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State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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District Office

OCD – HOBBS
07/28/2020
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GAS CAPTURE PLAN

☒ Original

Operator & OGRID No.: ConocoPhillips Company/ 217817

☐ Amended

Date: 7/22/18

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: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule 19.15.18.12.A

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
Peridot 8 Federal 6H and 16H	Pending 30-025-47494	Sec. 8, 17S, 32E	various	620/well initial production	Flared	flaring is expected to be sporadic

Note: Completion dates will vary, but typically will occur 60-120 days after total depth (TD) is reached.

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 Frontier Field Services, LL and will be connected to Frontier Field Service low/high pressure gathering system located in Lea County, New Mexico. It will not require new pipeline to connect the facility to low/high pressure gathering system. ConocoPhillips provides (periodically) to Frontier a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, ConocoPhillips and Frontier have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Frontier Processing Plant located in Sec.21, TWN 17S, RNG 32E, Lea 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 production test tank(s) 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 Frontier Services system at that time. Based on current information, it is ConocoPhillips'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

Gas Capture Plan
Peridot 8 Federal Wells

Peridot 8 Federal Wells-Located in Sec. 8, T17S, R32E				
Well Name:	6H	8H	16H	18H
Well Location:	1586' FNL	775' FNL	1485' FNL	635' FNL
	2635' FEL	2543' FWL	2538' FEL	2542' FWL
Production Facility Name:	Peridot 8 Federal CF1 Tank Battery			
Production Facility Location:	NWNE, Section 8, T17S, R32E			
Anticipated Completion Date:	60-120 days after drilling completed; dependent upon completion crew availability			
Initial Production Volumes:				
Oil (bopd)	570	570	480	480
Gas (mcf/d)	620	620	530	530
Water (bwpd)	2300	2300	1900	1900
Date of First Production:	<45 days following completion operations			
Expected Well Life Expectancy:	25 years	25 years	25 years	25 years