



ARMSTRONG GAS LABS, INC.

P.O. Box 988
 Monahans, Texas 79756
 (432) 943-8844 (FAX) 943-8855

GAS ANALYSIS REPORT

Analysis No.: 241265
 Customer: **LARIO OIL & GAS**

| <u>Component</u> | <u>Mol. %</u> | <u>(Ideal) BTU</u> | <u>(Ideal) SG</u> | <u>(Real) GPM</u> | |
|------------------|-----------------|--------------------|-------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nitrogen | 3.1454 | 0.000 | 0.030 | | Producer: Well / Sta. Name: SKYDWELLER 14 ST COM 607 PROD Sta. No.: 02336 Formation: Field: County: Spot / Composite: Spot Date / Time On: Date / Time Off: 04/24/24 09:29 AM Date to Lab: 04/25/24 Date Analyzed: 04/25/24 Sample Press. (PSIG): 108 Line Press. (PSIG): 108 Sample Temp. (F): 108 Fl. Gas Temp. (F): 108 Amb. Temp. (F): 74 Del. To: Sampled By: RO Cylinder No.: AGL-183 |
| Methane | 59.7726 | 601.814 | 0.331 | | |
| CO2 | 0.6013 | 0.000 | 0.009 | | |
| Ethane | 18.1223 | 319.706 | 0.188 | 4.845 | |
| H2S | 0.2600 | 0.000 | 0.003 | | |
| Propane | 11.5089 | 288.669 | 0.175 | 3.170 | |
| Iso-Butane | 1.2601 | 40.849 | 0.025 | 0.412 | |
| Butane | 3.0353 | 98.711 | 0.061 | 0.957 | |
| Iso-Pentane | 0.7009 | 27.955 | 0.017 | 0.256 | |
| Pentane | 0.6405 | 25.595 | 0.016 | 0.232 | |
| Hexanes C6+ | 0.9527 | 48.713 | 0.031 | 0.416 | |
| H2O | 0.0000 | 0.000 | 0.000 | | |
| Hydrogen | N/A | | | | |
| Helium | N/A | | | | |
| Oxygen | N/A | | | | |
| CO | N/A | | | | |
| Totals | 100.0000 | 1452.012 | 0.887 | 10.288 | |

Field H2O (#/mm):

Field H2S (PPM): 2,600.0
 Field H2S (Grains): 163.62

Pressure Base: 14.65
Temp. Base: 60

Z Factor (Dry): 0.9946241
 Z Factor (Act.): 0.9946241

Dry BTU (Real): 1459.86
Sat. BTU (Real): 1434.94
H2O (# / mmcf):
As Del. BTU (Real):

Sp. Gravity (Real): 0.8918
 Field Gravity:
 Lab Gravitometer:

GPM Ethane+ (Real): 10.288
GPM Propane+ (Real): 5.443
GPM IC5+ (Real): 0.904

GPA 2145 / 2172

Fld. Remarks:

Lab Remarks:

FLARING SUMMARY

| Battery | Date | Total Flare Vol (mcf) | Hrs Flared | Start | | End | |
|----------------------|------------|-----------------------|------------|------------|---------|------------|---------|
| SkyDweller North CTB | 02/19/2026 | 72 | 24 | 02/19/2026 | 12:00AM | 02/19/2026 | 12:00AM |

High O2 sensor readings on the midstream system resulted in excess gas routed to flare. Gas volumes measured by HP & LP flare meters. Field staff adjusting setpoints to mitigate high O2 and reduce flare volume.

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 556722

DEFINITIONS

| | |
|----------------------------------------------------------------------------|--------------------------------------------------------|
| Operator: LARIO OIL & GAS CO 260 N. Josephine St Denver, CO 80206 | OGRID: 13089 |
| | Action Number: 556722 |
| | Action Type: [C-129] Venting and/or Flaring (C-129) |

DEFINITIONS

For the sake of brevity and completeness, please allow for the following in all groups of questions and for the rest of this application:

- this application's operator, hereinafter "this operator";
- venting and/or flaring, hereinafter "vent or flare";
- any notification or report(s) of the C-129 form family, hereinafter "any C-129 forms";
- the statements in (and/or attached to) this, hereinafter "the statements in this";
- and the past tense will be used in lieu of mixed past/present tense questions and statements.

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QUESTIONS

Action 556722

QUESTIONS

| | |
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QUESTIONS

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Prerequisites | |
| <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 | [30-025-51528] SKY DWELLER 14 STATE COM #607H |
| Incident Facility | Unavailable. |

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Determination of Reporting Requirements | |
| <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 at least 50 MCF of natural gas vented and/or flared during this event | Yes |
| Did this vent or flare result in the release of ANY 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 |

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

| | |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Representative Compositional Analysis of Vented or Flared Natural Gas | |
| <i>Please provide the mole percent for the percentage questions in this group.</i> | |
| Methane (CH4) percentage | 60 |
| Nitrogen (N2) percentage, if greater than one percent | 3 |
| Hydrogen Sulfide (H2S) PPM, rounded up | 2,600 |
| 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 556722

QUESTIONS (continued)

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| | Action Type: [C-129] Venting and/or Flaring (C-129) |

QUESTIONS

| Date(s) and Time(s) | |
|------------------------------------------------|------------|
| Date vent or flare was discovered or commenced | 02/19/2026 |
| Time vent or flare was discovered or commenced | 12:00 AM |
| Time vent or flare was terminated | 12:00 AM |
| Cumulative hours during this event | 24 |

| Measured or Estimated Volume of Vented or Flared Natural Gas | |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Natural Gas Vented (Mcf) Details | Not answered. |
| Natural Gas Flared (Mcf) Details | Cause: Midstream Emergency Maintenance Pipeline (Any) Natural Gas Flared Released: 72 Mcf Recovered: 0 Mcf Lost: 72 Mcf. |
| 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 | No |
| Downstream OGRID that should have notified this operator | [333151] Lea Midstream, LLC |
| Date notified of downstream activity requiring this vent or flare | Not answered. |
| Time notified of downstream activity requiring this vent or flare | Not answered. |

| 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 | Maintenance on the midstream line O2 sensor resulted in gas routed to flare. |
| Steps taken to limit the duration and magnitude of vent or flare | Field staff adjusting setpoints mitigate flare volumes. |
| Corrective actions taken to eliminate the cause and reoccurrence of vent or flare | Evaluating alternative midstream options and on-site gas use options. |

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ACKNOWLEDGMENTS

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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 complete 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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CONDITIONS

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CONDITIONS

| Created By | Condition | Condition Date |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| ryanb | 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. | 2/23/2026 |