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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: 8/15/2017

Original

Amended

Reason for Amendment: \_\_\_\_\_

Operator & OGRID No.: Matador Production Company (228937)

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: 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 (ULSTR)	Location	Footages	Expected MCF/D	Flared or Vented	Comments
✓ Federal 30 #123H	30-025-42467	UL-B-30-19S-33E			1200	14 days	Flare 14 days on FB before turn into TB
<del>Federal 30 #124H</del>	<del>30-025-41882</del>	UL-A-30-19S-33E			1200	14 days	Flare 14 days on FB before turn into TB

#### Gathering System and Pipeline Notification

The well will be connected to a production facility after flowback operations are complete so long as the gas transporter system is in place. The gas produced from the production facility should be connected to Frontier Field Services, LLC gathering system located in Lea County, New Mexico. It will require ~1500' of pipeline to connect the facility to a low/high pressure gathering system. Matador Production Company periodically provides a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future to Frontier Field Services, LLC. If changes occur that will affect the drilling and completion schedule, Matador Production Company will notify Longwood Midstream Delaware, LLC. Additionally, the gas produced from the well will be processed at a processing plant further downstream and, although unanticipated, any issues with downstream facilities could cause flaring at the wellhead. The actual flow of the gas will be based on compression operating parameters and gathering system pressures measured when the well starts producing.

#### Flowback Strategy

After the fracture treatment/completion operations (flowback), the well will be produced to temporary production tanks and the gas will be flared or vented. During flowback, the fluids and sand content will be monitored. If the produced fluids contain minimal sand, then the well will be turned to production facilities. The gas sales should start as soon as the well starts flowing through the production facilities, unless there are operational issues on the midstream system at that time. Based on current information, it is Matador's belief the system will be able to take the gas upon completion of the well.

Safety requirements during cleanout operations 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
  - Operating a generator will only utilize a portion of the produced gas and the remainder of gas would still need to be flared.
- Compressed Natural Gas – On lease
  - Compressed Natural Gas is likely to be uneconomic to operate when the gas volume declines.
- NGL Removal – On lease

NGL Removal requires a plant and is expensive on such a small scale rendering it uneconomic and still requires residue gas to be flared.