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

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# GAS CAPTURE PLAN

☒ Original
☐ Amended
Reason for Amendment:

Operator & OGRID No.: ConocoPhillips Company/ 217817
Date: 8/21/17

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 Location (ULSTR) | Footages | Expected MCF/D | Flared or Vented | Comments |
|---|---|---|---|---|---|---|
| Peridot 8 Federal 1H, 3H, 5H, 7H, 11H, 13H, 15H, and 17H | Pending | Sec. 8, 17S, 32E | various | 620/well initial production | Flared | flaring is expected to be sporadic |
| Peridot 8 Federal 2H, 4H, 6H, 8H, 12H, 14H, 16H, and 18H | 30-025-44893 Pending | 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 require 1397' of 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 ConocoPhillip'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: | 1H | 2H | 3H | 4H | 5H | 6H | 7H | 8H | 11H | 12H | 13H | 14H | 15H | 16H | 17H | 18H |
| Well Location: | 615' FSL | 936' FSL | 2080' FSL | 2237' FSL | 2634' FNL | 1586' FNL | 1065' FNL | 775' FNL | 755' FSL | 1035' FSL | 1240' FSL | 2237' FSL | 2634' FNL | 1485' FNL | 915' FNL | 635' FNL |
| | 2460' FEL | 2501' FEL | 2350 FWL | 2440' FWL | 1907' FWL | 2635' FEL | 2540' FWL | 2543' FWL | 2460' FEL | 2600' FEL | 2480' FWL | 2580' FWL | 2022' FWL | 2538' FEL | 2540' FWL | 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 | 570 | 570 | 570 | 570 | 570 | 570 | 480 | 480 | 480 | 480 | 480 | 480 | 480 | 480 |
| Gas (mcfd) | 620 | 620 | 620 | 620 | 620 | 620 | 620 | 620 | 530 | 530 | 530 | 530 | 530 | 530 | 530 | 530 |
| Water (bwpd) | 2300 | 2300 | 2300 | 2300 | 2300 | 2300 | 2300 | 2300 | 1900 | 1900 | 1900 | 1900 | 1900 | 1900 | 1900 | 1900 |
| Date of First Production: | <45 days following completion operations | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| Expected Well Life Expectancy: | 25 years | 25 years | 25 years | 25 years | 25 years | 25 years | 25 years | 25 years | 25 years | 25 years | 25 years | 25 years | 25 years | 25 years | 25 years | 25 years |