

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
 Santa Fe, NM 87505

HOBBS OCD

MAY 13 2019

GAS CAPTURE PLAN

Date: 09/17/2018

RECEIVED

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
Green Drake 16 Fed Com 70811	30-025-***	J-16-25S-33E	2390 FSI & 2382 FFI	± 3500	None Planned	APD Submission
Green Drake 16 Fed Com 70911	30-025-*** 45976	J-16-25S-33E	2390 FSI & 2349 FFI	± 3500	None Planned	APD Submission
Green Drake 16 Fed Com 710H	30-025-***	J-16-25S-33E	2390 FSI & 2316 FFI	± 3500	None Planned	APD Submission
Green Drake 16 Fed Com 71111	30-025-***	J-16-25S-33E	2395 FSI & 1340 FFI	± 3500	None Planned	APD Submission
Green Drake 16 Fed Com 71211	30-025-***	I-16-25S-33E	2395 FSI & 1307 FFI	± 3500	None Planned	APD Submission
Green Drake 16 Fed Com 71311	30-025-***	I-16-25S-33E	2390 FSI & 689 FFI	± 3500	None Planned	APD Submission
Green Drake 16 Fed Com 714H	30-025-***	I-16-25S-33E	2390 FSI & 656 FFI	± 3500	None Planned	APD Submission
Green Drake 16 Fed Com 71511	30-025-***	I-16-25S-33E	2390 FSI & 623 FFI	± 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.

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