

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

GAS CAPTURE PLAN

HOBBS OCD

Date: 2/4/2020

FEB 07 2020

Original

Operator & OGRID No.: Ascent Energy, LLC (372210)

RECEIVED

x Amended - Reason for Amendment: Gas Transporter change

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: A C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule 19.15.18.12.A

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
Toque State Com 501H	30-025-44148	K-6-21S-33E	2514 FSL & 1760 FWL	1,000	Flared 30 days	Time depends on well clean up
Toque State Com 502H	30-025-44785	K-6-21S-33E	2514 FSL & 1670 FWL	1,000	Flared 30 days	Time depends on well clean up
Toque State Com 601H	30-025-44787	K-6-21S-33E	2514 FSL & 1790 FWL	1,000	Flared 30 days	Time depends on well clean up
Toque State Com 602H	30-025-44788	K-6-21S-33E	2514 FSL & 1700 FWL	1,000	Flared 30 days	Time depends on well clean up
Toque State Com 701H	30-025-44789	K-6-21S-33E	2514 FSL & 1730 FWL	1,000	Flared 30 days	Time depends on well clean up

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete. Gas will be piped to an existing 3Bear Field Services, LLC (372603) line (NMSLO R-3-7269-0000) on the pad in K 6-21s-33e. Ascent Energy, LLC will provide (periodically) to 3Bear a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Ascent Energy, LLC and 3Bear have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at 3Bear's Processing Plant on Marathon Road located in 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 3Bear's system at that time. Based on current information, it is Ascent Energy, LLC's belief an existing or new system can take this gas upon completion of the well(s). Safety requirements during cleanout operations from using 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