

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Tony Delfin  
Deputy Cabinet Secretary

David R. Catanach, Division Director  
Oil Conservation Division



April 8, 2016

## NOTICE TO OPERATORS

The Oil Conservation Division has been tasked to study flaring and develop a Gas Capture Plan with the ultimate goal to reduce natural gas emission.

The Gas Capture Committee has finalized the Gas Capture Plan (GCP) form and is ready for distribution. 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. The requirement applies to State, Fee, Federal, & Tribal wells.

**The effective date is May 1st, 2016 and applies to the following:**

- For new completion (new drill, recomplete to new zone, re-frac) activity already approved as of May 1st, a GCP will be required within 30 days of spud or commencement date.
- For new completion (new drill, recomplete to new zone, re-frac) activity already filed and not yet approved, a GCP will be required prior to spud or commencement of recomplete or re-frac activity.
- For new completion (new drill, recomplete to new zone, re-frac) activity filed on or after May 1st, a GCP will need to accompany the APD or sundry notice as required for the activity.

The Gas Capture Form will be posted on our website and there will also be an outreach training presented on our home page at the following link:

FORM: <http://www.emnrd.state.nm.us/OCD/forms.html>

Outreach: <http://www.emnrd.state.nm.us/OCD/outreach.html>

Thank you for your assistance in this matter. If you have any questions please contact the appropriate Oil Conservation Division district office.

Sincerely,

A handwritten signature in black ink that reads "David R. Catanach".

David R. Catanach  
Director, Oil Conservation Division

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: \_\_\_\_\_

Original Operator & OGRID No.: \_\_\_\_\_  
 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

**Gathering System and Pipeline Notification**

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Gas Transporter and will be connected to Gas Transporter low/high pressure gathering system located in \_\_\_\_\_ County, New Mexico. It will require \_\_\_\_\_' of pipeline to connect the facility to low/high pressure gathering system. Operator provides (periodically) to Gas Transporter a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Operator and Gas Transporter have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Gas Transporter Processing Plant located in Sec. \_\_\_\_\_, Twn. \_\_\_\_\_, Rng. \_\_\_\_\_, \_\_\_\_\_ 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 Gas Transporter system at that time. 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 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