

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: 2/4/2020

Original

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

**HOBBS OCD**

**FEB 07 2020**

**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: *AC-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