MM OIL CONSERVATION

ARTESIA DISTRICT

to Appropriate

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State of New Mexico Energy, Minerals and Natural Resources Department 0 3 2016 Submit Original to Appropriate

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

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Date: 1/2/19	
☑ Original	Operator & OGRID No.: LIME ROCK RESOURCES II-A, L.P.
☐ Amended - Reason for Amendment:	

GAS CAPTURE PLAN

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

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
EAGLE 33N FED #9	30-015-29080	N 33 17 27	990'FSL 1650' FWL	150	Vented	

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, LP and will be connected to DCP Midstream, LP low pressure gathering system located in Eddy County, New Mexico. It will require 0' of pipeline to connect the facility to low pressure gathering system. Lime Rock Resources II-A, L.P provides (periodically) to DCP Midstream, LP a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Lime Rock Resources II-A, L.P and DCP Midstream, LP have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at DCP Midstream, LP Processing Plant located in Sec. 16, Twn.18-S, Rng.28-N, 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 operations, well 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, LP system at that time. Based on current information, it is Lime Rock Resources II-A, L.P'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
 - o 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

