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
NOV 28 2018
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GAS CAPTURE PLAN

Date: 03/14/18

Original

Devon & OGRID No.: Devon Energy Prod Co., LP (6137)

☒Amended - Reason for Amendment: Submitting new APD's for 731H & 732H

This Gas Capture Plan outlines actions to be taken by the Devon 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	Footages	Expected MCF/D	Flared or Vented	Comments
Spud Muffin 31-30 Com 733H	30-015-44752	Sec. 31, 23S, 29E	475 FSL 2375 FWL			Spud Muffin 30 CTB 1
Spud Muffin 31-30 Com 734H	30-015-44753	Sec.31 ,23S, 29E	475 FSL 2435 FWL			Spud Muffin 30 CTB 1
Spud Muffin 31-30 Fed Com 731H	N/A	Sec.31 ,23S, 29E	270 FSL 1245 FWL			Spud Muffin 30 CTB 1
Spud Muffin 31-30 Fed Com 732H 30-015-45459	N/A	Sec.31 ,23S, 29E	270 FSL 1275 FWL			Spud Muffin 30 CTB 1

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if DCP 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 750' of pipeline to connect the facility to low/high pressure gathering system. Devon 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 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 NENW in Sec.6, Twn. 24S, Rng. 29E, 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'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

Company:	Devon Energy	**Local Co-ordinate Reference:**	Well 732H
Project:	Eddy County, New Mexico (NAD 83)	**TVD Reference:**	GL 2957 + 25' KB @ 2982.00usft
Reference Site:	Spud Muffin 31-30 FED COM	**MD Reference:**	GL 2957 + 25' KB @ 2982.00usft
Site Error:	0.00 usft	**North Reference:**	Grid
Reference Well:	732H	**Survey Calculation Method:**	Minimum Curvature
Well Error:	0.00 usft	**Output errors are at**	2.00 sigma
Reference Wellbore	OH	**Database:**	EDM 5000.14 Single User Db
Reference Design:	Plan 3 10K	**Offset TVD Reference:**	Offset Datum

Reference Depths are relative to GL 2957 + 25' KB @ 2982.00usft	Coordinates are relative to: 732H
Offset Depths are relative to Offset Datum	Coordinate System is US State Plane 1983, New Mexico Eastern Zone
Central Meridian is -104.333334	Grid Convergence at Surface is: 0.16°