTESIA DISTRICT

☐ AMENDED REPORT

APR 13 2018

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Well Name
52770			Round Tank; San Andres
Property Code	Property Name		Well Number
	CHILLIWACK FEDERAL COM		1H
OGRID No.	Operator Name		Elevation
13837	MACK ENERGY CORPORATION		3781.9

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	15 S	29 E		810	SOUTH	965	WEST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	20	15 S	29 E		5	SOUTH	965	WEST	CHAVES

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
200			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>SW CORNER SEC. 17 LAT. = 33.0231877N LONG. = 104.0591511W NMSP EAST (FT) N = 73082.33 E = 62537.48</p> <p>W. Q. CORNER SEC. 17 LAT. = 33.0159381N LONG. = 104.0591803W NMSP EAST (FT) N = 73344.71 E = 62537.140</p> <p>SW CORNER SEC. 17 LAT. = 33.0086773N LONG. = 104.0592070W NMSP EAST (FT) N = 73082.99 E = 62537.10</p> <p>W. Q. CORNER SEC. 20 LAT. = 33.0014276N LONG. = 104.0592265W NMSP EAST (FT) N = 728163.36 E = 62537.102</p> <p>LAST TAKE POINT 40' PSL 965' FWL LAT. = 32.9942888N LONG. = 104.0560734W NMSP EAST (FT) N = 725570.59 E = 626344.51</p> <p>SW CORNER SEC. 20 LAT. = 32.9941776N LONG. = 104.0592205W NMSP EAST (FT) N = 72527.65 E = 62537.72</p>		<p>NE CORNER SEC. 17 LAT. = 33.0231840N LONG. = 104.0419727W NMSP EAST (FT) N = 736085.17 E = 630638.62</p> <p>E. Q. CORNER SEC. 17 LAT. = 33.0159319N LONG. = 104.0420011W NMSP EAST (FT) N = 733456.63 E = 630637.24</p> <p>SE CORNER SEC. 17 LAT. = 33.0086770N LONG. = 104.0420198W NMSP EAST (FT) N = 730813.44 E = 630640.06</p> <p>E. Q. CORNER SEC. 20 LAT. = 33.0014268N LONG. = 104.0419921W NMSP EAST (FT) N = 725540.51 E = 630661.92</p>		<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered into by the division.</p> <p><i>Deana Weaver</i> 3.7.18 Signature Date</p> <p>Deana Weaver Printed Name</p> <p>dweaver@mec.com E-mail Address</p>
<p>CHILLIWACK FEDERAL COM 1H ELEV. = 3781.9 LAT. = 33.0109009N (NAD83) LONG. = 104.0560517W NMSP EAST (FT) N = 731614.56 E = 626336.23</p> <p>FIRST TAKE POINT 40' PSL 965' FWL LAT. = 33.0088455N LONG. = 104.0560587W NMSP EAST (FT) N = 730856.73 E = 626335.05</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED "TRUE" MEASUREMENTS ARE BASED ON BEARING AND DISTANCES. USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE VERTICAL DATUM NAD83.</p> <p>BOTTOM OF HOLE LAT. = 32.9941928N LONG. = 104.0560739W NMSP EAST (FT) N = 725535.59 E = 626344.45</p> <p>BOTTOM OF HOLE LAT. = 32.9941805N LONG. = 104.0561126W NMSP EAST (FT) N = 725535.83 E = 626018.88</p>		<p>SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 12, 2018 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number: FJLMONT F. JARAMILLO, PLS 12797 SURVEY NO. 5986A</p>		