From:	Methanestrategy, NM, NMENV
To:	Hayden, Maddy, NMENV
Subject:	Fw: [EXT] Flaring Alternative Technology
Date:	Tuesday, February 25, 2020 11:59:57 AM
Attachments:	Crusoe Informational Presentation 2.2020.pdf Crusoe DFM Case Studies.pdf

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From: Andrew Likens <andrew@crusoeenergy.com>
Sent: Monday, February 10, 2020 2:46 PM
To: Methanestrategy, NM, NMENV
Subject: [EXT] Flaring Alternative Technology

Hello there,

Crusoe Energy Systems would like to recommend the addition of Digital Flare Mitigation (DFM) to the chart of flaring alternative technologies as listed on page 172 of the MAP Technical Report from December of 2019.

- **Name & Description**: Digital Flare Mitigation (DFM) is the deployment of modular, mobile, energy-intensive data centers directly into the oilfield. DFM consumes the otherwise wasted gas on-site to fuel electrical generation, which powers the data centers.
- **Availability**: More than 10 deployments across ND, MT, WY, CO operating with multiple upstream companies, including private and public operators. Project sizes range from hundreds of thousands to millions of cubic feet per day.
- **Feasibility**: Commercially and technologically proven in the field today. Scalable, effective, creates on-site electricity demand for gas power generation. Can utilize full gas stream coming out of the separator by deploying rich burn generators or be used downstream of liquids recovery on dry gas. Currently operating on wells with BTU content ranging from 1,200 to 1,700 MMBTU/mcf
- **Cost Range**: Low. On-site monetization of electricity allows for one of the lowest cost structures of any flare reduction technology.

We would also like to suggest a concept for the tax code to incentivize flare reduction technologies of all kinds:

- Companies utilizing flare mitigation technology would be exempt from severance/production taxes on the volumes that would have otherwise been flared. Coupled with the other proposed mechanisms in the draft report, this minor tax incentive would continue to incentivize companies to leverage the technologies that exist today and help offset the associated costs. It also removes a potential barrier to

adoption of flare reducing technologies, because operators will have comfort that they will not face additional or unexpected taxes or costs related to flare mitigation.

I have also attached our informational presentation and case studies to give you more context on the technology. Please let me know if I can provide any further information.

Thanks,
Andrew

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Andrew Likens
VP of Business Development
Crusoe Energy Systems Inc.
949-422-9339 | www.crusoeenergy.com

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