

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. DISTRICT IV-ARTESIA O.C.D.  
Santa Fe, NM 87505

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DEC 17 2019

Submit Original  
to Appropriate  
District Office

**GAS CAPTURE PLAN**

Date: 01-28-2019

☒ Original

Operator & OGRID No.: OXY USA INC. - 16696

☐ 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, recomple 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
PLATINUM MDPI 34-3 FED COM 11H	Pending	C-34-23S-31E	160'FNL 1755'FWL	2500		
PLATINUM MDPI 34-3 FED COM 12H	Pending	C-34-23S-31E	160'FNL 1790'FWL	2500		
PLATINUM MDPI 34-3 FED COM 13H	Pending	B-34-23S-31E	750'FNL 1480'FEL	2500		
PLATINUM MDPI 34-3 FED COM 14H	Pending	B-24-23S-31E	750'FNL 1445'FEL	2500		
PLATINUM MDPI 34-3 FED COM 21H	Pending	D-34-23S-31E	580'FNL 1027'FWL	5500		
PLATINUM MDPI 34-3 FED COM 22H	Pending	D-34-23S-31E	580'FNL 1062'FWL	5500		
PLATINUM MDPI 34-3 FED COM 23H	Pending	C-34-23S-31E	765'FNL 2565'FWL	5500		
PLATINUM MDPI 34-3 FED COM 24H	Pending	C-34-23S-31E	765'FNL 2600'FWL	5500		
PLATINUM MDPI 34-3 FED COM 25H	Pending	A-34-23S-31E	110'FNL 898'FEL	5500		
PLATINUM MDPI 34-3 FED COM 26H	Pending	A-34-23S-31E	110'FNL 793'FEL	5500		
PLATINUM MDPI 34-3 FED COM 41H	Pending	C-34-23S-31E	160'FNL 1530'FWL	7200		
PLATINUM MDPI 34-3 FED COM 42H	Pending	C-34-23S-31E	160'FNL 1565'FWL	7200		
PLATINUM MDPI 34-3 FED COM 43H	Pending	B-34-23S-31E	230'FNL 2320'FEL	7200		
PLATINUM MDPI 34-3 FED COM 44H	Pending	B-34-23S-31E	195'FNL 2320'FEL	7200		
PLATINUM MDPI 34-3 FED COM 45H	Pending	A-34-23E-31E	110'FNL 863'FEL	7200		
PLATINUM MDPI 34-3 FED COM 46H	Pending	A-34-23E-31E	110'FNL 828'FEL	7200		

**Gathering System and Pipeline Notification**

Well(s) will be connected to a production facility after flowback operations are complete, where a gas transporter system is in place. The gas produced from production facility is dedicated to Enterprise Field Services, LLC ("Enterprise") and is connected to Enterprise low/high pressure gathering system located in Eddy County, New Mexico. OXY USA INC. ("OXY") 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, OXY and Enterprise have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Enterprise's Processing Plant located in Sec. 36, Twn. 24S, Rng. 30E, 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 OXY'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