

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.
Santa Fe, NM 87505

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: 09/6/2019

Original Operator & OGRID No.: 372043
 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

30-015-46923

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
Nailed It Fed Com #245H		4 Sec 36 T.26S. R.30E	305' FSL 434' FWL	+/- 1,600	21 days	Gas will be flared for ~21 days during flowback before being turned to the TB. Time est. depends on sales connect and well cleanup.

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 Salt Creek Midstream and will be connected to Salt Creek Midstream low/high pressure gathering system located in Eddy County, New Mexico. It will require ~15,000' of pipeline to connect the facility to low/high pressure gathering system. Tap Rock Operating, LLC provides (periodically) to Salt Creek Midstream a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Tap Rock Operating, LLC and Salt Creek Midstream have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Salt Creek Midstream Processing Plant located in Reeves 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 Salt Creek Midstream's system at that time. Based on current information, it is Tap Rock 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.

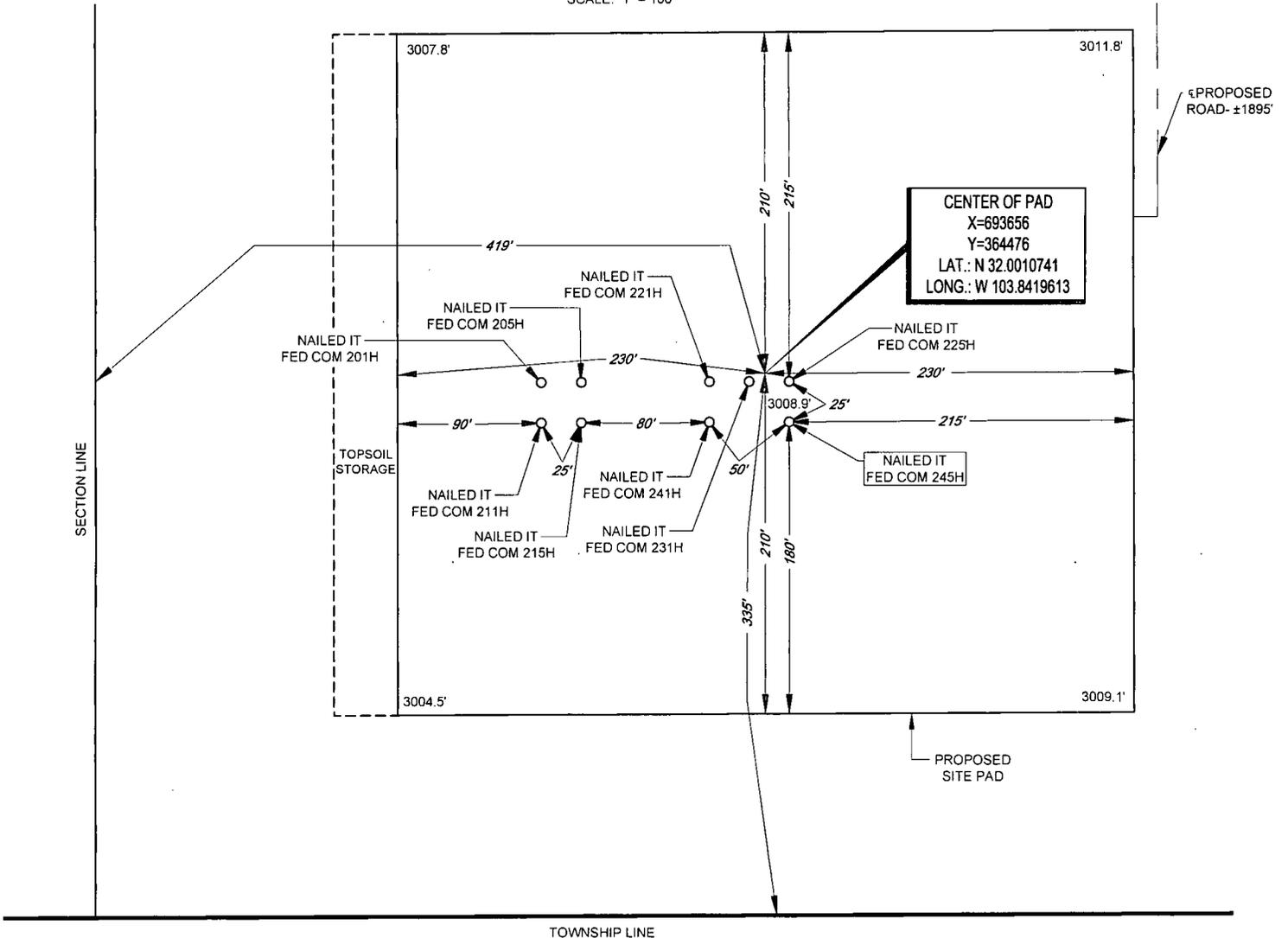
- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease

EXHIBIT 2B



SECTION 36, TOWNSHIP 26-S, RANGE 30-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO

DETAIL VIEW
SCALE: 1" = 100'



LEASE NAME & WELL NO.: NAILED IT FED COM 245H
245H LATITUDE N 32.0009917 245H LONGITUDE W 103.8419129

CENTER OF PAD IS 335' FSL & 419' FWL



John Trevor Carnegie, P.S. No. 11401

ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREON ARE GRID BASED UPON THE NEW MEXICO COORDINATE SYSTEM OF 1983, EAST ZONE, U.S. SURVEY FEET. ELEVATIONS USED ARE NAVD88, OBTAINED THROUGH AN OPUS SOLUTION.

THIS PROPOSED PAD SITE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

ORIGINAL DOCUMENT SIZE: 8.5" X 11"



SCALE: 1" = 100'
0' 50' 100'

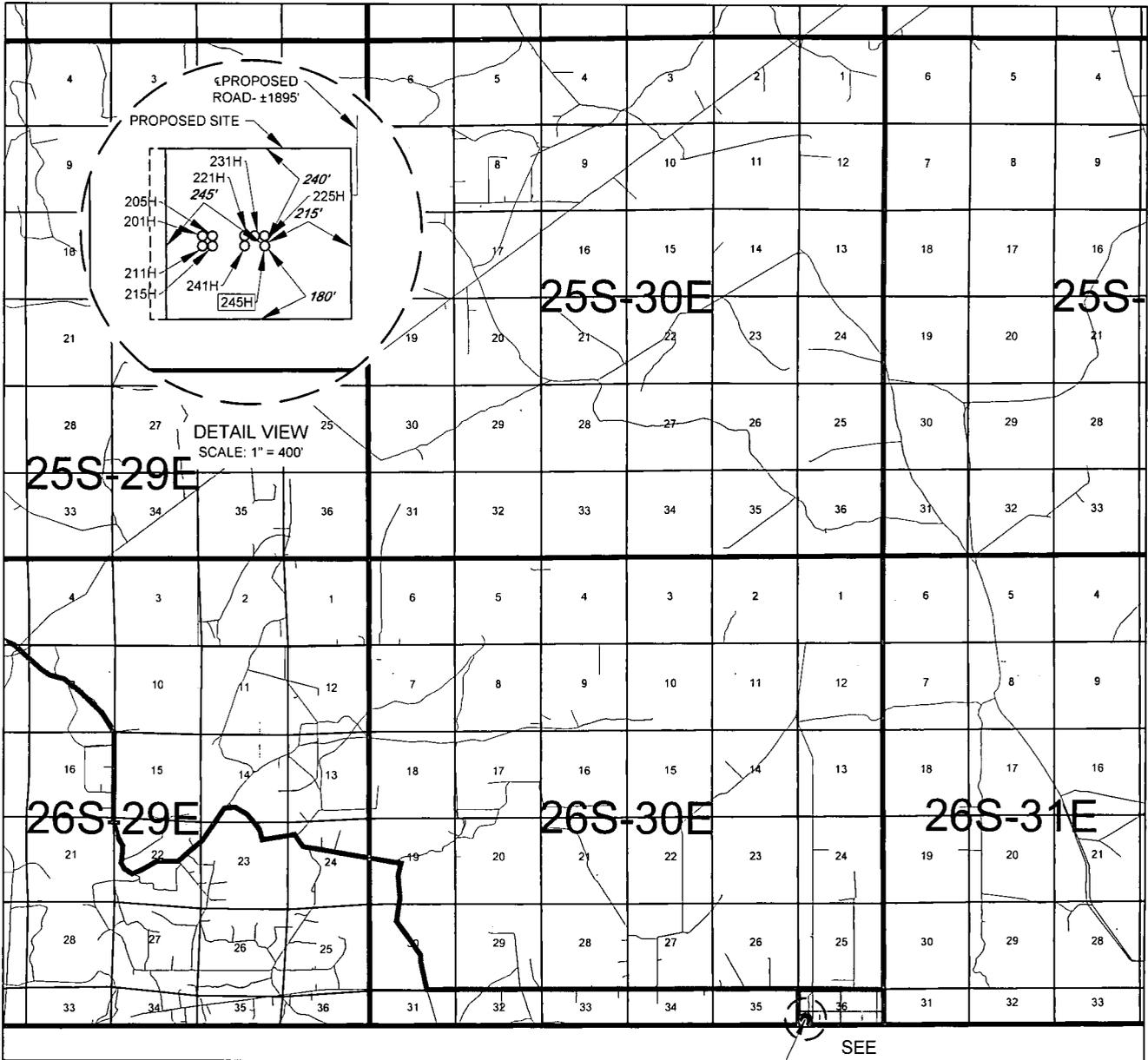


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LOYALTY INNOVATION LEGACY

1400 EVERMAN PARKWAY, Ste. 146 • FT. WORTH, TEXAS 76140
TELEPHONE: (817) 744-7512 • FAX (817) 744-7554
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
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- 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

EXHIBIT 2
VICINITY MAP



NAILED IT FED COM 245H

SEE
DETAIL



LEASE NAME & WELL NO.: NAILED IT FED COM 245H

SECTION 36 TWP 26-S RGE 30-E SURVEY N.M.P.M.
 COUNTY EDDY STATE NM
 DESCRIPTION 305' FSL & 434' FWL



SCALE: 1" = 10000'
 0' 5000' 10000'

DISTANCE & DIRECTION
FROM INT. OF US-285 & COUNTY RD 720, GO SOUTH ON US-285 ±12.6 MILES,
THENCE EAST (LEFT) ON WHITEHORN RD. ±2.4 MILES, THENCE NORTH (LEFT)
ON LONGHORN RD. ±1.9 MILES, THENCE SOUTH (RIGHT) ON WHITEHORN RD.
±3.3 MILES, THENCE NORTHEAST (LEFT) ON LEASE RD. ±5.5 MILES, THENCE
EAST (LEFT) ON STATE LINE RD. ±4.5, THENCE SOUTH ON A PROPOSED RD.
±1893 FEET TO A POINT ±249 FEET NORTHEAST OF THE LOCATION.

THIS EASEMENT/SERVITUDE LOCATION SHOWN HEREON HAS BEEN SURVEYED ON THE GROUND UNDER MY SUPERVISION AND PREPARED ACCORDING TO THE EVIDENCE FOUND AT THE TIME OF SURVEY, AND DATA PROVIDED BY TAP ROCK OPERATING, LLC. THIS CERTIFICATION IS MADE AND LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE. THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY.

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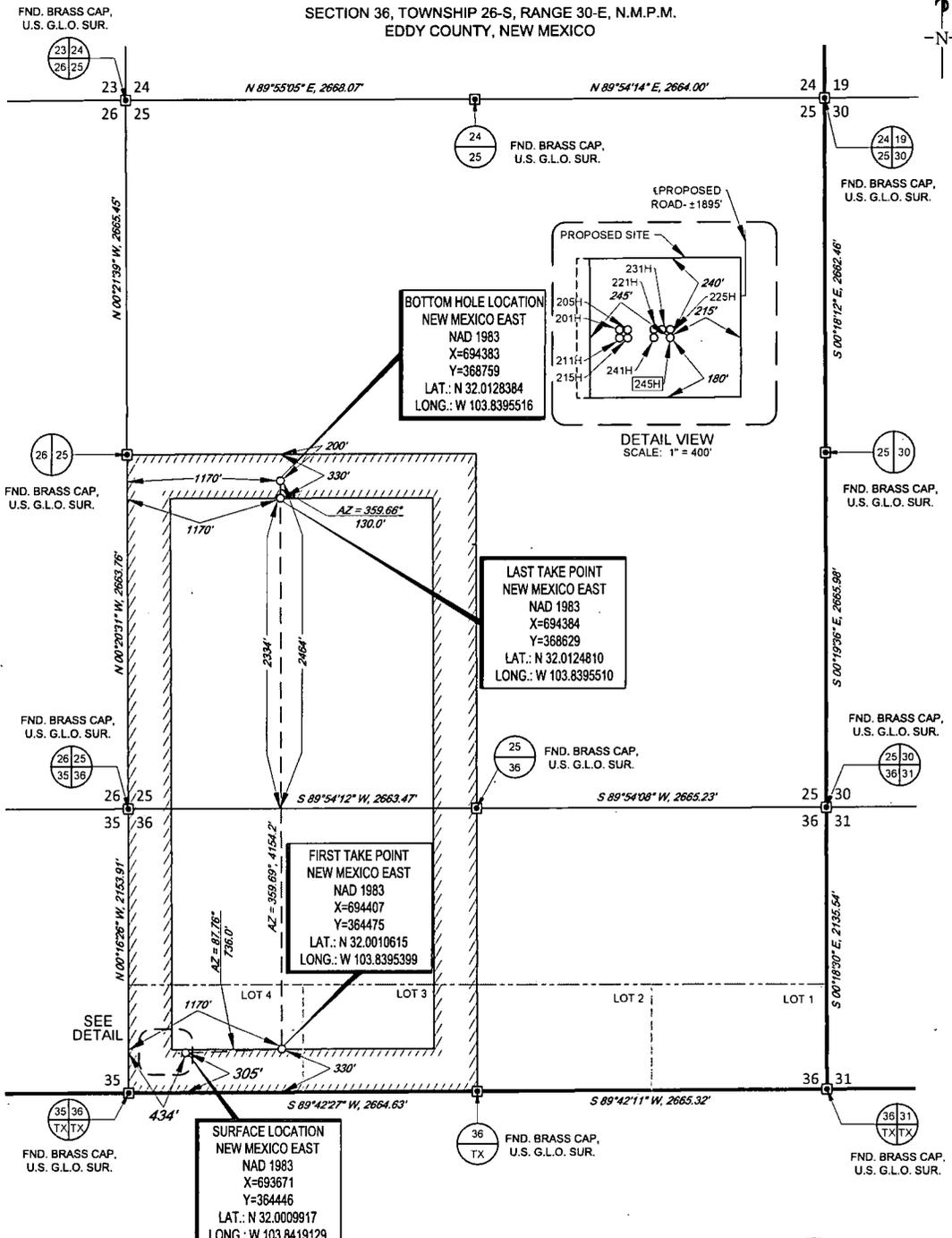
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SCALE: 1" = 1000'
 0' 500' 1000'

TAP ROCK

EXHIBIT 2A

SECTION 36, TOWNSHIP 26-S, RANGE 30-E, N.M.P.M.
 EDDY COUNTY, NEW MEXICO



LEASE NAME & WELL NO.: NAILED IT FED COM 245H

SECTION 36 TWP 26-S RGE 30-E SURVEY N.M.P.M.
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John Trevor Carnegie, P.S. No. 11401
 AUGUST 14, 2019

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