#### NM OIL CONSERVATION ARTESIA DISTRICT

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**Oil Conservation Division** 

Energy, Minerals and Natural Resources Der Office 1 2018

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1220 South St. Francis Dr. Santa Fe, NM 87505

### GAS CAPTURE PLAN

Date: 8/27/18

🛛 Original

Operator & OGRID No.: Mack Energy Corporation - 013837

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, recomplete to new zone, re-frac) activity.

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## 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<br>(ULSTR) | Footages              | Expected<br>MCF/D | Flared or<br>Vented | Comments |
|---------------------------|--------|--------------------------|-----------------------|-------------------|---------------------|----------|
| Prince Rupert Federal 411 |        | Sec. 17 1158 R291.       | 565 FSL & 1675<br>FFF | 50                |                     |          |
| 30.0                      | 05-643 | 20                       |                       |                   |                     |          |

# **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 DCP Midstream and will be connected to DCP Midstream low high pressure gathering system located in Chaves County. New Mexico. It will require the pressure by the providence of the pressure facility to low/high pressure gathering system. Mack Energy Corporation provides (periodically) to DCP Midstream a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Mack Energy Corporaton and DCP Midstream have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at DCP Melstream Linum Ranch Processing Plant located in Sec. 6 \_\_\_\_\_, Twn. 198\_, Rng. 37E 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 DCP Midstream system at that time. Based on current information, it is Mack Energy Corporation 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