

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

JAN 07 2019 Submit Original
to Appropriate
District Office

Oil Conservation Division DISTRICT II-ARTESIA O.C.D.
1220 South St. Francis Dr.
Santa Fe, NM 87505

GAS CAPTURE PLAN

Date: 11/08/18

Original Operator & OGRID No.: XTO Energy Inc [5380]
 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: Corral Canyon 10 East TB

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
Corral Canyon Federal 220H <u>30-015-45592</u>		J-10-25S-29E	1945' FSL & 2080' FEL	2500	Flared/Sold	

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 Enlink and will be connected to Enlink low/high pressure gathering system located in Loving County, TX. It will require 0' of pipeline to connect the facility to low/high pressure gathering system. XTO provides (periodically) to Enlink a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, XTO and Enlink have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Enlink Processing Plant located in Block 27, Sec. 4, Loving County, Texas. 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 Enlink system at that time. Based on current information, it is XTO'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: EDM 5000.1 Single User Db
 Company: XTO Energy
 Project: Eddy County, NM (NAD-27)
 Site: Corral Canyon Federal
 Well: #220H
 Wellbore: OH
 Design: PERMIT Rev1

Local Co-ordinate Reference: Well #220H
 TVD Reference: RKB = 27' @ 3062.00usft
 MD Reference: RKB = 27' @ 3062.00usft
 North Reference: Grid
 Survey Calculation Method: Minimum Curvature

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
CCF 220H: SHL (194: - plan hits target center - Point	0.00	0.01	0.00	0.00	0.00	415,772.60	612,463.20	32.142554	-103.969981
CCF 220H: PBHL (50 - plan misses target center by 0.40usft at 17131.99usft MD (8902.00 TVD, -7195.40 N, 128.20 E) - Point	0.00	0.01	8,902.00	-7,195.40	128.60	408,577.20	612,591.80	32.122773	-103.969644
CCF 220H: LTP - plan misses target center by 0.39usft at 17081.99usft MD (8902.00 TVD, -7145.40 N, 128.01 E) - Point	0.00	0.01	8,902.00	-7,145.40	128.40	408,627.20	612,591.60	32.122910	-103.969644
CCF 220H: FTP - plan hits target center - Point	0.00	0.01	8,902.00	596.00	98.40	416,368.60	612,561.60	32.144192	-103.969656

Formations

Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)
475.00	475.00	Rustler			
915.00	915.00	Top Salt			
2,932.48	2,922.00	Base Salt			
3,143.39	3,129.00	Delaware			
6,961.31	6,876.00	Bone Spring			
7,925.21	7,822.00	1st Bone Spring Ss			
8,783.60	8,652.00	2nd Bone Spring Ss			
9,340.53	8,902.00	LP			