

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

**HOBBS OCD**

**GAS CAPTURE PLAN**

**JUL 27 2018**

Date: 7-27-2018

**RECEIVED**

☒ Original

Operator & OGRID No.: 22044

☐ 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
DOROTHY FEDERAL 2	30-025-35717	I-25-18S-33E	1980FSL 810 FEL	20	FLARED	BLM Approved <i>see attached</i>

**Gathering System and Pipeline Notification**

Well was connected to a production facility after flowback operations were completed in 9/2003, gas transporter system was in place. The gas produced from production facility is dedicated to Frontier Field Services (FFS) and will be connected to the low/high pressure gathering system located in Lea County, New Mexico. McElvain Energy, Inc. (MEI) provides (periodically) to FFS drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, MEI and FFS have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at the FFS Maljamar Gas Processing Plant located in Section 21, Township 17S, Range 32E, Lea County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures. The gas currently being produced by this well has a N2 of > 4% (gas analysis attached). This makes the gas non-marketable under the existing FFS gas sales contract. MEI has received permission from the BLM to flare the gas onsite. Please see attached BLM Sundry approving the flaring.

**Flowback Strategy**

Flowback was conducted by Concho in 2003.

**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