

July 18, 2022

FESCO, Ltd.
1100 Fesco Ave. - Alice, Texas 78332

For: US Energy Development Corp.
1521 N. Cooper Street, Suite 400
Arlington, Texas 76011

Sample: Texaco 14 Fed No. 1
Heater Treater
Spot Gas Sample @ 28 psig & 85 °F

Date Sampled: 07/14/2022

Job Number: 222565.001

CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286

COMPONENT	MOL%	GPM
Hydrogen Sulfide*	0.004	
Nitrogen	2.952	
Carbon Dioxide	2.085	
Methane	67.852	
Ethane	13.101	3.591
Propane	7.205	2.034
Isobutane	0.868	0.291
n-Butane	2.517	0.813
2-2 Dimethylpropane	0.000	0.000
Isopentane	0.689	0.258
n-Pentane	0.784	0.291
Hexanes	0.604	0.255
Heptanes Plus	<u>1.339</u>	<u>0.528</u>
Totals	100.000	8.061

Computed Real Characteristics Of Heptanes Plus:

Specific Gravity ----- 3.266 (Air=1)
Molecular Weight ----- 94.15
Gross Heating Value ----- 5003 BTU/CF

Computed Real Characteristics Of Total Sample:

Specific Gravity ----- 0.852 (Air=1)
Compressibility (Z) ----- 0.9951
Molecular Weight ----- 24.56
Gross Heating Value
Dry Basis ----- 1399 BTU/CF
Saturated Basis ----- 1376 BTU/CF

*Hydrogen Sulfide tested on location by: Stain Tube Method (GPA 2377)
Results: 2.264 Gr/100 CF, 36.0 PPMV or 0.004 Mol %

Base Conditions: 15.025 PSI & 60 Deg F

Sampled By: (24) D. Field
Analyst: RG
Processor: AS
Cylinder ID: T-4582

Certified: FESCO, Ltd. - Alice, Texas

Conan Pierce 361-661-7015

FESCO, Ltd.

Job Number: 222565.001

**CHROMATOGRAPH EXTENDED ANALYSIS - GPA 2286
TOTAL REPORT**

COMPONENT	MOL %	GPM	WT %
Hydrogen Sulfide*	0.004		0.006
Nitrogen	2.952		3.367
Carbon Dioxide	2.085		3.736
Methane	67.852		44.323
Ethane	13.101	3.591	16.040
Propane	7.205	2.034	12.937
Isobutane	0.868	0.291	2.054
n-Butane	2.517	0.813	5.957
2,2 Dimethylpropane	0.000	0.000	0.000
Isopentane	0.689	0.258	2.024
n-Pentane	0.784	0.291	2.303
2,2 Dimethylbutane	0.004	0.002	0.014
Cyclopentane	0.000	0.000	0.000
2,3 Dimethylbutane	0.086	0.036	0.302
2 Methylpentane	0.178	0.076	0.625
3 Methylpentane	0.111	0.046	0.389
n-Hexane	0.225	0.095	0.790
Methylcyclopentane	0.162	0.059	0.555
Benzene	0.196	0.056	0.623
Cyclohexane	0.200	0.070	0.685
2-Methylhexane	0.030	0.014	0.122
3-Methylhexane	0.041	0.019	0.167
2,2,4 Trimethylpentane	0.000	0.000	0.000
Other C7's	0.119	0.053	0.481
n-Heptane	0.076	0.036	0.310
Methylcyclohexane	0.133	0.055	0.532
Toluene	0.146	0.050	0.548
Other C8's	0.122	0.058	0.548
n-Octane	0.022	0.012	0.102
Ethylbenzene	0.002	0.001	0.009
M & P Xylenes	0.015	0.006	0.065
O-Xylene	0.004	0.002	0.017
Other C9's	0.061	0.032	0.314
n-Nonane	0.006	0.003	0.031
Other C10's	0.001	0.001	0.006
n-Decane	0.002	0.001	0.012
Undecanes (11)	<u>0.001</u>	<u>0.001</u>	<u>0.006</u>
Totals	100.000	8.061	100.000

Computed Real Characteristics of Total Sample

Specific Gravity -----	0.852	(Air=1)
Compressibility (Z) -----	0.9951	
Molecular Weight -----	24.56	
Gross Heating Value		
Dry Basis -----	1399	BTU/CF
Saturated Basis -----	1376	BTU/CF

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Heater Treater
Spot Gas Sample @ 28 psig & 85 °F

Date Sampled: 07/14/2022

Job Number: 222565.001

GLYCALC FORMAT

COMPONENT	MOL%	GPM	Wt %
Carbon Dioxide	2.085		3.736
Hydrogen Sulfide	0.004		0.006
Nitrogen	2.952		3.367
Methane	67.852		44.323
Ethane	13.101	3.591	16.040
Propane	7.205	2.034	12.937
Isobutane	0.868	0.291	2.054
n-Butane	2.517	0.813	5.957
Isopentane	0.689	0.258	2.024
n-Pentane	0.784	0.291	2.303
Cyclopentane	0.000	0.000	0.000
n-Hexane	0.225	0.095	0.790
Cyclohexane	0.200	0.070	0.685
Other C6's	0.379	0.160	1.330
Heptanes	0.428	0.181	1.635
Methylcyclohexane	0.133	0.055	0.532
2,2,4 Trimethylpentane	0.000	0.000	0.000
Benzene	0.196	0.056	0.623
Toluene	0.146	0.050	0.548
Ethylbenzene	0.002	0.001	0.009
Xylenes	0.019	0.008	0.082
Octanes Plus	<u>0.215</u>	<u>0.107</u>	<u>1.019</u>
Totals	100.000	8.061	100.000

Real Characteristics Of Octanes Plus:

Specific Gravity ----- 4.036 (Air=1)
Molecular Weight ----- 116.33
Gross Heating Value ----- 6086 BTU/CF

Real Characteristics Of Total Sample:

Specific Gravity ----- 0.852 (Air=1)
Compressibility (Z) ----- 0.9951
Molecular Weight ----- 24.56
Gross Heating Value
Dry Basis ----- 1399 BTU/CF
Saturated Basis ----- 1376 BTU/CF

TEXACO 14 FEDERAL FLARE METER : 305

Daily

Date	Gas Flow	Hours Flowed	Comments
7/21/2022	37.9	24:00:00	Durango Midstream compressor dn due to mechanical issues.
7/20/2022	38.8	24:00:00	Durango Midstream compressor dn due to mechanical issues.
7/19/2022	36.7	22:00:00	Durango Midstream compressor dn due to mechanical issues.
7/18/2022	34	23:00:00	Durango Midstream compressor dn due to mechanical issues.
7/17/2022	38.4	24:00:00	Durango Midstream compressor dn due to mechanical issues.
7/16/2022	38.7	24:00:00	Durango Midstream compressor dn due to mechanical issues.
7/15/2022	38.3	24:00:00	Durango Midstream compressor dn due to mechanical issues.
7/14/2022	38.7	24:00:00	Durango Midstream compressor dn due to mechanical issues.
7/13/2022	39.1	24:00:00	Durango Midstream compressor dn due to mechanical issues.

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

DEFINITIONS

Action 128208

DEFINITIONS

Operator: U.S. ENERGY DEVELOPMENT CORPORATION 1521 N. Cooper St. Arlington, TX 76011	OGRID: 372759
	Action Number: 128208
	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 128208

QUESTIONS

Operator: U.S. ENERGY DEVELOPMENT CORPORATION 1521 N. Cooper St. Arlington, TX 76011	OGRID: 372759
	Action Number: 128208
	Action Type: [C-129] Venting and/or Flaring (C-129)

QUESTIONS**Prerequisites**

Any messages presented in this section, will prevent submission of this application. Please resolve these issues before continuing with the rest of the questions.

Incident Well	[30-025-29378] TEXACO 14 FEDERAL #001
Incident Facility	Not answered.

Determination of Reporting Requirements

Answer all questions that apply. The Reason(s) statements are calculated based on your answers and may provide additional guidance.

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, answer to "eight hours or more" suggests this is at least a minor event.

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.

Was there at least 50 MCF of natural gas vented and/or flared during this event	No
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 withing 300 feet from an occupied permanent residence, school, hospital, institution or church in existence	No

Equipment Involved

Primary Equipment Involved	Not answered.
Additional details for Equipment Involved. Please specify	Not answered.

Representative Compositional Analysis of Vented or Flared Natural Gas

Please provide the mole percent for the percentage questions in this group.

Methane (CH4) percentage	68
Nitrogen (N2) percentage, if greater than one percent	3
Hydrogen Sulfide (H2S) PPM, rounded up	36
Carbon Dioxide (CO2) percentage, if greater than one percent	2
Oxygen (O2) percentage, if greater than one percent	0

If you are venting and/or flaring because of Pipeline Specification, please provide the required specifications for each gas.

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 128208

QUESTIONS (continued)

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	Action Number: 128208
	Action Type: [C-129] Venting and/or Flaring (C-129)

QUESTIONS

Date(s) and Time(s)	
Date vent or flare was discovered or commenced	07/21/2022
Time vent or flare was discovered or commenced	12:00 AM
Time vent or flare was terminated	11:59 PM
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 Producing Well Natural Gas Flared Released: 38 Mcf Recovered: 0 Mcf Lost: 38 Mcf
Other Released Details	Not answered.
Additional details for Measured or Estimated Volume(s). Please specify	Flared volumes were metered
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	[221115] FRONTIER FIELD SERVICES, 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	The gas plant where this gas goes is operated by Durango Midstream. Their compressor is currently down. This causes the well's static pressure to go up, thus sending all gas to flare.
Steps taken to limit the duration and magnitude of vent or flare	This is an emergency caused by downstream third-party problems. There isn't much we can do to limit duration or magnitude short of shutting in the well.
Corrective actions taken to eliminate the cause and reoccurrence of vent or flare	Durango is working on their compressor problems.

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ACKNOWLEDGMENTS

Action 128208

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	Action Number: 128208
	Action Type: [C-129] Venting and/or Flaring (C-129)

ACKNOWLEDGMENTS

☒	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.
☒	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.
☒	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.
☒	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.
☒	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 128208

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	Action Number: 128208
	Action Type: [C-129] Venting and/or Flaring (C-129)

CONDITIONS

Created By	Condition	Condition Date
caniello	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.	7/25/2022