WATERFIELD ENERGY

By:

SEP PERMIAN LLC - SPUR BA #: 110001 9655 KATY FREEWAY HOUSTON, TX 77024 DURANGO

FFS SYSTEM

Attention: Fax #:

Meter #: 631345 Meter Name: BLALOCK CTB

Accounting Date: Apr 1, 2023 Production Date: March 2023 Pressure Base: 14.65

Contract: 30212 Meter Split: 100.00

| | Ph | Physical Information | on | | | | | | Settler | Settlement Information | | | | |
|------------------|-----------------|----------------------|-------------|-------|----------|----------------|-------------|-----------|--------------------|------------------------|-----------------|------------|----------|-----------|
| Volumes | | | Analysis | | | Plant Products | | | | | | | | |
| | Mcf | MMBtu | Description | GPM | Mol | Description | Settle | Basis | Fixed | | Producer % | Settle | Price | Value |
| Gross Wellhead | 28,479.62 | 37.108.94 co2 | co2 | | 1.8940 | | Onit | Quantity | Recovery % | Quantity | | Quantity | | |
| Net Wellhead | 28 479 62 | 37 108 94 | h2s | | 1 5000 | Ethane | gal | 94,429.31 | 65.00 | 61,379.05 | 90.00 | 55,241.14 | 0.111866 | 6,179.61 |
| | 2 2 2 3 3 3 3 7 | | <u> </u> | | 67 5850 | Propane | gal | 56,542.30 | 92.00 | 52,018.91 | 90.00 | 46,817.02 | 0.665089 | 31,137.49 |
| Sprink Sprink | 5,510.01 | 13 885 15 | . S | 3 604 | 13 4890 | Isobutane | gal | 9,353.85 | 94.00 | 8,792.62 | 90.00 | 7,913.35 | 0.961366 | 7,607.63 |
| | 704805 | 1,000.1 | 7 % | 0.001 | 7 8400 | Normal Butane | gal | 20,961.00 | 94.00 | 19,703.34 | 90.00 | 17,733.01 | 0.835008 | 14,807.20 |
| ם ומונר - מפו | 20.00 | - 0.000,- | 3 . | 7 0 | 0.00 | Isopentane | gal | 5,580.87 | 94.00 | 5,246.01 | 90.00 | 4,721.41 | 1.414192 | 6,676.98 |
| Residue Sale | 19,007,001 | 10,000.47 | <u> </u> | 766.0 | 0.0910 | Normal Pentane | gal | 5,214.05 | 94.00 | 4,901.21 | 90.00 | 4,411.09 | 1.414192 | 6,238.12 |
| Wellhead BTU | | | ± . | 0.000 | 7.0300 | Hexane | gal | 9,144.24 | 94.00 | 8,595.58 | 90.00 | 7,736.02 | 1.414192 | 10,940.22 |
| 1,303.00 | 00 | | <u>23</u> | 0.213 | 0.5840 | Total | | | | 160 626 72 | | 144 E72 DE | | 92 F97 2F |
| | | | nc5 | 0.199 | 0.5490 | lotai | | | | 71:00:001 | | 00.00.6.44 | | 23,100,00 |
| | | | 90 | 0.349 | 0.7990 | Residue Gas | | | | | | | | |
| | | | nit | | 2.1310 | Description | Settle Unit | Allocate | Allocated Quantity | Producer % | Settle Quantity | | Price | Value |
| | | | Total | 7.680 | 100.0000 | Residue | mmbtu | Г | 18,889.47 | 00.06 | 17, | 17,000.52 | 1.482943 | 25,210.82 |
| | | | | | | Total | | | 18,889.47 | | 17, | 17,000.52 | | 25,210.82 |

| Fees | | | | |
|----------------------------|----------|--------------|----------|-----------|
| Description | Fee Unit | Fee Quantity | Fee Rate | Fee Value |
| Off_spec_H2s | mcf | 28,479.62 | 0.113300 | 3,226.74 |
| Off-Spec N2 | mcf | 28,479.62 | 0.061800 | 1,760.04 |
| Allocated Electricity Fuel | mmbtu | 37,108.94 | 0.069573 | 2,581.78 |
| Compression | mmbtu | 37,108.94 | 0.103000 | 3,822.22 |
| Gathering | mmbtu | 37,108.94 | 0.309000 | 11,466.66 |
| New Mex Gas Proc Tax | mmbtu | 37,108.94 | 0.019700 | 731.05 |
| Total | | | | 23,588.49 |
| | | | | |

Total Producer Payment: 85,209.58

Commercial Marketing@durangomidstream.com (346) 351-2786 For Questions Contact:

Division of Interest RevenueAccounting@durangomidstream.com (346) 351-2786

Plant Accounting
RevenueAccounting@durangomidstream.com (346) 351-2786

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| Name of well or facility | Lat | Long | Daily Volume of Flared Natural Gas (MCF/D) | Commencement | Duration | Proposed Remedy |
|-----------------------------------|-----------|-------------|---|--------------|-----------|---------------------------------|
| WAUKEE 36 STATE COM TANK BATTERY | 32.788781 | -104.221510 | 395 MCF/D | 5/29/2023 | 5 HOURS | SHUT-IN ONCE WE WERE MADE AWARE |
| BLALOCK 32 STATE COM TANK BATTERY | 32.792735 | -104.210193 | 93 MCF/D | 5/29/2023 | 1.5 HOURS | SHUT-IN ONCE WE WERE MADE AWARE |

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

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 222237

DEFINITIONS

| Operator: | OGRID: |
|--------------------------|--|
| Spur Energy Partners LLC | 328947 |
| 9655 Katy Freeway | Action Number: |
| Houston, TX 77024 | 222237 |
| | 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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<u>District IV</u> 1220 S. St Francis Dr., Santa Fe, NM 87505

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

QUESTIONS

Action 222237

| Phone:(505) 476-3470 Fax:(505) 476-3462 | | | |
|--|---|---|--|
| 0 | UESTIONS | | |
| Operator: | | OGRID: | |
| Spur Energy Partners LLC | | 328947 | |
| 9655 Katy Freeway Houston, TX 77024 | l l | Action Number: 222237 | |
| Houston, 1X 77024 | - | 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 t | he rest of the questions. | |
| Incident Well | Unavailable. | | |
| Incident Facility | [fAPP2306049107] Blalock 3 | 2 State Com Tank Battery | |
| | | | |
| Determination of Reporting Requirements | | | |
| Answer all questions that apply. The Reason(s) statements are calculated based on your answers a | | | |
| 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 | No | | |
| Is this considered a submission for a vent or flare event | Yes, minor venting and/or fla | ring of natural gas. | |
| An operator shall file a form C-141 instead of a form C-129 for a release that, includes liquid during v | enting and/or flaring that is or may be | e 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 | 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 | No | | |
| watercourse, or otherwise, with reasonable probability, endanger public health, the environment or fresh water | | | |
| 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 | No | | |
| existence | | | |
| | | | |
| 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 | 60 | | |
| | 68 | | |
| Nitrogen (N2) percentage, if greater than one percent | 2 | | |
| Hydrogen Sulfide (H2S) PPM, rounded up | 15,000 | | |
| Carbon Dioxide (C02) percentage, if greater than one percent | 2 | | |
| Oxygen (02) percentage, if greater than one percent | 0 | | |
| If you are venting and/or flaring because of Pipeline Specification, please provide the required spec | ifications for each gas. | | |
| Methane (CH4) percentage quality requirement | Not answered. | | |
| Nitrogen (N2) percentage quality requirement | Not answered. | | |
| Hydrogen Sufide (H2S) PPM quality requirement | Not answered. | | |
| Carbon Dioxide (C02) percentage quality requirement | Not answered. | | |

Not answered.

Oxygen (02) percentage quality requirement

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QUESTIONS, Page 2

Action 222237

| QUESTIONS (continued) |
|-----------------------|
|-----------------------|

| Operator: | OGRID: |
|--------------------------|--|
| Spur Energy Partners LLC | 328947 |
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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 | 05/29/2023 |
| Time vent or flare was discovered or commenced | 04:00 PM |
| Time vent or flare was terminated | 05:30 PM |
| Cumulative hours during this event | 2 |

| Natural Gas Vented (Mcf) Details | Not answered. |
|---|---|
| Natural Gas Flared (Mcf) Details | Cause: High Line Pressure Producing Well Natural Gas Flared Released: 93 Mcf Recovered: 0 Mcf Lost: 93 Mcf. |
| Other Released Details | Not answered. |
| Additional details for Measured or Estimated Volume(s). Please specify | Not answered. |
| ls 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 | Our 3rd party gatherer had a line rupture causing line pressure to exceed the pressure rating of our vessels forcing the gas to flare, we shut them in when we noticed the wells flaring |
| Steps taken to limit the duration and magnitude of vent or flare | Shut-in the wells as quickly as possible. |
| Corrective actions taken to eliminate the cause and reoccurrence of vent or flare | Shut-in the wells as quickly as possible. |

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ACKNOWLEDGMENTS

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ACKNOWLEDGMENTS

| I acknowledge that I am authorized to submit a Venting and/or Flaring (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 222237

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| 9655 Katy Freeway | Action Number: |
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| | Action Type: |
| | [C-129] Venting and/or Flaring (C-129) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|--|-------------------|
| schapman01 | 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. | 5/31/2023 |