

P.O. Box 10640 Bozeman, Montana 59719

(406) 460-0903

TO: Randy Pancheco, APWS; Jim Griswold, NMOCD

FROM: Curtis Shuck, Chairman

DATE: November 18, 2022

RE: Schwalbe #002 (30-025-25646) Orphan Well Pre-Plugging Methane Monitoring

TECHNICAL MEMORANDUM

The Well Done Foundation, Inc. (WDF) performing contract professional services methane monitoring for A-Plus Well Services, Inc. (APWS) for the State of New Mexico Energy, Minerals and Natural Resources Department – Oil Conservation Division (OCD) under Purchase Order #10000002000038AA for Orphan Oil & Gas Wells in Lea County, NM.

The site conditions found at Schwalbe #002 by the WDF Measure 1 Team on October 28, 2022, at 4:49 P.M. revealed a leaking wellhead with high concentrations of methane gas present and leaking by the production valve at the 2-3/8" tubing and from the 4" casing. The WDF Team performed field gas measurements, collected gas samples and performed a 18.2-hour Methane Emissions Flow Monitoring Test using Ventbuster™ Instruments VB100-052 Ultra-Low Flow Meter with GPS for site location verification.



Image 1.1 - Schwalbe #002 (30-025-25646) Lea County, New Mexico

The findings from the Pre-Plugging Methane Flow Monitoring Test, using Ventbuster™ Instruments VB100-052 Ultra-Low Flow Meter with GPS, resulted in 0.01 cubic meters of total measured wellhead emissions over the 18.2-hour period that established an average methane flow rate of <0.01 m3/day. WDF then isolated a 3.1-hour interval measurement within Test ID: b282f363, taken during normalized flow, that resulted in an average methane flow rate of 0.03 m3/d and 0.01 grams per hour (g/hour). A composite gas sample was collected at the wellhead by WDF during the methane flow test beginning on October 28, 2022, and at the end of the methane flow test on October 29, 2022, approximately 18.2-hours later. Methane gas concentration levels were measured at 9,010 ppm, pursuant to Test ID 2022059558 performed by Laboratory Services of Hobbs, NM on November 1, 2022, at 3:55 P.M. Therefore, the average methane gas emission measured at this wellhead is calculated at <0.01 grams per hour (g/hour).¹ The peak methane gas emission was recorded at 10:00 A.M. on October 29, 2022 and would indicate that this orphan well has a much higher emission rate potential of 0.01 grams per hour (g/hour) and beyond.

^{• 1} Methane Calculation: 554 grams CH4 per cubic meter (554 x 0.03 = 16.62 g/day total /24 = 0.69 g/hour x 0.009010 (methane concentration) = <0.01 g/hour CH4). Methane, gas weighs 0.000554 gram per cubic centimeter or 0.554 kilogram per cubic meter, i.e. density of methane, gas is equal to 0.554 kg/m³; at 0°C (32°F or 273.15K) at standard atmospheric pressure. In Imperial or US customary measurement system, the density is equal to 0.0346 pound per cubic foot [lb/ft³], or 0.0003202 ounce per cubic inch [oz/inch³].

This orphan well does not exceed the >1 g/hour federal program reporting requirements for methane emissions reductions as described in Section 40601 (Orphaned well site plugging, remediation, and restoration) of Title V (Methane Reduction Infrastructure) of the 2021 Bipartisan Infrastructure Law (BIL; Public Law 117-58)².



Interval Report

Interval Start Date: Saturday, October 29th, 2022, 7:52 AM MDT Interval End Date: Saturday, October 29th, 2022, 11:01 AM MDT

Device: VB100-0052
Well Licensee: NMOCD
Well Name: Schwalbe #002
UWI: 30-025-25646

Well License Number: 30-025-25646
Surface Location: Lea County - Private
Bottom Hole Location: unknown

Test Operator: Francis Vernwald
Authorized By: NMOCD

Test Reason: IIJA Pre Plug **Scope Of Work:** 12-Hour

AFE Number: NMOCD038AA / APWS22.001

GPS: 33.51428,-103.15589

Notes: GTG

Flow Test

Average Flowrate **0.03**

m3/d

0.01 g/ hour

Average Flow Temperature 13.8

°C

Average Flow Pressure

-1.8
kPag

Flow Duration

3.1

hours

Image 2.1 – Schwalbe #002 (30-025-25646) Methane Monitoring Dashboard

BACKGROUND

The Schwalbe #002 (30-025-25646) Orphan Well is located in Lea County, NM at Latitude 33.514259, Longitude - 103.158533 was measured and monitored by the WDF Field Team on 10/28-29/2022 following a Safety Briefing. Per the WDF protocol, the GPS coordinates were updated and the well was photographed from four (4) compass point aspects and closeups capturing the wellhead, field gas analysis results and gas sampling and uploaded to the WDF Well Intel™ IoT site. A Field Gas Analysis was conducted to detect Methane and H2s gas presence and concentration levels using a Honeywell BW Quattro Multi Gas Meter, serial number: QA121-012211.

² These April 11, 2022 Guidelines were developed to meet the federal program reporting requirements for methane emissions reductions as described in Section 40601 (Orphaned well site plugging, remediation, and restoration) of Title V (Methane Reduction Infrastructure) of the 2021 Bipartisan Infrastructure Law (BIL; Public Law 117-58).

² | Page

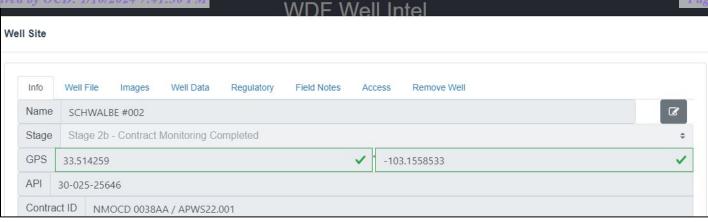


Image 3.1 – WDF Well Intel™ Orphan Well Project Management IoT

The WDF Field Team collected Gas Sample #1 and #2 using a 1 Liter Tedlar/TO-Plus Gas Sampling Bag from the 2-3/8" production tubing which was flowing gas past the valve and at the 4" casing port at the beginning of the Flow Test at approximately 4:02 P.M MDT on 10.28.2022 as the well was being prepared for the Preliminary Flow Measurement. Gas Sample #2 was collected in the same 1 Liter Tedlar Bag on 10.29.2022 before the Preliminary Flow Test was concluded 10:54 A.M. MDT. The collected Gas Sample was secured and placed in a storage cooler for transport to Laboratory Services, Inc. in Hobbs, NM.

WDF rigged up the Ventbuster™ Instruments VB100-052 Continuous Ultra-Low Flow Meter with GPS for testing site confirmation for a minimum 12-Hour Methane Emission Test and began Test ID: b282f363, verifying a cellular signal, cloud link and GPS coordinates on October 28, 2022.

WDF returned to location on 10.29.2022 (approximately 18.2-hours) to conclude the Pre-Plugging Methane Emission Flow Test and rig the VB100-052 down and secure the wellhead. A "Green Ribbon" was placed at the Wellhead indicating that WDF had concluded the Pre-Plugging Methane Flow testing.

TECHNICAL FINDINGS

Schwalbe #002 (30-025-25646):

- Total C1 through C6 Gas Concentration: 12,830 ppm
- Total Measured Wellhead Gas Emissions: 0.01 m3/day
- Methane Gas Concentration: 9,010 ppm
- Calculated Average Wellhead Methane Gas Emissions: 0.01 g/hour
- Peak Methane Flow Measured at: 0.01 g/hour



Image 4.1 – Schwalbe #002 (30-025-25646) Methane Flow/Pressure/Temperature Timeseries & Peak Flow

CONCLUSIONS

- The Schwalbe #002 (30-025-25646) is currently emitting Methane at the average rate of 0.01 g/hour, which is below the Federal minimum threshold for reporting described in Section 40601 (Orphaned well site plugging, remediation, and restoration) of Title V (Methane Reduction Infrastructure) of the 2021 Bipartisan Infrastructure Law (BIL; Public Law 117-58) which is >1g/hour.
- WDF did capture a Methane Flow Peak at 0.01 m3/day recorded at 10:00 A.M on October 29, 2022, which indicates a much higher potential for Methane Emissions that exceed the Federal minimum threshold, therefore plugging of this well however should be a priority in the NMOCD schedule.

FIELD NOTES

| # | Date | Note |
|---|----------------|--|
| 1 | 2022-10- 28 | WDF Measure 1 Team on the Schwalbe #002 location at 4:30 PM to take site photos, perform Methane Field Gas detection test, collect gas samples for laboratory analysis . Rig up VB100-052 and confirm live test in progress. |
| 2 | 2022-10- 29 | WDF Measure 1 back on location of the Schwalbe #002. Collect gas sample #2. Close out Methane Flow Test and rig down VB100-052. Place green ribbon @ Well and secure location. WILDCATS OUT! |

Image 4.2 – Schwalbe #002 (30-025-25646) Field Notes from WDF Well Intel™ Orphan Well Project Management IoT

Appendix A – Site Photos for Schwalbe #002 (30-025-25646)



1) Schwalbe #002 (30-025-25646) - North Facing



2) Schwalbe #002 (30-025-25646) - East Facing



3) Schwalbe #002 (30-025-25646) - Well Head



4) Schwalbe #002 (30-025-25646) - Gas Sample

www.permianls.com 575.397.3713 2609 W Marland Hobbs NM 88240



| 151910 | ì | Schawlbe #002 Pre Plug | | | | Schawlb | e #002 Pre Plug | | |
|---------------------------------------|--------------------|------------------------|--|--------------------------------|------------|--|---|---------------|-----------------------------|
| Sample Point Code | | | | Sample Point Na | ime | | | Sampl | e Point Location |
| | | | | | | | | | |
| Laboratory Services | | | 2022059558 | | Tedlar Bag | | | Dave F - Spot | |
| Sour | Source Laboratory | | | Lab File No Container Identity | | ner Identity | Sampler | | |
| USA | | | USA | | USA | | | New Mexico | |
| District | | | Area Name | | Field Name | | | Facility Name | |
| Oct 28, 2 | 2022 17:28 | 3 | Oct 28, 2022 17:28 | | | Nov 1, 2022 06:53 | | | Nov 1, 2022 |
| Date | Sampled | | Date Effective | | | Date Received | | | Date Reported |
| | | | Torrand | <u>ce</u> | | | | | |
| Ambient Temp (°F) | Flo | w Rate (Mcf) | Analyst | i | | ess PSI @ Temp °F Source Conditions | | | |
| Well Don | ne Foundat | ion | | | | | | NG | |
| 0 | perator | | | | | | | Lab Source De | scription |
| Component | | Normalized Mol % | Un-Normalized Mol % | GPM | | Gr 14.696 PSI (| oss Heating Val | - | TU/ft³) 3 PSI @ 60.00 °F |
| H2S (H2S) | | 0.0000 | 0 | | 11 | Dry | Saturated | Dry | Saturated |
| Nitrogen (N2 | ') | 98.6690 | 98.66908 | | ┑┝ | 25.8 | 26.2 | 25.9 | 26.3 |
| CO2 (CO2) | -7 | 0.0480 | 0.04764 | | ┪╽ | | Calculated Total S GPA2145-16 *Calculate | | |
| Methane (C1 | ` | 0.9010 | 0.90121 | | ┥╽ | | ensity Real | | itive Density Ideal |
| | | 0.0770 | 0.07701 | 0.0210 | ┥╽ | | 702 r Weight | | 0.9703 |
| Ethane (C2) | | | | | \dashv | | 1057 | | |
| Propane (C3) | - | 0.0160 | 0.01615 | 0.0040 | ┪╒ | | C6+ Grout | Properties | |
| I-Butane (IC4 | 1) | 0.0000 | 0 | 0.0000 | 4 | Assumed Composition | | | |
| N-Butane (NC | 4) | 0.0000 | 0 | 0.0000 | ╛╚ | C6 - 60.000 | % C7 - 30 | .000% | C8 - 10.000% |
| I-Pentane (IC | 5) | 0.0000 | 0 | 0.0000 | ╛╽ | | | H2S | |
| N-Pentane (NC5) | | 0.0000 | 0 | 0.0000 | ╛╽ | | 0 1 | PPM | |
| Hexanes Plus (C6+) | | 0.2890 | 0.28892 | 0.1250 | | OTREND STATUS | | DAT | A SOURCE: |
| TOTAL | | 100.0000 | 100.0000 | 0.1500 | | | or on Nov 1, 20 | | orted |
| Method(s): Gas C6+ - GPA 226 | 51, Extended G | as - GPA 2286, Calcula | itions - GPA 2172 | | | ssed by valida se enough to b | TOR REASON: be considered re | asonable. | |
| | Α | nalyzer Informa | tion | | | LIDATOR: | | | |
| Device Type: Gas 0 Device Model: GC-2 | Chromatogr 2014 | • | ce Make: Shimadzu Cal Date: Sep 26, 2022 | | | s Cano LIDATOR COMMI | ENTS: | | |
| Source | Dat | te | Notes | | | | | | |
| Luis Cano | | | Methane PPM: 9,0 | 10 | | | | | |

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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

DEFINITIONS

Action 302413

DEFINITIONS

| Operator: | OGRID: | | |
|------------------|---|--|--|
| ROBINSON OIL INC | 37636 | | |
| P.O. Box 1829 | Action Number: | | |
| Eunice, NM 88231 | 302413 | | |
| | Action Type: | | |
| | [UF-OMA] Pre-Plug Methane Monitoring (UF-OMA-MMA) | | |

DEFINITIONS

The Orphan Well Mitigation Activity (OMA) forms are a subset of the OCD's forms exclusively designed for activities related to State of New Mexico's contracted plugging and reclamation activities. Specifically, these forms are used for orphan wells or associated facilities which are in a "Reclamation Fund Approved" status. This status represents wells or facilities where the OCD has acquired a hearing order allowing the OCD to perform plugging or reclamation on wells and associated facilities that no longer have a viable operator to perform the necessary work. These forms are not to be utilized for any other purpose.

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QUESTIONS

Action 302413

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| | [UF-OMA] Pre-Plug Methane Monitoring (UF-OMA-MMA) |

QUESTIONS

| Prerequisites | | |
|----------------------------|------------------------------|--|
| [OGRID] Well Operator | [37636] ROBINSON OIL INC | |
| [API] Well Name and Number | [30-025-25646] SCHWALBE #002 | |
| Well Status | Reclamation Fund Approved | |

| Monitoring Event Information | | |
|--|-----------------------------|--|
| Please answer all the questions in this group. | | |
| Reason For Filing | Pre-Plug Methane Monitoring | |
| Date of monitoring | 10/28/2022 | |
| Latitude | 33.514259 | |
| Longitude | -103.158533 | |

| Monitoring Event Details | | |
|---|--------------|--|
| Please answer all the questions in this group. | | |
| Flow rate in cubic meters per day (m³/day) | 0.03 | |
| Test duration in hours (hr) | 3.1 | |
| Average flow temperature in degrees Celsius (°C) | 13.8 | |
| Average gauge flow pressure in kilopascals (kPag) | -1.8 | |
| Methane concentration in part per million (ppm) | 9,010 | |
| Methane emission rate in grams per hour (g/hr) | 0.01 | |
| Testing Method | Steady State | |

| | Monitoring Contractor | | |
|--|-------------------------------|--------------------------|--|
| Please answer all the questions in this group. | | | |
| | Name of monitoring contractor | Well Done New Mexico LLC | |