

## MANLEY GAS TESTING, INC.

P.O. DRAWER 193  
OFFICE(432)367-3024

FAX(432)367-1166

ODESSA, TEXAS 79760  
E-MAIL: MANLEYGAST@AOL.COMCHARGE..... 45 - 1  
REC. NO. .... 0  
TEST NUMBER.. 11847  
SAMPLE TYPE.. SPOTDATE SAMPLED..... 10-22-21  
DATE RUN..... 10-22-21  
FROM EFF. DATE..... 10-01-21  
TO EFF. DATE..... 10-31-21

STATION NO. ...

FLO-CAL ID.....

SAMPLE NAME.... WDDU - MEXICO J PRODUCTION GAS  
RECEIVED FROM.. SCOUT ENERGY  
LOCATION ..... ODESSA TEXAS

FLOWING PRESSURE ..... 14 PSIG

FLOWING TEMPERATURE ..... 68 F

SAMPLED BY: WS

ANALYZED BY. ... JT

FRACTIONAL ANALYSIS  
CALCULATED @ 14.730 PSIA AND 60F

|                     | MOL%     | GPM (REAL) |                           |
|---------------------|----------|------------|---------------------------|
| HYDROGEN SULFIDE... | 0.5000   |            |                           |
| NITROGEN.....       | 4.4315   |            |                           |
| CARBON DIOXIDE..... | 1.8389   |            |                           |
| METHANE.....        | 51.1622  |            |                           |
| ETHANE.....         | 16.9898  | 4.575      | H2S PPMV = 5000           |
| PROPANE.....        | 14.2783  | 3.960      |                           |
| ISO-BUTANE.....     | 1.2613   | 0.416      |                           |
| NOR-BUTANE.....     | 5.2584   | 1.669      |                           |
| ISO-PENTANE.....    | 0.8990   | 0.331      | 'Z' FACTOR (DRY) = 0.9931 |
| NOR-PENTANE.....    | 1.6158   | 0.590      | 'Z' FACTOR (WET) = 0.9926 |
| HEXANES +.....      | 1.7648   | 0.776      |                           |
| TOTALS .....        | 100.0000 | 12.317     |                           |

## ..CALCULATED SPECIFIC GRAVITIES..

IDEAL, DRY..... 1.0041  
IDEAL, WET ..... 0.9974  
REAL, DRY ..... 1.0107  
REAL, WET ..... 1.0044

## ..CALCULATED GROSS HEATING VALUES..

BTU/CF - IDEAL, DRY .... 1584.1  
BTU/CF - IDEAL, WET .... 1556.4  
BTU/CF - REAL, DRY .... 1595.1  
BTU/CF - REAL, WET .... 1568.0

## DISTRIBUTION AND REMARKS:

J. POOLE(P)

LOCAL USE ONLY

ANALYZED BY: JT

APPROVED: 

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ODESSA, TEXAS 79760  
E-MAIL: MANLEYGAST@AOL.COMCHARGE..... 45 - 1  
REC. NO. .... 0  
TEST NUMBER.. 11848  
SAMPLE TYPE.. SPOTDATE SAMPLED..... 10-22-21  
DATE RUN..... 10-22-21  
FROM EFF. DATE..... 10-01-21  
TO EFF. DATE..... 10-31-21

STATION NO. ...

FLO-CAL ID.....

SAMPLE NAME.... WDDU - WDDU PRODUCTION GAS  
RECEIVED FROM.. SCOUT ENERGY  
LOCATION ..... ODESSA TEXAS

FLOWING PRESSURE ..... 12 PSIG

FLOWING TEMPERATURE ..... 70 F

SAMPLED BY: WS

ANALYZED BY. ... JT

FRACTIONAL ANALYSIS  
CALCULATED @ 14.730 PSIA AND 60F

MOL% GPM (REAL)

|                     |          |        |
|---------------------|----------|--------|
| HYDROGEN SULFIDE... | 1.0000   |        |
| NITROGEN.....       | 3.5195   |        |
| CARBON DIOXIDE..... | 1.3309   |        |
| METHANE.....        | 51.5502  |        |
| ETHANE.....         | 15.7217  | 4.234  |
| PROPANE.....        | 14.8367  | 4.116  |
| ISO-BUTANE.....     | 1.5067   | 0.497  |
| NOR-BUTANE.....     | 5.7888   | 1.838  |
| ISO-PENTANE.....    | 1.1579   | 0.426  |
| NOR-PENTANE.....    | 1.5359   | 0.561  |
| HEXANES +.....      | 2.0517   | 0.901  |
| TOTALS .....        | 100.0000 | 12.573 |

H2S PPMV = 10000

'Z' FACTOR (DRY) = 0.9927

'Z' FACTOR (WET) = 0.9922

## ..CALCULATED SPECIFIC GRAVITIES..

|                  |        |
|------------------|--------|
| IDEAL, DRY.....  | 1.0202 |
| IDEAL, WET ..... | 1.0132 |
| REAL, DRY .....  | 1.0273 |
| REAL, WET .....  | 1.0208 |

## ..CALCULATED GROSS HEATING VALUES..

|                           |        |
|---------------------------|--------|
| BTU/CF - IDEAL, DRY ..... | 1626.9 |
| BTU/CF - IDEAL, WET ..... | 1598.4 |
| BTU/CF - REAL, DRY .....  | 1638.9 |
| BTU/CF - REAL, WET .....  | 1611.0 |

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APPROVED:





13800 Montfort Dr, Ste. 100  
Dallas, TX 75240  
972-277-1397 [www.scoutep.com](http://www.scoutep.com)

January 21, 2025

EMNRD  
1220 South St. Francis Drive  
Santa Fe, NM 87505

RE: Flaring Calculations or Specific Justification for the Volumes  
Coates

Scout Energy Management LLC would like to report a flaring event that started at 3:00 p.m. 01/01/2025 and ended at 3:00 p.m. 01/09/2025 for WDDU.

Calculations were not done as all volumes are true meter readings and are listed below:

- MEXICO J&L = 76.6 TOTAL MCFS

If there are any questions or concerns, please do not hesitate to contact our office.

Regards,

Lee Ellison  
[lellison@scoutep.com](mailto:lellison@scoutep.com)  
(972) 325-1096  
13800 Montfort Drive, Ste.100  
Dallas, TX 75240



13800 Montfort Dr, Ste. 100  
Dallas, TX 75240  
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February 24, 2025

Application for Exception to Statewide Rule 19.15.27.G.(a).

Re:               Statewide Rule Exception Request Documentation  
                    Scout Energy Management LLC. (760218)  
                    West Dollarhide Unit  
                    Lea County, New Mexico

Scout Energy Management LLC. is submitting a request to flare casinghead gas at Scout Leases due to Targa: The leases will be flaring commencing date 02/10/2025 at 10 a.m. through end date 02/18/2025. Scout has worked through multiple options to get the gas offloaded to another purchaser and determined that it will not be economically viable. Flaring for all leases documented is necessary for Scout to produce recoverable oil from wells.

If there are any questions or concerns, please do not hesitate to contact our office.

Regards,

Lee Ellison  
[lellison@scoutep.com](mailto:lellison@scoutep.com)  
(972) 497-2863  
13800 Montfort Drive, Ste.100  
Dallas, TX 75240

| A                                             | B              | C                 | D                  | E             | F        | G          | H                | I   | J   | K          | L                    | M        | N        | O        | P                   | Q      |
|-----------------------------------------------|----------------|-------------------|--------------------|---------------|----------|------------|------------------|-----|-----|------------|----------------------|----------|----------|----------|---------------------|--------|
| TANK<br>BATTERY                               | FACILITY<br>ID | FACILITY LOCATION |                    |               |          |            | TANK<br>CONTROLS |     |     |            | GAS-TO-OIL<br>RATIOS |          |          |          | FACILITY<br>PROCESS |        |
|                                               |                | UNIT<br>LETTER    | Area of<br>Section | Sect T&R      | LAT      | LONG       | CRU              | PW  | GB  | CAP<br>EFF | WBF                  |          | LL       |          | CRU                 | PW     |
|                                               |                |                   |                    |               |          |            |                  |     |     |            | CRU                  | PW       | CRU      | PW       |                     |        |
| FACILITY NAME                                 | ID             | UL                | Section Area       | Sect T&R      | N        | W          | Y/N              | Y/N | Y/N | %          | MSCF/BBL             | MSCF/BBL | MSCF/BBL | MSCF/BBL | Convey              | Convey |
| CC FRISTOE AB FEDERAL NCT 1 AND 2             | fgRL0916227708 | H                 | SE 1/4 of NE 1/4   | S35 T24S R37E | 32.17739 | -103.12867 | N                | N   | NA  | 0          | 0.1707               | 0.0005   | 0.0024   | 0.0023   | Trucked             | Piped  |
| COATES ABCD                                   | HPAC0600531498 | G                 | SW 1/4 of NE 1/4   | S24 T25S R37E | 32.11911 | -103.11289 | N                | N   | NA  | 0          | 0.0337               | 0.0004   | 0.0022   | 0.0001   | Trucked             | Piped  |
| GLERWIN BATTERY                               | fkJ1517650094  | O                 | SW 1/4 of SE 1/4   | S35 T24S R37E | 32.16997 | -103.12958 | N                | N   | N   | 0          | 0.0246               | 0.0033   | 0.0024   | 0.0001   | Trucked             | Piped  |
| MEXICO J AND L BATTERY 9                      | foY1829648635  | B                 | Lot 2              | S05 T25S R38E | 32.16314 | -103.08253 | N                | N   | NA  | 0          | 0.0165               | 0.0003   | 0.0025   | 0.0000   | Trucked             | Piped  |
| STATE BB AND L BZ NCT BATTERY                 | fjXK1532837187 | E                 | SE 1/4 of NW 1/4   | S02 T25S R37E | 32.16114 | -103.13797 | N                | N   | NA  | 0          | 0.0285               | 0.0005   | 0.0024   | 0.0001   | Trucked             | Piped  |
| WEST DOLLARHIDE DRINKARD UNIT CENTRAL BATTERY | fAPP2321233158 | D                 | NW 1/4 of NW 1/4   | S32 T24S R38E | 32.17944 | -103.08761 | Y                | N   | Y   | 95         | 0.0214               | 0.0002   | 0.0001   | 0.0005   | LACT                | Piped  |



13800 Montfort Dr, Ste. 100  
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972-277-1397 [www.scoutep.com](http://www.scoutep.com)

August 31, 2023

EMNRD  
1220 South St. Francis Drive  
Santa Fe, NM 87505

RE: Flaring Calculations or Specific Justification for the Volumes.

Scout Energy Management LLC would like to report a flaring event that started at 5:00 p.m. August 29, 2023 and ended at 4:59 p.m. August 30, 2023.  
Calculations were not done as all volumes are true meter readings and are listed below:

- Mexico J&L = 12.1 mcf/d – reported

If there are any questions or concerns, please do not hesitate to contact our office.

Regards,

Lee Ellison  
[lellison@scoutep.com](mailto:lellison@scoutep.com)  
(972) 325-1096  
13800 Montfort Drive, Ste.100  
Dallas, TX 75240

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

DEFINITIONS

Action 434697

DEFINITIONS

|                                                                                         |                                                            |
|-----------------------------------------------------------------------------------------|------------------------------------------------------------|
| Operator:<br><br>SCOUT ENERGY MANAGEMENT LLC<br>13800 Montfort Road<br>Dallas, TX 75240 | OGRID:<br><br>330949                                       |
|                                                                                         | Action Number:<br><br>434697                               |
|                                                                                         | Action Type:<br><br>[C-129] Venting and/or Flaring (C-129) |

DEFINITIONS

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>For the sake of brevity and completeness, please allow for the following in all groups of questions and for the rest of this application:</p> <ul style="list-style-type: none"><li>• this application's operator, hereinafter "this operator";</li><li>• venting and/or flaring, hereinafter "vent or flare";</li><li>• any notification or report(s) of the C-129 form family, hereinafter "any C-129 forms";</li><li>• the statements in (and/or attached to) this, hereinafter "the statements in this";</li><li>• and the past tense will be used in lieu of mixed past/present tense questions and statements.</li></ul> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS

Action 434697

**QUESTIONS**

|                                                                                     |                                                        |
|-------------------------------------------------------------------------------------|--------------------------------------------------------|
| Operator:<br>SCOUT ENERGY MANAGEMENT LLC<br>13800 Montfort Road<br>Dallas, TX 75240 | OGRID:<br>330949                                       |
|                                                                                     | Action Number:<br>434697                               |
|                                                                                     | Action Type:<br>[C-129] Venting and/or Flaring (C-129) |

**QUESTIONS**

|                                                                                                                                                                                                   |                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <b>Prerequisites</b><br><i>Any messages presented in this section, will prevent submission of this application. Please resolve these issues before continuing with the rest of the questions.</i> |                                             |
| Incident Well                                                                                                                                                                                     | Unavailable.                                |
| Incident Facility                                                                                                                                                                                 | [FOY1829648635] MEXICO J&L TANK BATTERY # 9 |

|                                                                                                                                                                                                                                                                                            |                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| <b>Determination of Reporting Requirements</b><br><i>Answer all questions that apply. The Reason(s) statements are calculated based on your answers and may provide additional guidance.</i>                                                                                               |                                                   |
| Was this vent or flare caused by an emergency or malfunction                                                                                                                                                                                                                               | Yes                                               |
| Did this vent or flare last eight hours or more cumulatively within any 24-hour period from a single event                                                                                                                                                                                 | Yes                                               |
| Is this considered a submission for a vent or flare event                                                                                                                                                                                                                                  | Yes, minor venting and/or flaring of natural gas. |
| <i>An operator shall file a form C-141 instead of a form C-129 for a release that, includes liquid during venting and/or flaring that is or may be a major or minor release under 19.15.29.7 NMAC.</i>                                                                                     |                                                   |
| Was there <b>at least 50 MCF</b> of natural gas vented and/or flared during this event                                                                                                                                                                                                     | Yes                                               |
| Did this vent or flare result in the release of <b>ANY</b> liquids (not fully and/or completely flared) that reached (or has a chance of reaching) the ground, a surface, a watercourse, or otherwise, with reasonable probability, endanger public health, the environment or fresh water | No                                                |
| Was the vent or flare within an incorporated municipal boundary or within 300 feet from an occupied permanent residence, school, hospital, institution or church in existence                                                                                                              | No                                                |

|                                                           |                |
|-----------------------------------------------------------|----------------|
| <b>Equipment Involved</b>                                 |                |
| Primary Equipment Involved                                | Pipeline (Any) |
| Additional details for Equipment Involved. Please specify | Not answered.  |

|                                                                                                                                                                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| <b>Representative Compositional Analysis of Vented or Flared Natural Gas</b><br><i>Please provide the mole percent for the percentage questions in this group.</i> |               |
| Methane (CH4) percentage                                                                                                                                           | 52            |
| Nitrogen (N2) percentage, if greater than one percent                                                                                                              | 4             |
| Hydrogen Sulfide (H2S) PPM, rounded up                                                                                                                             | 1             |
| Carbon Dioxide (CO2) percentage, if greater than one percent                                                                                                       | 1             |
| Oxygen (O2) percentage, if greater than one percent                                                                                                                | 0             |
| <i>If you are venting and/or flaring because of Pipeline Specification, please provide the required specifications for each gas.</i>                               |               |
| Methane (CH4) percentage quality requirement                                                                                                                       | Not answered. |
| Nitrogen (N2) percentage quality requirement                                                                                                                       | Not answered. |
| Hydrogen Sulfide (H2S) PPM quality requirement                                                                                                                     | Not answered. |
| Carbon Dioxide (CO2) percentage quality requirement                                                                                                                | Not answered. |
| Oxygen (O2) percentage quality requirement                                                                                                                         | Not answered. |

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QUESTIONS, Page 2

Action 434697

**QUESTIONS (continued)**

|                                                                                     |                                                        |
|-------------------------------------------------------------------------------------|--------------------------------------------------------|
| Operator:<br>SCOUT ENERGY MANAGEMENT LLC<br>13800 Montfort Road<br>Dallas, TX 75240 | OGRID:<br>330949                                       |
|                                                                                     | Action Number:<br>434697                               |
|                                                                                     | Action Type:<br>[C-129] Venting and/or Flaring (C-129) |

**QUESTIONS**

| Date(s) and Time(s)                            |            |
|------------------------------------------------|------------|
| Date vent or flare was discovered or commenced | 02/10/2025 |
| Time vent or flare was discovered or commenced | 10:00 AM   |
| Time vent or flare was terminated              | 10:00 AM   |
| Cumulative hours during this event             | 24         |

| Measured or Estimated Volume of Vented or Flared Natural Gas              |                                                                                                                                    |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Natural Gas Vented (Mcf) Details                                          | Cause: Midstream Emergency Maintenance   Pipeline (Any)   Natural Gas Vented   Released: 77 Mcf   Recovered: 0 Mcf   Lost: 77 Mcf. |
| Natural Gas Flared (Mcf) Details                                          | Not answered.                                                                                                                      |
| Other Released Details                                                    | Not answered.                                                                                                                      |
| Additional details for Measured or Estimated Volume(s). Please specify    | Not answered.                                                                                                                      |
| Is this a gas only submission (i.e. only significant Mcf values reported) | Yes, according to supplied volumes this appears to be a "gas only" report.                                                         |

| Venting or Flaring Resulting from Downstream Activity             |                                      |
|-------------------------------------------------------------------|--------------------------------------|
| Was this vent or flare a result of downstream activity            | Yes                                  |
| Was notification of downstream activity received by this operator | Yes                                  |
| Downstream OGRID that should have notified this operator          | [24650] TARGA MIDSTREAM SERVICES LLC |
| Date notified of downstream activity requiring this vent or flare | 02/10/2025                           |
| Time notified of downstream activity requiring this vent or flare | 07:00 AM                             |

| Steps and Actions to Prevent Waste                                                                                               |                    |
|----------------------------------------------------------------------------------------------------------------------------------|--------------------|
| For this event, this operator could not have reasonably anticipated the current event and it was beyond this operator's control. | True               |
| Please explain reason for why this event was beyond this operator's control                                                      | out of our control |
| Steps taken to limit the duration and magnitude of vent or flare                                                                 | 3rd party          |
| Corrective actions taken to eliminate the cause and reoccurrence of vent or flare                                                | 3rd party          |



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**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

ACKNOWLEDGMENTS

Action 434697

**ACKNOWLEDGMENTS**

|                                                                                     |                                                        |
|-------------------------------------------------------------------------------------|--------------------------------------------------------|
| Operator:<br>SCOUT ENERGY MANAGEMENT LLC<br>13800 Montfort Road<br>Dallas, TX 75240 | OGRID:<br>330949                                       |
|                                                                                     | Action Number:<br>434697                               |
|                                                                                     | Action Type:<br>[C-129] Venting and/or Flaring (C-129) |

**ACKNOWLEDGMENTS**

|                                     |                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> | I acknowledge that I am authorized to submit a <i>Venting and/or Flaring</i> (C-129) report on behalf of this operator and understand that this report can be a <b>complete</b> C-129 submission per 19.15.27.8 and 19.15.28.8 NMAC.                                                                                      |
| <input checked="" type="checkbox"/> | I acknowledge that upon submitting this application, I will be creating a new incident file (assigned to this operator) to track any C-129 forms, pursuant to 19.15.27.7 and 19.15.28.8 NMAC and understand that this submission meets the notification requirements of Paragraph (1) of Subsection G and F respectively. |
| <input checked="" type="checkbox"/> | I hereby certify the statements in this report are true and correct to the best of my knowledge and acknowledge that any false statement may be subject to civil and criminal penalties under the Oil and Gas Act.                                                                                                        |
| <input checked="" type="checkbox"/> | I acknowledge that the acceptance of any C-129 forms by the OCD does not relieve this operator of liability should their operations have failed to adequately investigate, report, and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment.                       |
| <input checked="" type="checkbox"/> | I acknowledge that OCD acceptance of any C-129 forms does not relieve this operator of responsibility for compliance with any other applicable federal, state, or local laws and/or regulations.                                                                                                                          |

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1220 S. St Francis Dr.  
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CONDITIONS

Action 434697

CONDITIONS

|                                                                                     |                                                        |
|-------------------------------------------------------------------------------------|--------------------------------------------------------|
| Operator:<br>SCOUT ENERGY MANAGEMENT LLC<br>13800 Montfort Road<br>Dallas, TX 75240 | OGRID:<br>330949                                       |
|                                                                                     | Action Number:<br>434697                               |
|                                                                                     | Action Type:<br>[C-129] Venting and/or Flaring (C-129) |

CONDITIONS

|            |                                                                                                                                                                                    |                |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Created By | Condition                                                                                                                                                                          | Condition Date |
| dfuentes   | If the information provided in this report requires an amendment, submit a [C-129] Amend Venting and/or Flaring Incident (C-129A), utilizing your incident number from this event. | 2/24/2025      |