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

Date: 7/30/18

# State of New Mexico Energy, Minerals and Natural Resources Department

Submit Original to Appropriate District Office

for

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

## GAS CAPTURE PLAN

⊠ (	Original		Operator	& O	GRID I	No.: <u>I</u>	Energ	en Resource	s Corporation	162928	
	Amended - Reason for A	Amendment:									
			<u>Brenda F. Rathje</u>	n En	ergen R	egulator	ry Ana	lyst 432-688-	3323 brathjen@er	<u>1ergen.com</u>	
	Gas Capture Plan out completion (new drill,		•	•		o reduc	ce we	II/production	facility flaring/v	enting for	
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).											
Wel	ll(s)/Production Facilit	ty – Name of fa	cility - Angu	s-Br	ahma	n CT	B fac	ility, Lea	County NM		
The	well(s) that will be loca	ated at the prod	uction facility a	re sh	own in	the tab	le bel	ow.			
	Well Name	API	Well	Footages		Expe	cted	Flared or	Comments		
			Location			MCF	/D	Vented			
SEE ATTACHED FOR ALL WELLS at CTB											
	^		The state of the s		T				1		

## **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 Lucid Energy Delaware, LLC and will be connected to Lucid Energy Delaware, LLC low/high pressure gathering system located in Lea County, New Mexico. It will require ~12,290' of pipeline to connect the facility to low/high pressure gathering system. Energen Resources Corporation provides (periodically) to Lucid Energy Delaware, LLC (Gas Transporter) a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, <u>Energen Resources Corporation</u> (Operator) and Lucid Energy Delaware, LLC (Gas Transporter) have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Lucid's Red Hills Processing Plant located in Sec.13, Twn. 24S, Rng.33E, 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 Gas Transporter system at that time. Based on current information, it is Operator's 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
  - 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
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

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#### GAS CAPTURE PLAN page 2

## **Energen Resources Corporation 162928**

# Well(s)/Production Facility - Angus-Brahman CTB facility, Lea County NM

The well(s) that will be located at the production facility are shown in the table below.

7/30/2018

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or vented	Comments
Angus State 24-35 16 #454H	30-025-43722	B, 16-24S-35E	260 FNL 2250 FEL	2,065	As needed	drilled & completed
Brahman State 24-35 15 #601H	30-025-43722	D, 15-24S-35E	330 FSL 570 FWL	2,065	As needed	drilled & completed
Angus State 24-35 16 #456H	30-025-44607	A, 16-24S-35E	510 FNL 449 FEL	2,065	As needed	spud rig 5/2/18
Angus State 24-35 16 #605H	30-025-44606	B, 16-24S-35E	250 FNL 1420 FEL	2,065	As needed	spud rig 5/1/18
			330 FNL			Federal APD
Angus Fed Com 16-21 #451H	30-025-44376	D, 16-24S-35E	610 FWL	2,500	As needed	submitted 7/23/18
Angus Fed Com 16-21 #601H	30-025-44378	D, 16-24S-35E	330 FNL 660 FWL	2,500	As needed	Federal APD submitted 7/23/18
Angus Fed Com 16-21 #452H	30-025-44377	C, 16-24S-35E	300 FNL 1930 FWL	2,500	As needed	Federal APD submitted 7/23/18
Angus Fed Com 16-21 #602H	30-025-44379	C, 16-24S-35E	300 FNL 1980 FWL	2,500	As needed	Federal APD submitted 7/23/18
Brahman State Com 15-10 #452H	new	N, 15-24S, 35E	508 FSL 1390 FWL	2,500	As needed	permit submitted 7/30/18
Brahman State Com 15-10 #602H	new	N, 15-24S, 35E	508 FSL 1440 FWL	2,500	As needed	permit submitted 7/30/18
Brahman State Com 15-10 #453H	new	N, 15-24S, 35E	508 FSL 2310 FWL	2,500	As needed	permit submitted 7/30/18
3	0-025-49	5031				
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