

## Planning the Gathering System

Before a well can begin production, the well must be “tied in” to a regional gas transportation system through a gathering system pipeline. As soon as a new well location is selected, facility engineers begin planning for the pipeline. Effective planning for pipeline design and construction involves examining all aspects of construction. Some of the factors that are studied include land-use concerns (agricultural, forest, water ways, wet lands), possible historical and archeological impacts, any issues related to endangered species and of course construction costs. Through the permitting process an optimum route is finalized that takes into account all physical and environmentally limiting factors, landowner concerns, right-of-way negotiations and regulatory requirements.

If a new well is confirmed as economic to tie in, Fortuna Energy submits a notification of intent to the state regulatory authorities informing them of the plans to build well production facilities and a pipeline. The notice includes the required plans to minimize environmental impact, and ensure that the construction is in compliance with engineering and regulatory standards.

## Building the Well Facilities and Gathering System

When regulatory approval is received, Fortuna’s engineers meet with approved contractors to plan and safely execute the work. The contractor mobilizes equipment, materials and workers to the site. The wellsite facilities are designed to control pipeline pressure and separate the “free” or liquid water from the natural gas. Removing water from the gas stream is important to accurately meter the production from each well and to meet dryness specifications of the transportation pipelines. The facilities are built to ensure compliance with all engineering and regulatory standards, and are supervised by qualified staff.

The gas gathering pipeline is constructed according to New York State and federal pipeline construction codes. The construction activities are planned and executed to minimize environmental impact. Qualified Fortuna representatives are on site to inspect and ensure compliance with construction codes and industry standards. Once construction is complete, all facilities and piping are thoroughly tested before production begins.



*Pipeline crew at work*



*Installing pipeline*

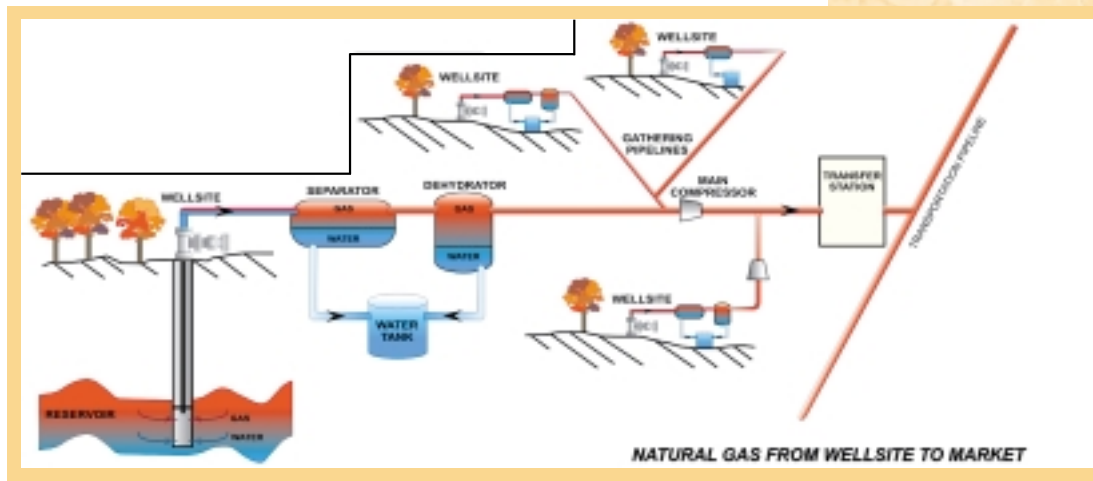
## Producing Natural Gas

Once a new well is fully equipped and connected into the gas gathering system, production can start. Initially driven by reservoir pressure, the gas flows from the well through the wellsite production facilities to remove water, regulate pressure and meter volume. Production facilities vary at each wellsite depending on well pressure and flow characteristics, but gas production is always measured at each wellsite prior to leaving the lease.

Gathering system pipelines connect all wells to one of the transfer stations where the gas is dehydrated to meet the regional transportation company's gas-quality specifications. At a transfer station the gas is again metered as it changes custody to the regional pipeline that transports the gas to a point of sale.



*A compression station*



At a later point in the life cycle of a well, a compression system may be added to compensate for decreasing reserve pressures and boost production. Compression is added between the well and transfer station to increase gas pressure to the level of the transportation pipeline.

While in service, regular inspection programs review all operational and functional performance standards of these facilities. Specially trained operators carefully monitor and attend to all operations round the clock. Fortuna is committed to high levels of performance in all areas of our operations and dedicated to ensuring they are conducted in a safe and environmentally responsible manner.

For further information,  
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