

**DRILLING PLAN**  
**LEA UNIT 58H**  
 LEGACY RESERVES OPERATING LP  
 SHL: Unit A, Section 11  
 BHL: Unit H, Section 14  
 T20S-R34E, Lea County, New Mexico

To satisfy requirements of Onshore Oil and Gas Order No. 1, Legacy Reserves Operating LP submits the following for your consideration:

1. **Location:** SHL: 170' FNL & 1115' FEL, Sec.11, T20S-R34E (First Take: 330 FNL & 430 FEL)  
 BHL: 2310' FNL & 430' FEL, Sec. 14, T20S-R34E (Last Take)

2. **Elevations:** 3,663' GL

3. **Geological Name of Surface Formation:** Quaternary alluvium deposits

4. **Drilling Tools and Associated Equipment:** Rotary drilling rig using fluid as a means for removal of solid cuttings from the well.

5. **Proposed Drilling Depth:** 16,985' MD 9,800' TVD

6. **Estimated Tops of Geological Markers:**

Rustler	1,680'	Delaware	5,666'
Top Salt	1,720'	Bone Spring Lime	8,205'
Bottom Salt	3,150'	Avalon	8,760'
Top of Capitan Reef	3,150'	1 <sup>st</sup> . Bone Spring	9,501'
Capitan Reef Bottom	4,710'		
San Andres	4,710'		

7. **Possible mineral bearing formations:**

Primary: Bone Spring (oil); Secondary: Delaware (oil), Avalon (oil), fresh water (~125')

8. **Proposed Mud System:**

<u>Depth</u>	<u>Mud Wt.</u>	<u>Visc</u>	<u>Fluid Loss</u>	<u>Type Mud</u>
0' to 1800'	8.4-8.9	30-32	NC	Fresh water gel spud mud
1800' to 5600'	9.8-10	28-29	NC	Brine water
5600' to 9,800'	8.4-8.6	28-29	NC	Fresh water/brine, use hi-viscosity Weeps to clean hole
9,800' to 16,985'	8.9-9.1	28-29	18-20	Fresh water/brine

Sufficient mud materials will be kept on location at all times in order to combat lost circulation or unexpected kicks. A Pason PVT system will be rigged up prior to spudding this well. A volume monitoring system that measures, calculates and displays readings from the mud system on the rig to alert the rig crew of impending

gas kicks and lost circulation. In order to effectively run open hole logs and casing, the mud viscosity and fluid loss properties may be adjusted.

9. **Proposed Drilling Plan:**

Set surface and intermediate casing and cement to surface. Drill 8-3/4" to ~9,800', Kick off and drill 8-3/4" hole to TD of ~16,985'. Set 5-1/2" casing from surface to TD (~16,985'). Cement 5-1/2" production casing back to surface.

10. **Casing Information:**

String	Hole size	Depth	Casing OD	Collar	Weight	Grade
Surface	17-1/2"	1800' MD	New 13-3/8"	STC	54.5#	J-55
Intermediate	12-1/4"	3901' MD	New 9-5/8"	LTC	40#	J-55
Intermediate	12-1/4"	5600' MD	New 9-5/8"	LTC	40#	HCK-55
Production	8-3/4"	16,985' MD	New 5-1/2"	BTC	20#	P-110

**13-3/8", J-55:**

Collapse Factor: 1.42  
 Burst Factor: 3.86  
 Tension Factor: 2.59

**9-5/8", J-55**

Collapse Factor: 1.25  
 Burst Factor: 1.41  
 Tension Factor: 1.6

**9-5/8", HCK-55**

Collapse Factor: 1.45  
 Burst Factor: 1.27  
 Tension Factor: 4.23

**5-1/2", P-110**

Collapse Factor: 2.17  
 Burst Factor: 1.26  
 Tension Factor: 1.63

11. **Cementing Information:**

**Surface Casing (75% excess on lead & 75% excess on tail to design for cement top at surface):**

**Lead:** 1100 sxs class C cement + 4% bwoc bentonite II + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 0.005% bwoc Static Free + 0.005 gps FP-6L (13.50 ppg, 1.93 cfps, 9.71 gps wtr).

**Tail:** 200 sxs class C cement + 1.5% bwoc Calcium Chloride + 0.005 lbs/sack Static Free + 0.005 gps FP-6L (14.80 ppg, 1.34 cfps, 6.35 gps wtr).

**Intermediate Casing**

*In the event that circulation is lost (> 50%) while drilling the 12-1/4" intermediate hole in the Capitan Reef at +/-4000', we will plan to install a DV tool and external casing packer within 200' of the top depth where lost circulation occurred and will pump a two-stage cement job with the potential to add an additional DV tool for a three-stage cement job. If there is no lost circulation a single stage cementing procedure will be followed. Legacy plans to cement to surface regardless of whether a single stage, 2-stage or 3-stage procedure is implemented.*

**No DV tool** (80% excess on lead & 80% excess on tail to design for cement top at surface)

Lead: 1400 sx (35:65) poz (fly ash) class C cement+ 4% bwoc bentonite II + 5% bwoc MPA-5 + 0.25% bwoc FL- 52 + 5 lbs/sack LCM-1 + 0.125 lbs/sk cello flake+ 0.005 lbs/sk defoamer + 0.005 gps FP-6L + 1.2% bwoc Sodium Metasilicate + 5% bwow Sodium Chloride (12.5 ppg, 2.13 cfps, 8.81 gps wtr)

Tail: 200 sx class C cement (14.80 ppg, 1.33 cfps, 6.35 gps wtr)

**With (1) DV Tool** (100% excess on lead & 100% excess on tail to design for cement top at surface)

*Assuming DV tool set at 3950' but if the setting depth changes, cement volumes will be adjusted proportionately.*

**Stage 1**

Lead: 400 sx (35:65) paz (fly ash) class C cement+ 4% bwoc Bentonite II+ 5% bwoc MPA-5 + 0,25% bwoc FL-52 + 5 lbs/sack LCM-1 + 0.125 lbs/sk cello flake+ 0.005 lbs/sk defoamer + 0.005 gps FP-6L + 1.2% bwoc Sodium Metasilicate + 5% bwow Sodium Chloride (12.5 ppg, 2.13 cfps, 8.81 gps wtr)

Tail: 200 sx class C cement (14.80 ppg, 1.33 cfps, 6.35 gps wtr)

**Stage 2**

Lead: 1100 sx (35:65) paz (fly ash) class C cement+ 4% bwoc bentonite II + 5% bwoc MPA-5 + 0,25% bwoc FL-52 + 5 lbs/sack LCM-1 + 0.125 lbs/sk Cello Flake+ 0.005 lbs/sk Static Free+ 0.005 gps FP-6L + 1.2% bwoc Sodium Metasilicate + 5% bwow Sodium Chloride (12.5 ppg, 2.13 cfps, 8.81 gps wtr)

Tail: 200 sx class C cement (14.80 ppg, 1.33 cfps, 6.35 gps wtr)

**With (2) DV Tools** (100% excess on lead & 100% excess on tail to design for cement top at surface)

*Assuming one DV tool set at 3950' and one DV tool set at 1800' but if the setting depths change, cement volumes will be adjusted proportionately.*

**Stage 1**

Lead: 400 sx (35:65) paz (fly ash) class C cement+ 4% bwoc Bentonite II+ 5% bwoc MPA-5 + 0,25% bwoc FL-52 + 5 lbs/sack LCM-1 + 0.125 lbs/sk cello flake+ 0.005 lbs/sk defoamer + 0.005 gps FP-6L + 1.2% bwoc Sodium Metasilicate + 5% bwow Sodium Chloride (12.5 ppg, 2.13 cfps, 8.81 gps wtr)

Tail: 200 sx class C cement (14.80 ppg, 1.33 cfps, 6.35 gps wtr)

**Stage 2**

Lead: 600 sx (35:65) paz (fly ash) class C cement+ 4% bwoc bentonite II + 5% bwoc MPA-5 + 0,25% bwoc FL-52 + 5 lbs/sack LCM-1 + 0.125 lbs/sk Cello Flake+ 0.005 lbs/sk Static Free+ 0.005 gps FP-6L + 1.2% bwoc Sodium Metasilicate + 5% bwow Sodium Chloride (12.5 ppg, 2.13 cfps, 8.81 gps wtr)

Tail: 200 sx class C cement (14.80 ppg, 1.33 cfps, 6.35 gps wtr)

### Stage 3

Lead: 600 sx (35:65) paz (fly ash) class C cement+ 4% bwoc bentonite II + 5% bwoc MPA-5 + 0.25% bwoc FL-52 + 5 lbs/sack LCM-1 + 0.125 lbs/sk Cello Flake+ 0.005 lbs/sk Static Free+ 0.005 gps FP-6L + 1.2% bwoc Sodium Metasilicate + 5% bwow Sodium Chloride (12.5 ppg, 2.13 cfps, 8.81 gps wtr)

Tail: 200 sx class C cement (14.80 ppg, 1.33 cfps, 6.35 gps wtr)

**Production Casing (80% excess on lead & 20% excess on tail to design for cement top at surface):**

Lead: 1600 sxs (50:50) poz (fly ash) class H cement + 10% bwoc bentonite II + 5% bwow sodium chloride + 5 pps LCM-1 + 0.005 lbs/sk Static Free + 0.005 gps FP-6L (11.90 ppg, 2.38 cf/sx, 13.22 gps wtr).

Tail: 1700 sxs Class H (15:61:11) poz (fly ash): class H cement: CSE-2 + 4% bwow sodium chloride + 3 pps LCM-1 + 0.6% bwoc FL-25 + 0.005 gps FP-6L + 0.005% bwoc Static Free (13.20 ppg, 1.62 cf/sx, 9.45 gps wtr).

**12. Pressure Control Eqpt/BOP:**

Legacy Reserves plans to use a 13-5/8" 5000-psi working pressure BOP system consisting of a double ram BOP with one ram being pipe and one ram being blind, a 5000-psi annular type preventer, a 5000-psi choke manifold and 80 gallon accumulator with floor, five remote operating stations and an auxiliary power system. A rotating head will be utilized as needed. A drill string safety valve in the open position will be available on the rig floor. A mud gas separator will be available for use if needed.

**A 3M BOP will be used to drill from the surface casing shoe (~1800') to the intermediate casing shoe (~5600'). The BOP will be a 5M system, however the "A" section wellhead will be a 3M wellhead (see attached BOP Diagram).**

The BOP unit will be hydraulically operated. The BOP will be operated at least once per day while drilling and the blind rams will be operated when out of hole during trips. No abnormal pressure or temperature is expected while drilling.

The BOPs will be tested by an independent service company to 250 psi low and 5000 psi high.

**13. Testing, Logging, and Coring Program:**

A. Mud logging program: 2 man unit from approximately after setting intermediate casing.

B. No open hole logs, DST's or cores are planned.

**14. Potential Hazards**

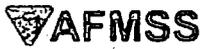
No abnormal pressures or temperatures are expected during the drilling of this well. If H2S is encountered the operator will comply with provisions of Onshore Order 6. Since there will be an H2S Safety package on location, attached is an "H2S Drilling Operations Plan". Adequate flare lines will be installed on the mud/gas separator so gas may be flared safely. All personnel will be familiar with all aspects of safe operations of equipment being used. Lost circulation may occur and a cement contingency plan is included in this plan along with mud materials to be kept on location at all times in order to combat lost circulation or unexpected kicks. Estimated BHP: 4312 psi, estimated BHT: 162°F.

**15. Road and Location**

Road and location construction will begin after BLM approval of the APD. Drilling is expected to take 30-35 days and an additional 10 days for the completion.

16. **Additional Requirements of Project:**

Completion: The targeted Bone Spring pay zone will be perforated and stimulated in multiple stages using acid and hydraulic fracturing treatments. Fresh water used in the drilling and completion of this well will be transferred from off-site via temporary flowlines and stored in frac tanks on the location.



APD ID: 10400014191

Submission Date: 05/19/2017

Highlighted data  
reflects the most  
recent changes

Operator Name: LEGACY RESERVES OPERATING LP

Well Name: LEA UNIT

Well Number: 58H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

### Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

Lea\_58H\_road\_map\_05-17-2017.pdf

Existing Road Purpose: ACCESS,FLUID TRANSPORT

Row(s) Exist? YES

#### ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

### Section 2 - New or Reconstructed Access Roads

Will new roads be needed? NO

### Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

Lea\_58H\_well\_map\_05-17-2017.pdf

**Operator Name:** LEGACY RESERVES OPERATING LP

**Well Name:** LEA UNIT

**Well Number:** 58H

**Existing Wells description:**

## Section 4 - Location of Existing and/or Proposed Production Facilities

**Submit or defer a Proposed Production Facilities plan? SUBMIT**

**Estimated Production Facilities description:**

**Production Facilities description:** In the event the well is found productive, a 4" surface poly flowline (125 psi with oil/gas/water) will be laid along the existing roadway, for 4239.1' to the satellite battery located in the SW/4NW/4 of section 12, T. 20S, R. 34E. All permanent (six months or longer) aboveground structures constructed or intalled on location and not subject to safety requirements will be painted to BLM specifications.

**Production Facilities map:**

Lea\_58H\_production\_diagram\_05-17-2017.pdf

Lea\_Unit\_58H\_Gas\_Capture\_Plan\_20170829162218.pdf

## Section 5 - Location and Types of Water Supply

### Water Source Table

**Water source use type:** INTERMEDIATE/PRODUCTION CASING,  
STIMULATION, SURFACE CASING

**Water source type:** GW WELL

**Describe type:**

**Source latitude:**

**Source longitude:**

**Source datum:**

**Water source permit type:** WATER WELL

**Source land ownership:** PRIVATE

**Water source transport method:** TRUCKING

**Source transportation land ownership:** FEDERAL

**Water source volume (barrels):** 18000

**Source volume (acre-feet):** 2.3200758

**Source volume (gal):** 756000

**Water source and transportation map:**

Lea\_58H\_water\_source\_map\_05-17-2017.pdf

**Water source comments:**

**New water well?** NO

### New Water Well Info

**Well latitude:**

**Well Longitude:**

**Well datum:**

**Well target aquifer:**

**Est. depth to top of aquifer(ft):**

**Est thickness of aquifer:**

**Aquifer comments:**

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**Well Name:** LEA UNIT

**Well Number:** 58H

**Aquifer documentation:**

**Well depth (ft):**

**Well casing type:**

**Well casing outside diameter (in.):**

**Well casing inside diameter (in.):**

**New water well casing?**

**Used casing source:**

**Drilling method:**

**Drill material:**

**Grout material:**

**Grout depth:**

**Casing length (ft.):**

**Casing top depth (ft.):**

**Well Production type:**

**Completion Method:**

**Water well additional information:**

**State appropriation permit:**

**Additional information attachment:**

### **Section 6 - Construction Materials**

**Construction Materials description:** CONSTRUCTION MATERIALS: CALICHE WILL BE USED TO CONSTRUCT THISWELL PAD Any construction material that may be required for surfacing of the drill pad will be from a contractor having a permitted source of materials within the general area. No construction materials will be removed from Federal lands without prior approval from the appropriate surface management agency. See attached for source information.

**Construction Materials source location attachment:**

### **Section 7 - Methods for Handling Waste**

**Waste type:** DRILLING

**Waste content description:** Drilling fluids (flowback, water, cuttings)

**Amount of waste:** 20000 barrels

**Waste disposal frequency :** Daily

**Safe containment description:** Drilling fluids will be contained in steel mud tanks.

**Safe containmant attachment:**

**Waste disposal type:** HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** PRIVATE

**Disposal type description:**

**Disposal location description:** NMOCD approved disposal site in Halfway, NM.

### **Reserve Pit**

**Reserve Pit being used?** NO

**Temporary disposal of produced water into reserve pit?**

**Reserve pit length (ft.)**

**Reserve pit width (ft.)**

**Reserve pit depth (ft.)**

**Reserve pit volume (cu. yd.)**

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**Well Number:** 58H

**Is at least 50% of the reserve pit in cut?**

**Reserve pit liner**

**Reserve pit liner specifications and installation description**

### **Cuttings Area**

**Cuttings Area being used?** NO

**Are you storing cuttings on location?** YES

**Description of cuttings location** Drill cuttings will be held in roll-off style mud boxes and taken to an NMOCD approved disposal site in Halfway, NM.

**Cuttings area length (ft.)**

**Cuttings area width (ft.)**

**Cuttings area depth (ft.)**

**Cuttings area volume (cu. yd.)**

**Is at least 50% of the cuttings area in cut?**

**WCuttings area liner**

**Cuttings area liner specifications and installation description**

### **Section 8 - Ancillary Facilities**

**Are you requesting any Ancillary Facilities?:** NO

**Ancillary Facilities attachment:**

**Comments:**

### **Section 9 - Well Site Layout**

**Well Site Layout Diagram:**

Lea\_58H\_well\_site\_layout\_05-17-2017.pdf

**Comments:**

### **Section 10 - Plans for Surface Reclamation**

**Type of disturbance:** NO NEW SURFACE DISTURBANCE

**Recontouring attachment:**

**Drainage/Erosion control construction:** Access road and well pad already exist - no construction needed. Any maintenance or improvement necessary will be according to BLM standards. Figures below are identical for short term and long term disturbance because reclamation is already complete for this pad (Lea Unit 57H).

**Drainage/Erosion control reclamation:** • The original landform will be restored for all disturbed areas including well pads, production facilities, roads, pipelines, and utility corridors. • A self-sustaining, vigorous, diverse, native (or otherwise

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**Well Number:** 58H

approved) plant community will be established on the site, with a density sufficient to control erosion and invasion by non-native plants and to re-establish wildlife habitat or forage production. At a minimum, the established plant community will consist of species included in the seed mix and/or desirable species occurring in the surrounding natural vegetation. • Erosion features are equal to or less than surrounding area and erosion control is sufficient so that water naturally infiltrates into the soil and gully, headcutting, slumping, and deep or excessive rills (greater than 3 inches) are not observed. • The site will be free of State- or county-listed noxious weeds, oil field debris and equipment, and contaminated soil. Invasive and non-native weeds are controlled.

**Wellpad long term disturbance (acres):** 3.9

**Wellpad short term disturbance (acres):** 3.9

**Access road long term disturbance (acres):** 2

**Access road short term disturbance (acres):** 2

**Pipeline long term disturbance (acres):** 4.865817

**Pipeline short term disturbance (acres):** 4.865817

**Other long term disturbance (acres):** 0

**Other short term disturbance (acres):** 0

**Total long term disturbance:** 10.765818

**Total short term disturbance:** 10.765818

**Reconstruction method:** Final reclamation to achieve restoration of the original landform and a natural vegetative community. The original landform will be restored for all disturbed areas including well pads, production facilities, roads, pipelines, and utility corridors.

**Topsoil redistribution:** Evenly

**Soil treatment:** Erosion features are equal to or less than surrounding area and erosion control is sufficient so that water naturally infiltrates into the soil and gully, headcutting, slumping, and deep or excessive rills (greater than 3 inches) are not observed. The site will be free of state- or county-listed noxious weeds, oil field debris and equipment, and contaminated soil. Invasive and non-native weeds are controlled.

**Existing Vegetation at the well pad:**

**Existing Vegetation at the well pad attachment:**

**Existing Vegetation Community at the road:**

**Existing Vegetation Community at the road attachment:**

**Existing Vegetation Community at the pipeline:**

**Existing Vegetation Community at the pipeline attachment:**

**Existing Vegetation Community at other disturbances:**

**Existing Vegetation Community at other disturbances attachment:**

**Non native seed used?**

**Non native seed description:**

**Seedling transplant description:**

**Will seedlings be transplanted for this project?**

**Seedling transplant description attachment:**

**Will seed be harvested for use in site reclamation?**

**Seed harvest description:**

**Seed harvest description attachment:**

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**Well Name:** LEA UNIT

**Well Number:** 58H

## Seed Management

### Seed Table

**Seed type:**

**Seed source:**

**Seed name:**

**Source name:**

**Source address:**

**Source phone:**

**Seed cultivar:**

**Seed use location:**

**PLS pounds per acre:**

**Proposed seeding season:**

### Seed Summary

**Total pounds/Acre:**

Seed Type	Pounds/Acre
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**Seed reclamation attachment:**

### Operator Contact/Responsible Official Contact Info

**First Name:**

**Last Name:**

**Phone:**

**Email:**

**Seedbed prep:**

**Seed BMP:**

**Seed method:**

**Existing invasive species? NO**

**Existing invasive species treatment description:**

**Existing invasive species treatment attachment:**

**Weed treatment plan description:** Noxious weeds will be controlled

**Weed treatment plan attachment:**

**Monitoring plan description:** On pumper visits

**Monitoring plan attachment:**

**Success standards:** To BLM standards

**Pit closure description:** N/A (closed loop)

**Pit closure attachment:**

## Section 11 - Surface Ownership

**Operator Name:** LEGACY RESERVES OPERATING LP

**Well Name:** LEA UNIT

**Well Number:** 58H

**Disturbance type:** EXISTING ACCESS ROAD

**Describe:**

**Surface Owner:** BUREAU OF LAND MANAGEMENT

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:**

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

**Disturbance type:** WELL PAD

**Describe:**

**Surface Owner:** BUREAU OF LAND MANAGEMENT

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:**

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

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**Well Name:** LEA UNIT

**Well Number:** 58H

**Disturbance type:** PIPELINE

**Describe:**

**Surface Owner:** BUREAU OF LAND MANAGEMENT

**Other surface owner description:**

**BIA Local Office:**

**BOR Local Office:**

**COE Local Office:**

**DOD Local Office:**

**NPS Local Office:**

**State Local Office:**

**Military Local Office:**

**USFWS Local Office:**

**Other Local Office:**

**USFS Region:**

**USFS Forest/Grassland:**

**USFS Ranger District:**

## Section 12 - Other Information

**Right of Way needed?** NO

**Use APD as ROW?**

**ROW Type(s):**

### ROW Applications

**SUPO Additional Information:**

**Use a previously conducted onsite?** YES

**Previous Onsite information:** ON-SITE PERFORMED ON 8/16/15 RESULTED IN PROPOSED LOCATION BEING OK WHERE STAKED. IT WAS AGREED TO TURN THE LOCATION TO A V-DOOR EAST. IT WAS ALSO AGREED TO MOVE AND PLACE THE TOP SOIL TO THE NORTH, AND THE INTERIM RECLAMATION WILL BE THE NORTH, EAST, SOUTH, AND WEST PORTION OF THIS PAD. PRESENT AT ON-SITE: CRAIG SPARKMAN-LEGACY RESERVES OPERATING, L.P. TRISH BADBEAR-BLM CASSANDRA BROOKS-BLM CHRISTOPHER FREEMAN-CEHMM DOUG BURGER-LEGACY LAND & ENVIRONMENTAL SOLUTIONS KELLY POINDEXTER-WEST COMPANY OF MIDLAND-SURVEYORS

### Other SUPO Attachment

**Operator Name: LEGACY RESERVES OPERATING LP**

**Well Name: LEA UNIT**

**Well Number: 58H**

Lea\_58H\_SUPO\_05-18-2017.pdf

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

Submit Original  
to Appropriate  
District Office

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

### GAS CAPTURE PLAN

Date: 08/29/2017

Original Operator & OGRID No.: 240974  
 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, 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

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
LEA UNIT #58H	N/A	-11-T20S-R34E	170FNL & 1115FEL	N/A	N/A	W/O APD

#### 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 Targa Midstream and will be connected to Targa Midstream low/high pressure gathering system located in Lea County, New Mexico. It will require 100 ' of pipeline to connect the facility to low/high pressure gathering system. Legacy Reserves provides (periodically) to Targa Midstream a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Legacy Reserves and Targa Midstream have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Monument Processing Plant located in Sec. 36, Twn. 19S, Rng. 36E, 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 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 Targa Midstream system at that time. Based on current information, it is Legacy Reserves 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