



## ECMC GAS CAPTURE PLAN OGD P APPLICATION GUIDANCE

### FORM 2A

#### Rule 304.c.(12). - Gas Capture Plan - OGD P Application

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### Document Control

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### Rule Citation

#### Rule 304.c.(12). - Gas Capture Plan

Gas Capture Plan. A gas capture plan or commitment consistent with the requirements of Rule 903.e.

Associated rules are included in Appendix A.

### Purpose of Rule

After January 15, 2022, Flaring produced gas is prohibited, except in limited circumstances. All produced natural gas must be put to a beneficial use or the Operator must obtain an approved Variance from the Commission to Vent or Flare saleable production gas. Rule 304.c.(12). requires Operators to commit to a gas gathering system prior to commencement of production operations; Or, submit a gas capture plan consistent with the requirements of Rule 903.e. Routing produced gas from the well without adequate separation to oil production tanks to Vent or combust with flash gas is not allowed by Rule 903. Combustion of tank vapor, after adequate

separation, is regulated by Colorado Department of Public Health and Environment - Air Pollution Control Division (CDPHE-APCD) for the tank's emission control device.

## **Guidance/Requirements**

### **Set of Requirements 1**

#### **1. Oil Gas Development Plan (OGDP)**

When submitting a Form 2A as part of an OGDG application the Operator is required to either:

- a. Commit to connecting to a gathering system by the Commencement of Production Operations, or
- b. Attach a Gas Capture Plan consistent with the requirements of Rule 903.e. on the Plans tab.

### **Set of Requirements 2**

#### **1. Gas Capture Plans**

Gas Capture Plans should be submitted with a Form 2A on the Plans tab when the Operator cannot commit to connecting to a gathering system by the Commencement of Production Operations. All Gas Capture Plans are required by Rule 903.e. to include the following information:

- a. A description and map of the location of the closest or contracted natural gas gathering system or point of sale
- b. The name of the company operating the closest or contracted natural gas gathering system
- c. The Operator's plan for connecting their facility to a natural gas gathering system or otherwise putting gas to beneficial use, including:
  - i. Discussion of potential rights of way issues;

- ii. Construction schedules;
  - iii. Date of availability of the gas Gathering Line;
  - iv. Whether the nearest or contracted gas gathering system has capacity to accept the anticipated gas to be produced at the location at the time of application; and
  - v. Options for beneficial use of natural gas that are alternatives to Flaring during production operations prior to connection to gas Gathering Lines, including, but not limited to: onsite use, natural gas liquid processing, electrical power generation, gas to liquid, reinjection for enhanced oil recovery, or other options
- d. For a Wildcat (Exploratory) Well or if the Operator anticipates conducting a Production Evaluation or Productivity Test, a description of the planned Production Evaluation or Productivity Test and any issues related to the Operator's ability to connect to a gas Gathering Line
  - e. Any anticipated safety risks that may require the Operator to allow gas to escape, rather than being captured or combusted during drilling operations (not applicable for Wells already in production)
  - f. A description of operational best practices that will be used to minimize Venting during active and planned maintenance
  - g. Procedures the Operator will employ to reduce the frequency of Well liquids unloading events
  - h. Anticipated volumes of liquids and gas production and a description of how separation equipment will be sized to optimize gas capture
  - i. Acknowledge if the mineral owner is to be compensated for the Vented or Flared natural gas

2. **Change of Conditions** - If an Operator has an approved Gas Capture Plan and unexpectedly loses access to a gathering line due to unforeseen circumstances outside of the Operator's control, the Operator may submit a Form 4 with a new Gas Capture Plan that reflects the change of conditions. The Form 4 will be submitted within 30 days of the loss of gathering line access. While waiting for approval, the well(s) will be shut in. For questions about submitting a Gas Capture Plan via Form 4 Sundry see the separate guidance document, "Rule 903.e. Gas Capture Plan - Form 4 Sundry Notice Guidance."

### **Set of Requirements 3**

1. **Beneficial Use Requirements**

If the Operator is proposing to utilize the gas onsite for beneficial use the Gas Capture Plan must provide details that support that utilization. ECMC Staff will review the beneficial use Gas Capture Plan to aid the review process include the following details with the Gas Capture Plan:

- a. How the gas is being used
  - i. If powering equipment, clarify what equipment and how much gas that equipment requires, explain source to power equipment for when the well is not producing, contemplate if there are seasonal variation in need of gas (e.g. heaters may require more gas in winter).
- b. What controls are in place
- c. How and where the gas is metered
- d. A flow diagram of the process (include meters, valves, safety controls, etc.)
- e. Any CDPHE-APCD permit details

- f. An acknowledgment of notification and/or compensation strategy for the mineral owner

## **Set of Requirements 4**

### **1. Crypto Currency Mining (CCM) Requirements**

If CCM equipment is installed on the Oil and Gas Location, regardless of who owns or operates the electricity generating and CCM equipment, the Gas Capture Plan/Form 2A will include:

- a. CCM in the equipment list on the Form 2A and on Layout Drawings attached to the Form 2A.
- b. Confirmation that the following registration requirements have been met:
  - i. If the entity who owns or leases the equipment being used to generate electricity:
    - 1. Is the Operator who produced the gas; and
    - 2. The equipment is located on the Operator's Oil and Gas Location; and
    - 3. The gas is not processed beyond a simple separator (i.e. natural gas liquids (NGLs) are NOT being stripped out of the gas)

Then, no further registration with ECMC is required.

- ii. If the entity who owns or leases the equipment being used to generate electricity:
  - 1. Is not the Operator who produced the gas

Then, the entity must be registered with ECMC as an Initial Purchaser.

iii. If the entity who owns or leases the equipment being used to generate electricity:

1. Installs the equipment on an Oil and Gas Location

Then, the entity must be registered as an Operator, providing proof of \$5 million general liability insurance pursuant to Rule 705.b.

iv. If the entity who owns or leases the equipment being used to generate electricity:

1. Is processing the gas beyond a simple separator (i.e. NGLs ARE being stripped out of the gas),

Then, the entity must be registered as a Downstream Gas Facility, providing the Financial Assurance required by Rule 703.d.

c. Depending on the volume of gas utilized and/or the stationary nature of the CCM equipment, an Air Pollution Emission Notice (APEN) permit through CDPHE-APCD may be required.

## **Additional Information**

### **Common Errors and Issues Encountered by ECMC Staff**

1. Gas Capture Plan not attached to the Form 2A, and Operator not committing to a gas gathering line.
2. N/A

### **General Notes**

1. **Combustion.** If gas is to be combusted during drilling, completions, or other routine operations as allowed in Rule 903, then it must be combusted through an enclosed combustor with 98% design destruction efficiency.

2. **Rule 903.** Rule 903.e. deals specifically with the above requirements for a Gas Capture Plan. The preceding sections of Rule 903 address flaring/venting that occurs during drilling and completions operations, routine maintenance, and upset conditions. See the Rule 903 Guidance Document for flaring/venting not related to the submission of a Gas Capture Plan with a Form 2A. See the Rule 903 Guidance Document for flaring/venting reporting requirements related to well operations.
3. **Local Government CCM regulations.** The Operator is required to comply with local regulation regarding CCM, regardless of approval of a Gas Capture Plan/OGDP with ECMC.

## Frequently Asked Questions

1. Is the ECMC encouraging cryptocurrency mining or datacenters for generative AI?  
ECMC Response: No. Gas must be “used or useful” on site.
2. N/A

## Document Change Log

Change Date	Description of Changes
April 17, 2025	Document created
August 6, 2025	Document updated
August 11, 2025	Reviewed, ADA accessibility verified, Prepared for publication

## **Appendix A - Associated Rules**

### **903.e. Gas Capture Plans.**

#### **(1) Gas Capture Plan Submission.**

- A. On a Form 2A, Oil and Gas Location Assessment the Operator will commit to connecting to a gathering system by the Commencement of Production Operations, or submit a gas capture plan as an attachment to their Form 2A, pursuant to Rule 304.c.(12).
- B. Gas capture plans will demonstrate compliance with the requirements of Rules 903.b-d and include the following information:
  - i. A description and map of the location of the closest or contracted natural gas gathering system or point of sale.
  - ii. The name of the company operating the closest or contracted natural gas gathering system.
  - iii. The Operator's plan for connecting their facility to a natural gas gathering system or otherwise putting gas to beneficial use, including:
    - aa. Discussion of potential rights of way issues;
    - bb. Construction schedules;
    - cc. Date of availability of the gas Gathering Line;
    - dd. Whether the nearest or contracted gas gathering system has capacity to accept the anticipated gas to be produced at the location at the time of application; and
    - ee. Options for beneficial use of natural gas that are alternatives to Flaring during production operations prior to connection to gas Gathering Lines, including, but not limited to: onsite use, natural gas liquid processing, electrical power generation,



gas to liquid, reinjection for enhanced oil recovery, or other options.

- iv. For a Wildcat (Exploratory) Well or if the Operator anticipates conducting a Production Evaluation or Productivity Test, a description of the planned Production Evaluation or Productivity Test and any issues related to the Operator's ability to connect to a gas Gathering Line.
  - v. Any anticipated safety risks that will require the Operator to allow gas to escape, rather than being captured or combusted during drilling operations, pursuant to Rule 903.b.(2).
  - vi. A description of operational best practices that will be used to minimize Venting during active and planned maintenance allowed pursuant to Rule 903.d.(1).B.vii. Procedures the Operator will employ to reduce the frequency of Well liquids unloading events.
  - viii. Anticipated volumes of liquids and gas production and a description of how separation equipment will be sized to optimize gas capture.
- (2) Verification. Operators will verify that their facility has been connected to a gathering line by submitting a Form 10, Certificate of Clearance pursuant to Rule 219.
- (3) Compliance. If an Operator does not connect its facility to a gathering line or otherwise put gas to beneficial use as described in the Operator's Form 2A or gas capture plan, the Director may require the Operator to shut in a Well until it is connected to a Gathering Line or the gas is put to beneficial use. The Operator may request a Commission hearing pursuant to Rule 503.g.(10), however, the Well will remain shut in until the Commission's hearing occurs.