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State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Original
to Appropriate
District Office

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
EMNRD-OCD ARTESIA

JAN 16 2020

GAS CAPTURE PLAN

Date: 05/16/2018

Original

Operator & OGRID No.: Kaiser-Francis Oil Company, 12361

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
Wright Fed 2524 LBC #1H		G-1-25-23S-28E	2490' FNL/1560' FEL	250	0	
Wright Fed 2524 WC #1H		G-1-25-23S-28E	2490' FNL/1530' FEL	6,000	0	
Wright Fed 2524 WC #2H		G-1-25-23S-28E	2490' FNL/1500' FEL	6,000	0	
Wright Fed 2524 LBC #2H		G-1-25-23S-28E	2490' FNL/1470' FEL	250	0	30-615-46648

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 ETC and will be connected to ETC Field Services LLC low/high pressure gathering system located in Eddy County, New Mexico. It will require ~1100' of pipeline to connect the facility to low/high pressure gathering system.. Kaiser-Francis Oil Company provides (periodically) to ETC a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Kaiser-Francis Oil Company and ETC have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Red Bluff-Orla Plant Processing Plant located in Sec 35, block 57 T2, T&P RR Co Survey, Reeves County, TX. 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 ETC's system at that time. Based on current information, it is Kaiser-Francis Oil Company'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

Additional Operator Remarks

Location of Well

1. SHL: SWNE / 2490 FNL / 1470 FEL / TWSP: 23S / RANGE: 28E / SECTION: 25 / LAT: 32.2768141 / LONG: -104.0370081 (TVD: 0 feet, MD: 0 feet)
PPP: SENE / 1958 FNL / 662 FEL / TWSP: 23S / RANGE: 28E / SECTION: 25 / LAT: 32.2782707 / LONG: -104.0343868 (TVD: 6123 feet, MD: 6466 feet)
PPP: SENE / 2640 FNL / 660 FEL / TWSP: 23S / RANGE: 28E / SECTION: 24 / LAT: 32.2909252 / LONG: -104.0344118 (TVD: 6123 feet, MD: 11064 feet)
BHL: NENE / 330 FNL / 660 FEL / TWSP: 23S / RANGE: 28E / SECTION: 24 / LAT: 32.2973037 / LONG: -104.034277 (TVD: 6123 feet, MD: 13390 feet)

BLM Point of Contact

Name: Deborah Ham
Title: Legal Landlaw Examiner
Phone: 5752345965
Email: dham@blm.gov

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