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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

Submit Original
to Appropriate
District Office

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

**NM OIL CONSERVATION
ARTESIA DISTRICT**

JUL 25 2018

GAS CAPTURE PLAN

Operator & OGRID No.: Devon Energy Production Co., LP (6137)
Date: 07/25/2018

Original
X Amended

Reason for Amendment: (Added wells to CTB)

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: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule 19.15.18.12.A

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 (if CTB)	Footages	Expected MCE/D	Flared or Vented	Comments
Emerald PWU 20-21 12H	30-015-44097	Sec.20,T19S, R29E	990 FSL 330 FEL			Onyx 29 CTB 1
Onyx PWU 29-28 9H	30-015-44098	Sec.29,T19S, R29E	440 FNL 330 FEL			Onyx 29 CTB 1
Onyx PWU 29-28 10H	30-015-44363	Sec.29,T19S, R29E	440 FNL 330 FEL			Onyx 29 CTB 1
Onyx PWU 29-28 11H	30-015-44372	Sec.29,T19S, R29E	2295 FSL380 FWL			Onyx 29 CTB 1
Onyx PWU 29-28 12H	30-015-44355	Sec.29,T19S, R29E	1235FSL 322 FWL			Onyx 29 CTB 1
Onyx PWU 29-28 62H	30-015-44362	Sec.29,T19S, R29E	1235FSL 292F WL			Onyx 29 CTB 1

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** and will be connected to **DCP** low/high pressure gathering system located in **Eddy** County, New Mexico. It will require **5066'** of pipeline to connect the facility to low/high pressure gathering system. **Devon Energy Production Co., LP** 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, **Devon Energy Production Co., LP** and **DCP** have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at **DCP** 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** system at that time. Based on current information, it is **Devon Energy Production Co., LP** 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