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

Date: 12/19/2018

☒ Original

Operator & OGRID No.: Tacitus LLC 372957

☐ 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.

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
NAVAJO TRIBAL U #16	30-045-21358	TWP: 26 N - Range: 18 W - Sec. 16	760 FNL 2040 FWL (SURFACE)	500	VENTED	INERT GAS -ANALYSIS ATTACHED
NAVAJO TRIBAL N #11	30-045-20583	TWP: 26 N - Range: 18 W - Sec. 17	560 FNL 1150 FWL	200	VENTED	INERT GAS -ANALYSIS ATTACHED
NAVAJO TRIBAL N #1	30-045-05809	TWP: 26 N - Range: 18 W - Sec. 17	790 FSL 790 FWL	200	VENTED	INERT GAS -ANALYSIS ATTACHED
NAVAJO TRIBAL U #24	30-045-21476	TWP: 26 N - Range: 18 W - Sec. 15	2100 FSL 540 FWL	500	VENTED	INERT GAS -ANALYSIS ATTACHED

BP 6P

Gathering System and Pipeline Notification

The subject inert wells do not produce any pipeline quality gas (see gas analysis) and only the Helium will be recovered and sold. The wells are connected to the central process facility located at Twp 26N Rge 18W Section 20 in San Juan County, New Mexico. This location was the previous site for the central oil battery and gas compression facilities to allow for the sale of gas into the El Paso Natural gas system. However the entire oil field has been suspended and the subject wells have been converted to flow inert gas and recover Helium. The wells utilize the existing pipelines (or replacement pipelines segments as required) to flow the wells to the central processing facility. There is a total of ~ 5 miles of pipelines being used to gather the gas from the 4 wells currently producing. The Facility only removes the Helium from the stream. The helium is compressed into on site Helium trailers so it can be trucked to market. The Helium gas transporter is AirGas LLC. The wells were flowed back through test facilities at each well after completion or frac to clean up prior to flowing to the central facilities. The flowback operations are essentially complete, however because of potential water loading at the wells, they may need to be occasionally blown down at the wellsites. The Operator provides a schedule of anticipated Helium production rates to gas transporter so that they can provide the appropriate number of Helium trailers to collect all of the Helium produced from the central facilities. The Facility is currently designed to produce a maximum of 150 mcfd of Helium. The Operators plans on recompleting addition wells to maintain/increase this rate. The actual flow of the gas will be based the capabilities of the flowing gas wells.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and inert gas will be vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand and water, the wells will be turned to production facilities. Gas sales (into the Helium Trailers) should start as soon as the wells start flowing through the production facilities, 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 rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Not Applicable, since all of the subject wells produce primarily inert gas (see attached gas analysis) and by definition is non-flammable.

NMOCD
DEC 19 2018
DISTRICT III