

Oil and Gas Division

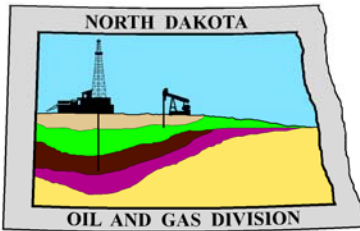
Lynn D. Helms - Director Bruce E. Hicks - Assistant Director

Department of Mineral Resources

Lynn D. Helms - Director

North Dakota Industrial Commission

www.oilgas.nd.gov



September 16, 2014

RE: **GAS CAPTURE PLAN
REQUIRED HEARING EXHIBIT**

To all Hearing Applicants:

Note this letter is a revision to the Commission's previous Gas Capture Plan letter dated May 15, 2014.

Please be aware that a Gas Capture Plan (GCP) must be submitted as an exhibit at all hearings in which you intend to drill additional wells in the Bakken-Three Forks Petroleum System effective June 25, 2014. The plan is part of the North Dakota Industrial Commission's new policy on reducing gas flaring, adopted by the Commission on March 3, 2014 and with Commission Order No. 24665.

The gas capture plan must contain the following information:

1. A statement made by a company representative indicating:
 - a. The name of the gas gatherer(s) the company met with.
 - b. That the company supplied the gas gatherer(s) with the following information:
 - i. Anticipated completion date of well(s).
 - ii. Anticipated production rates of well(s).
2. A detailed gas gathering pipeline system location map which depicts the following information.
 - a. Name and location of the destination processing plant.
 - b. Name of gas gatherer and location of lines for each gas gatherer in the map vicinity.
 - c. The existing gas line proposed to connect the subject well.
3. Information on the existing line, to which operator proposes to connect to, including:
 - a. Maximum current daily capacity of the existing gas line.
 - b. Current throughput of the existing gas line.
 - c. Gas gatherer issues or expansion plans for the area (if known).
4. A detailed flowback strategy including:
 - a. Anticipated date of first production.
 - b. Anticipated oil and gas rates and duration. If well is on a multi-well pad, include total for all wells being completed.

5. Amount of gas applicant is currently flaring:
 - a. Statewide percentage of gas flared (total gas flared/total gas produced) for existing wells producing from the Bakken petroleum system. Note the Commission's approved gas capture goals are to reduce flaring to 26% by October 1, 2014; 23% by January 1, 2015; 15% by January 1, 2016; and 10% by October 1, 2020.
 - b. Fieldwide percentage of gas flared.

6. Alternatives to flaring.
 - a. Explain specific alternate systems available for consideration.
 - b. Detail expected flaring reductions if such plans are implemented.

The NDIC believes a concerted effort by operators in North Dakota is necessary to reduce the volume of flared gas, reduce the number of wells flaring, and reduce duration of flaring of wells, which will ultimately meet our goal to encourage and promote the development, production, and utilization of oil and gas in the state in such a manner as will prevent waste, maximize economic recovery, and fully protect the correlative rights of all owners to the end that the landowners, the royalty owners, the producers, and the general public realize the greatest possible good from these vital natural resources.

If you have any questions or comments, please contact our office.

Sincerely,

Bruce E. Hicks