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 D	epartment Submit Original to Appropriate District Office		
	Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	NM OIL CONSERVATION ARTESIA DISTRICT	EDVATION	
	GAS CAPTURE PLAN	MAY 16 2018	1	
Date: <u>2-2-18</u>		RECEIVED	,	
X Original □ Amended - Reason for Amendment:_	Operator & OGRID No.: <u>Tap Rock</u>	Operating, LLC (372043)	_	

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	API	SHL (ULSTR)	SHL Footages	Expected MCF/D	Flared or Vented	Comments
Double Diamond Fed Com 238H	30-015- 44981	P-14-24s-31e	305' FSL & 860' FEL	750	<30 days	flare until well clean, then connect

## **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. Gas produced from this production facility has not yet been dedicated. However, a possible connection is an existing Agave pipeline that is 1/8 mile northeast. <u>Operator</u> will provide (periodically) to <u>Gas Transporter</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, <u>Operator</u> and <u>Gas Transporter</u> will have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at <u>Gas Transporter</u> Processing Plant at an as yet undetermined location. 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 <u>Gas Transporter</u> system at that time. Based on current information, it is <u>Operator's</u> belief the system ultimately 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
  - o Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas On lease
  - o Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
  - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

