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DISTRICT II-ARTESIA O.C.D.

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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

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

GAS CAPTURE PLAN

Date: 04/26/2019

☒ Original
☐ Amended - Reason for Amendment: _____

Operator & OGRID No.: XTO Permian Operating, LLC [373075]

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: Poker Lake Unit 18 TWR East CTB

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
Poker Lake Unit18 TWR 107H		A-19-24S-31E	175'FNL & 566'FEL	2800	Flared/Sold	
Poker Lake Unit18 TWR 121H		1-19-24S-31E	75'FNL & 535'FWL	3000	Flared/Sold	
Poker Lake Unit18 TWR 152H		1-19-24S-31E	40'FNL & 535'FWL	2800	Flared/Sold	
Poker Lake Unit18 TWR 161H		1-19-24S-31E	5'FNL & 535'FWL	4800	Flared/Sold	
Poker Lake Unit18 TWR 162H		1-19-24S-31E	5'FNL & 785'FWL	4800	Flared/Sold	
Poker Lake Unit18 TWR 122H		1-19-24S-31E	40'FNL & 785'FWL	4300	Flared/Sold	
Poker Lake Unit18 TWR 103H		C-19-24S-31E	648'FNL & 2420'FWL	2600	Flared/Sold	
Poker Lake Unit18 TWR 153H		C-19-24S-31E	613'FNL & 2420'FWL	2700	Flared/Sold	
Poker Lake Unit18 TWR 164H		C-19-24S-31E	578'FNL & 2420'FWL	2600	Flared/Sold	
Poker Lake Unit18 TWR 154H		C-19-24S-31E	578'FNL & 2670'FWL	4300	Flared/Sold	
Poker Lake Unit18 TWR 124H		C-19-24S-31E	613'FNL & 2670'FWL	2800	Flared/Sold	
Poker Lake Unit18 TWR 126H		B-19-24S-31E	265'FNL & 1856'FEL	4800	Flared/Sold	
Poker Lake Unit18 TWR 166H		B-19-24S-31E	230'FNL & 1856'FEL	3300	Flared/Sold	
Poker Lake Unit18 TWR 165H		B-19-24S-31E	230'FNL & 2106'FEL	2900	Flared/Sold	
Poker Lake Unit18 TWR 155H		B-19-24S-31E	265'FNL & 2106'FEL	3000	Flared/Sold	
Poker Lake Unit18 TWR 125H		B-19-24S-31E	300'FNL & 2106'FEL	2600	Flared/Sold	
Poker Lake Unit18 TWR 128H		A-19-24S-31E	140'FNL & 566'FEL	2700	Flared/Sold	
Poker Lake Unit18 TWR 158H		A-19-24S-31E	105'FNL & 566'FEL	2600	Flared/Sold	
Poker Lake Unit18 TWR 157H		A-19-24S-31E	105'FNL & 816'FEL	4300	Flared/Sold	
Poker Lake Unit18 TWR 167H		A-19-24S-31E	140'FNL & 816'FEL	4300	Flared/Sold	
Poker Lake Unit18 TWR 127H		A-19-24S-31E	175'FNL & 816'FEL	2800	Flared/Sold	
Poker Lake Unit18 TWR 102H		1-19-24S-31E	75'FNL & 785'FWL	2800	Flared/Sold	
Poker Lake Unit18 TWR 104H		C-19-24S-31E	648'FNL & 2670'FWL	2800	Flared/Sold	
Poker Lake Unit18 TWR 105H		B-19-24S-31E	300'FNL & 1856'FEL	2800	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 Lucid and will be connected to Lucid low/high pressure gathering system located in Eddy County, New Mexico. It will require 760.75' of pipeline to connect the facility to low/high pressure gathering system. XTO Permian Operating, LLC provides (periodically) to Lucid a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, XTO Permian Operating, LLC and Lucid have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Red Hills Plant, Sec. 13, T24S, R33E or Roadrunner, Sec. 32, T32S, R28E, Eddy County. 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 Lucid system at that time. Based on current information, it is XTO Permian Operating, LLC'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