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 29 2018
RECEIVED

GAS CAPTURE PLAN

Date: 12/01/2017

☒ Original

Operator & OGRID No.: XTO Energy, Inc [005380]

☐ 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, 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: Nash Unit 42

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
Nash Unit 402H		B-19-23S-30E	660'FNL & 1905'FEL	1950mcf/d	Flared/Sold	CTB Connected to P/L
	30-015-45504					

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 Gas Transporter and will be connected to Enterprise low/high pressure gathering system located in Eddy County, New Mexico. It will require 0' of pipeline to connect the facility to low/high pressure gathering system. XTO Energy, Inc. provides (periodically) to Enterprise a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, XTO Energy, Inc. and Enterprise have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Enterprises' Processing Plant located in Sec. 17 Twn.19S, Rng. 31E, 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 Enterprise system at that time. Based on current information, it is XTO Energy, Inc.'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

Database:	EDM5002	**Local Co-ordinate Reference:**	Well Nash Unit 402H
Company:	XTO ENERGY, INC.	**TVD Reference:**	RKB @ 3100.0usft
Project:	Eddy County, NM	**MD Reference:**	RKB @ 3100.0usft
Site:	Sec 19, T23S, R30E	**North Reference:**	Grid
Well:	Nash Unit 402H	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Design #1		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
LTP Nash Unit 402H - plan hits target center - Point	0.00	0.00	10,535.0	16,254.8	202.7	487,828.50	628,548.60	32° 20' 25.691 N	103° 55' 1.594 W
PBHL Nash Unit 402H - plan hits target center - Point	0.00	0.00	10,535.0	16,384.7	202.3	487,958.40	628,548.20	32° 20' 26.976 N	103° 55' 1.593 W
FTP Nash Unit 402H - plan misses target center by 0.5usft at 11310.6usft MD (10535.0 TVD, 990.3 N, 248.1 E) - Point	0.00	0.00	10,535.0	990.3	248.6	472,564.00	628,594.50	32° 17' 54.632 N	103° 55' 1.750 W

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
281.0	281.0	Rustler			
376.0	376.0	Top Salt			
3,159.0	3,159.0	Base Salt			
3,385.0	3,385.0	Delaware			
4,240.0	4,240.0	Cherry Canyon			
5,855.0	5,855.0	Brushy Canyon			
7,142.0	7,142.0	Bone Spring			
8,160.0	8,160.0	1st Bone Spring Ss			
8,994.0	8,994.0	2nd Bone Spring Ss			
10,055.6	10,054.0	3rd Bone Spring Ss			
10,555.5	10,435.0	Wolfcamp			
10,738.8	10,508.0	Wolfcamp Y			

Plan Annotations

Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates +N/-S (usft)	Local Coordinates +E/-W (usft)	Comment
9,908.5	9,908.5	0.0	0.0	Build 10.00°/100'
10,358.5	10,313.6	128.6	107.9	Build/Turn 10.00°/100'
10,931.4	10,535.0	611.1	249.2	EOC @ 90.00° Inc / 359.83° Azm / 10535.0' TVD
26,705.1	10,535.0	16,384.7	202.3	TD @ 26705.1' MD, 10535.0' TVD