

## 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: 

## MANLEY GAS TESTING, INC.

P.O. DRAWER 193  
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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 |

## DISTRIBUTION AND REMARKS:

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ANALYZED BY: JT

APPROVED:





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

May 4, 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 9:00 a.m. Saturday April 22, 2023 and ended at 8:59 p.m. Sunday April 23, 2023. Calculations were not done as all volumes are true meter readings and are listed below:

- 04/22/2023 = State = 133 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



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

May 4, 2023

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, Frisco, State BB & L, Erwin,  
Lea County, New Mexico

Scout Energy Management LLC. is submitting a request to flare casinghead gas at the following lease facilities: The leases above will be flaring for 7 to possibly 10 days, commencing date Saturday 04/22/2023 at 9:00 a.m. through end date Sunday 04/23/2023. The flaring is due to our gas purchaser, Targa Midstream, shutting down their system for repairs. 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



MICHELLE LUJAN GRISHAM  
GOVERNOR

JAMES C. KENNEY  
CABINET SECRETARY

November 17, 2022

Sent by Certified Mail  
**No Return Receipt Required**

Glenda De Leon  
Sr Air Quality Specialist  
Scout Energy Management LLC  
13800 Montfort Drive  
Suite 100  
Dallas, TX 75240

Notice of Intent No. 9775  
Agency Interest No. 40795 - PRN20220001  
CC Fristoe AB Federal NCT 1 and 2  
AIRS No. 350252321

Dear Glenda De Leon:

This letter acknowledges the receipt of your Air Quality Bureau Notice of Intent (NOI) form dated October 10, 2022 for an Oil & Gas facility in New Mexico. The notice was received by the Department on October 21, 2022.

Construction or modification may commence 5.6 mi NE of Jal in Lea County at latitude and longitude decimal degrees: 32.177389, -103.128667, as represented in the notice. Any changes in the method of operation or addition of more units at the site may constitute a modification, which requires the Department's prior review for construction and/or operation. This NOI determination was based upon the information provided in the NOI forms. The sources, when constructed, will be subject to inspection.

In the event of any change in ownership or operator of this facility, the new owner or operator shall notify the Department in writing within thirty (30) days of that change. This facility will be subject to periodic emissions inventory reporting per 20.2.73.300 NMAC.

Based on the information provided in the submitted NOI, the Department has determined that the potential emission rate (PER) of any regulated air pollutant from this facility for which there is a National or New Mexico Ambient Air Quality Standard is less than ten (10) pounds per hour and twenty-five (25) tons per year. Therefore, in accordance with Title 20, Chapter 2, Part 72 of the New Mexico Administrative Code (20.2.72 NMAC), an air quality permit is not required, and construction may commence. Because the potential emission rate is greater than ten (10) tons per year, this facility is subject to 20.2.73 NMAC. The submitted forms will serve as the Notice of Intent in accordance with 20.2.73.200.A. NMAC.

In addition to 20.2.73 NMAC, this facility may be subject to additional state and federal regulations *such as* those found in Table 1. **The review of an NOI does not constitute a determination of regulatory applicability, regardless of statements of anticipated applicability made in the forms.** It is the permittee's responsibility to determine applicability and to comply with all applicable regulations.

**Table 1: Other Regulations**

| Citation     | Title                          |
|--------------|--------------------------------|
| 20.2.38 NMAC | Hydrocarbon Storage Facilities |

Scout Energy Management LLC  
 CC Fristoe AB Federal NCT 1 and 2 - NOI No. 9775  
 November 17, 2022

Page 2 of 3

| Citation                | Title                                                                                                                                                                                                                        |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20.2.61 NMAC            | Smoke and Visible Emissions                                                                                                                                                                                                  |
| 20.2.70 NMAC            | Operating Permits                                                                                                                                                                                                            |
| 40 CFR 60 Subpart IIII  | Standards of Performance for Stationary Compression Ignition Internal Combustion Engines                                                                                                                                     |
| 40 CFR 60 Subpart JJJJ  | Standards of Performance for Stationary Spark Ignition Internal Combustion Engines                                                                                                                                           |
| 40 CFR 60 Subpart Ka    | Standards of Performance for Storage Vessels for Petroleum Liquids for Which Construction, Reconstruction, or Modification Commenced After May 18, 1978, and Prior to July 23, 1984                                          |
| 40 CFR 60 Subpart Kb    | Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels) For Which Construction, Reconstruction, or Modification Commenced After July 23, 1984                      |
| 40 CFR 60 Subpart OOOO  | Standards of Performance for Crude Oil and Natural Gas Production, Transmissions and Distribution for which Construction, Modification or Reconstruction Commenced After August 23, 2011 and on or before September 18, 2015 |
| 40 CFR 60 Subpart OOOOa | Standards of Performance for Crude Oil and Natural Gas Facilities for which Construction, Modification or Reconstruction Commenced After September 18, 2015                                                                  |
| 40 CFR 63 Subpart HH    | National Emission Standards for Hazardous Air Pollutants from Oil and Natural Gas Production Facilities                                                                                                                      |
| 40 CFR 63 Subpart ZZZZ  | National Emissions Standards for Hazardous Air Pollutants (NESHAP) for Stationary Reciprocating Internal Combustion Engines                                                                                                  |

**Note:** Some New Mexico state regulations are not federally enforceable (e.g., 20.2.35 and 20.2.38 NMAC) and while these regulations can be used for determining the PER, they cannot be used in determining facility-wide potential to emit (PTE) unless included in a federally enforceable permit, such as a 20.2.72 NMAC permit. Applicability of 20.2.70 NMAC (Title V) and 20.2.74 NMAC (PSD) is based on PTE and it is the permittee's responsibility to determine applicability of these regulations. Note that this determination could result in additional permitting requirements under 20.2.70 NMAC and/or 20.2.74 NMAC and, thus, applicability of these regulations should be considered.

Before any asbestos demolition or renovation work, you shall determine whether 40 CFR 61 Subpart M, National Emission Standard for Asbestos applies.

If you have any questions, please call me in Santa Fe at 505-216-2955.

Sincerely,

Asheley Coriz  
 Air Permit Specialist  
 Permit Section  
 Air Quality Bureau

Scout Energy Management LLC  
CC Fristoe AB Federal NCT 1 and 2 - NOI No. 9775  
November 17, 2022

Page 3 of 3

cc by email: Melissa Daks, Montrose Environmental Solutions, Inc @ [mjdakas@montrose-env.com](mailto:mjdakas@montrose-env.com)

| WELL NAME                     | HOLE<br>DIRECT | FIELD<br>CODE | API          | WELL<br>TYPE | COUNTY | SURFACE<br>LATITUDE |
|-------------------------------|----------------|---------------|--------------|--------------|--------|---------------------|
| FRISTOE                       | VERTICAL       | U88           | 300252318400 | OIL WELL     | LEA    | 32.18458            |
| FRISTOE, C. C. -A- FED. NCT-1 | VERTICAL       | U88           | 300253338200 | OIL WELL     | LEA    | 32.16984            |
| FRISTOE, C. C. -A- FED. NCT-1 | VERTICAL       | U88           | 300253405301 | OIL WELL     | LEA    | 32.18458            |
| FRISTOE, C. C. -A- FED. NCT-1 | VERTICAL       | U88           | 300251136800 | OIL WELL     | LEA    | 32.16984            |
| FRISTOE, C. C. -B- FED. NCT-1 | VERTICAL       | U88           | 300253400900 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300252203200 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300252346600 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300253314500 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300253323500 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300253338300 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300253338301 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE CC -A- FED NCT-1      | VERTICAL       | U88           | 3002535430   | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300253374400 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300253380400 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300253401000 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300253405400 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300253482100 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300253523900 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300253598300 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300253895300 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 300252092800 | OIL WELL     | LEA    | 32.18838            |
| FRISTOE, C. C. -B- FED. NCT-2 | VERTICAL       | U88           | 3002535589   | OIL WELL     | LEA    | 32.18838            |
| FRSTO B NCT 2 -4 LM7QG        | VERTICAL       | U88           | 300251136900 | OIL WELL     | LEA    | 32.18838            |

| <b>SURFACE<br/>LONGITUDE</b> | <b>BOTTOMH<br/>OLE<br/>LATITUDE</b> | <b>BOTTOMH<br/>OLE<br/>LONGITUDE</b> | <b>FIELD NAME</b>      | <b>Battery</b> | <b>STATUS</b> |
|------------------------------|-------------------------------------|--------------------------------------|------------------------|----------------|---------------|
| -103.09839                   | 32.16501                            | -103.08745                           | SEVEN RVR QN GRBG      | Fristo         | ACTIVE        |
| -103.09389                   | 32.16501                            | -103.08745                           | TUBB/DRINKARD/BLINEBRY | Fristo         | ACTIVE        |
| -103.09839                   | 32.16501                            | -103.08745                           | TUBB/DRINKARD          | Fristo         | ACTIVE        |
| -103.09389                   | 32.16501                            | -103.08745                           | 7RIVERS/QUEEN/GRAYBURG | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | TUBB/DRINKARD/BLINEBRY | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | 7RIVERS/QUEEN/GRAYBURG | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | 7RIVERS/QUEEN/GRAYBURG | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | TUBB/DRINKARD/BLINEBRY | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | TUBB/DRINKARD/BLINEBRY | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | 7RIVERS/QUEEN/GRAYBURG | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | TUBB/DRINKARD          | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           |                        | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | TUBB/DRINKARD/BLINEBRY | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | TUBB/DRINKARD/BLINEBRY | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | TUBB/DRINKARD/BLINEBRY | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | TUBB/DRINKARD/BLINEBRY | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | TUBB/DRINKARD/BLINEBRY | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | BLINEBRY               | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | 7RIVERS/QUEEN/GRAYBURG | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | 7RIVERS/QUEEN/GRAYBURG | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | 7RIVERS/QUEEN/GRAYBURG | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           |                        | Fristo         | ACTIVE        |
| -103.08598                   | 32.16501                            | -103.08745                           | 7RIVERS/QUEEN/GRAYBURG | Fristo         | ACTIVE        |

**District I**  
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  
**District IV**  
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 213606

DEFINITIONS

|                                                                                     |                                                        |
|-------------------------------------------------------------------------------------|--------------------------------------------------------|
| Operator:<br>SCOUT ENERGY MANAGEMENT LLC<br>13800 Montfort Road<br>Dallas, TX 75240 | OGRID:<br>330949                                       |
|                                                                                     | Action Number:<br>213606                               |
|                                                                                     | Action Type:<br>[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: <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> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**District I**

1625 N. French Dr., Hobbs, NM 88240  
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**District III**

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

**District IV**

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**

QUESTIONS

Action 213606

**QUESTIONS**

|                                                                                     |                                                        |
|-------------------------------------------------------------------------------------|--------------------------------------------------------|
| Operator:<br>SCOUT ENERGY MANAGEMENT LLC<br>13800 Montfort Road<br>Dallas, TX 75240 | OGRID:<br>330949                                       |
|                                                                                     | Action Number:<br>213606                               |
|                                                                                     | 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                                                                                                                                                                                     | [30-025-33169] STATE BB #003 |
| Incident Facility                                                                                                                                                                                 | Unavailable.                 |

|                                                                                                                                                                                                                                                                                            |                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| <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 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 <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 withing 300 feet from an occupied permanent residence, school, hospital, institution or church in existence                                                                                                             | No                                                |

|                                                           |                 |
|-----------------------------------------------------------|-----------------|
| <b>Equipment Involved</b>                                 |                 |
| Primary Equipment Involved                                | Production Tank |
| 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. |

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

QUESTIONS, Page 2

Action 213606

QUESTIONS (continued)

|                                                                                     |                                                        |
|-------------------------------------------------------------------------------------|--------------------------------------------------------|
| Operator:<br>SCOUT ENERGY MANAGEMENT LLC<br>13800 Montfort Road<br>Dallas, TX 75240 | OGRID:<br>330949                                       |
|                                                                                     | Action Number:<br>213606                               |
|                                                                                     | 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 | 04/22/2023 |
| Time vent or flare was discovered or commenced | 09:00 AM   |
| Time vent or flare was terminated              | 08:59 PM   |
| Cumulative hours during this event             | 24         |

| Measured or Estimated Volume of Vented or Flared Natural Gas              |                                                                                                                                      |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Natural Gas Vented (Mcf) Details                                          | Cause: Midstream Scheduled Maintenance   Pipeline (Any)   Natural Gas Vented   Released: 133 Mcf   Recovered: 0 Mcf   Lost: 133 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 | 03/16/2023                           |
| Time notified of downstream activity requiring this vent or flare | 03:14 PM                             |

| 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                                                      | unexpected pipeline repair by targa that rendered our sales |
| Steps taken to limit the duration and magnitude of vent or flare                                                                 | third party issue out of our control                        |
| Corrective actions taken to eliminate the cause and reoccurrence of vent or flare                                                | third party issue out of our control                        |

**District I**

1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**

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Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**

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ACKNOWLEDGMENTS

Action 213606

**ACKNOWLEDGMENTS**

|                                                                                     |                                                        |
|-------------------------------------------------------------------------------------|--------------------------------------------------------|
| Operator:<br>SCOUT ENERGY MANAGEMENT LLC<br>13800 Montfort Road<br>Dallas, TX 75240 | OGRID:<br>330949                                       |
|                                                                                     | Action Number:<br>213606                               |
|                                                                                     | 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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CONDITIONS  
  
Action 213606

CONDITIONS

|                                                                                     |                                                        |
|-------------------------------------------------------------------------------------|--------------------------------------------------------|
| Operator:<br>SCOUT ENERGY MANAGEMENT LLC<br>13800 Montfort Road<br>Dallas, TX 75240 | OGRID:<br>330949                                       |
|                                                                                     | Action Number:<br>213606                               |
|                                                                                     | 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. | 5/4/2023       |