

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

HOBBES OCD
 FEB 13 2019
 RECEIVED

GAS CAPTURE PLAN

Date: 08/29/2018

Original Operator & OGRID No.: EOG Resources, Inc. 7377
 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

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 |
|---------------------|-----------------------|-----------------------|--------------------|----------------|------------------|----------------|
| Caballo 23 Fed 705H | 30-025-*** | N-23-25S-33E | 300 FSL & 2231 FWL | ±3500 | None Planned | APD Submission |
| Caballo 23 Fed 706H | 30-025-*** | N-23-25S-33E | 300 FSL & 2264 FWL | ±3500 | None Planned | APD Submission |
| Caballo 23 Fed 707H | 30-025-*** | O-23-25S-33E | 300 FSL & 2098 FEL | ±3500 | None Planned | APD Submission |
| Caballo 23 Fed 708H | 30-025-*** | O-23-25S-33E | 300 FSL & 2065 FEL | ±3500 | None Planned | APD Submission |
| Caballo 23 Fed 709H | 30-025-*** * 95588 | O-23-25S-33E | 300 FSL & 2032 FEL | ±3500 | None Planned | APD Submission |
| Caballo 23 Fed 710H | 30-025-*** | P-23-25S-33E | 300 FSL & 639 FEL | ±3500 | None Planned | APD Submission |

Gathering System and Pipeline Notification

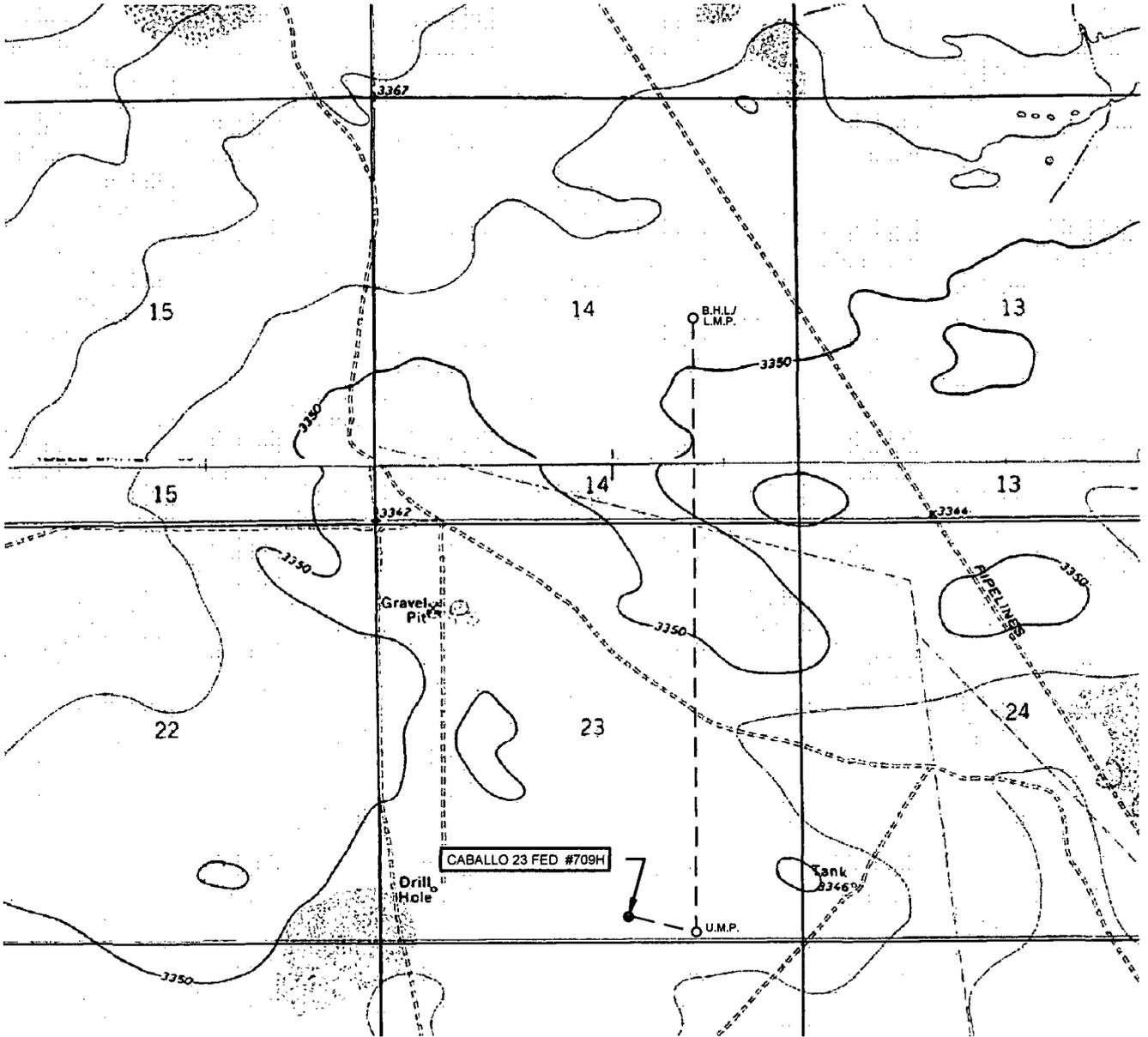
Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to **Enterprise Field Services** and will be connected to **EOG Resources** low/high pressure gathering system located in Eddy/Lea County, New Mexico. **EOG Resources** provides (periodically) to **Enterprise Field Services** a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, **EOG Resources** and **Enterprise Field Services** have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at **Enterprise Field Services** Processing Plant located in **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 **Enterprise Field Services** system at that time. Based on current information, it is **EOG Resources'** 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.

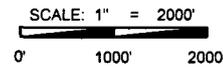
LOCATION & ELEVATION VERIFICATION MAP



LEASE NAME & WELL NO.: CABALLO 23 FED #709H

SECTION 23 TWP 25-S RGE 33-E SURVEY N.M.P.M.
 COUNTY LEA STATE NM ELEVATION 3343'
 DESCRIPTION 300' FSL & 2032' FEL

LATITUDE N 32.1095975 LONGITUDE W 103.5411613



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 EOG RESOURCES, INC. 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.

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.



TOPOGRAPHIC
 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
 TELEPHONE: (432) 682-1653 OR (800) 787-1653 • FAX (432) 682-1743
 WWW.TOPOGRAPHIC.COM