District I 1625 N. French Dr., Ho District II 811 S. First St., Artesia District III 1000 Rio Brazos Road, District IV 1220 S. St. Francis Dr.,	, NM 88210 Aztec, NM 87410	State of New Mexico nergy, Minerals and Natural Resources Department Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Submit Original to Appropriate District Office
Date: 4-4-18	Holds 042018	GAS CAPTURE PLAN	
⊠ Original	APR OT RECEIVED	Operator & OGRID No.: Cimarex Energy Co. of Co	lorado 162683
Amended - Reas	son 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.

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
W Bell Lake 26 Fed 2H	3002541473	B 26 23S 33E	330 FSL 2310 FEL	900	0	Connect to existing bty
			-			

Gathering System and Pipeline Notification

Well(s) will be connected to an existing production facility after flowback operations are complete, the gas transporter system is in place. The gas produced from production facility is dedicated to <u>DCP</u> and will be connected to <u>DCP</u> low/high pressure gathering system located in <u>Lea</u> County, New Mexico. It will require <u>1320</u>' of pipeline to connect the facility to low/high pressure gathering system. <u>Cimarex</u> provides (periodically) to <u>DCP</u> a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. 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 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
 - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines