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

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to Appropriate
District Office

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07/24/2020
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GAS CAPTURE PLAN

Date: 3-24-20

X Original

Operator & OGRID No.: Ascent Energy, LLC (325830)

☐ 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	SHL (ULSTR)	SHL Footages	Expected MCF/D	Flared or Vented	Comments
Big Bucks Fed Com 301H	30-025-	A-12-21s-32e	100' FNL & 601' FEL	200	≈30 days	flare until well clean, then connect
Big Bucks Fed Com 302H	30-025-	A-12-21s-32e	75' FNL & 601' FEL	200	≈30 days	flare until well clean, then connect
Big Bucks Fed Com 401H	30-025-	A-12-21s-32e	50' FNL & 601' FEL	200	≈30 days	flare until well clean, then connect
Big Bucks Fed Com 501H	30-025-	A-12-21s-32e	100' FNL & 401' FEL	200	≈30 days	flare until well clean, then connect
Big Bucks Fed Com 502H	30-025-	A-12-21s-32e	75' FNL & 401' FEL	200	≈30 days	flare until well clean, then connect
Big Bucks Fed Com 601H	30-025-	A-12-21s-32e	25' FNL & 401' FEL	200	≈30 days	flare until well clean, then connect
Big Bucks Fed Com 701H	30-025-	A-12-21s-32e	50' FNL & 401' FEL	200	≈30 days	flare until well clean, then connect
Big Bucks Fed Com 702H	30-025-47491	A-12-21s-32e	25' FNL & 601' FEL	200	≈30 days	flare until well clean, then connect

Gathering System and Pipeline Notification

Well will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. Gas produced from this production facility has not yet been dedicated. Ascent Energy, LLC will provide (periodically) to 3Bear Field Services, LLC 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 Field Services, LLC will have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at 3Bear Field Services, LLC Processing Plant at Marathon Road. 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 Field Services, LLC system at that time. Based on current information, it is Ascent Energy, LLC's belief the system ultimately 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

Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines