

MANLEY GAS TESTING, INC.

P.O. DRAWER 193
OFFICE(432)367-3024

FAX(432)367-1166

ODESSA, TEXAS 79760
E-MAIL: MANLEYGAST@AOL.COM

CHARGE..... 45 - 1
REC. NO. 0
TEST NUMBER.. 11847
SAMPLE TYPE.. SPOT

DATE 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: 

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CHARGE..... 45 - 1
REC. NO. 0
TEST NUMBER.. 11848
SAMPLE TYPE.. SPOT

DATE 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		H2S PPMV = 10000
PROPANE.....	14.8367	4.116		
ISO-BUTANE.....	1.5067	0.497		
NOR-BUTANE.....	5.7888	1.838		
ISO-PENTANE.....	1.1579	0.426		'Z' FACTOR (DRY) = 0.9927
NOR-PENTANE.....	1.5359	0.561		'Z' FACTOR (WET) = 0.9922
HEXANES +.....	2.0517	0.901		
TOTALS	100.0000	12.573		

..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:

J. POOLE(P)

LOCAL USE ONLY

ANALYZED BY: JT

APPROVED: 



April 8, 2026

**New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505**

**RE: Flaring Calculation / Justification for Volumes
Coates Battery**

To Whom It May Concern,

Scout Energy Management LLC reports a flaring event at the Coates Battery that occurred from March 24, 2026, at approximately 8:00 a.m. through March 25, 2026, at approximately 12:00 p.m.

No calculation was necessary, as the flaring volumes were determined using true meter readings. The recorded volume for this event is as follows:

- Coates Battery = 140 MCF (total)

If you have any questions or need any additional information, please feel free to contact me at (469) 485-3122.

Thanks,

A handwritten signature in black ink, appearing to read "Mikey Pham".

Mikey Pham
Regulatory Analyst
mikey.pham@scoutep.com



972.277.1397 | www.scoutep.com

13800 Montfort Drive
Dallas, Texas 75240

Confidential



April 8, 2026

**New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505**

**RE: Application for Exception to 19.15.27 NMAC
Scout Energy Management LLC (330949)
Coates Battery
Lea County, New Mexico**

To Whom It May Concern,

Scout Energy Management LLC requests approval under 19.15.27 NMAC to temporarily flare casinghead gas from the Coates Battery located in Lea County, New Mexico. The flaring occurred from March 24, 2026, at approximately 8:00 a.m. through March 25, 2026, at approximately 12:00 p.m.

Scout evaluated multiple alternatives to offload gas to another purchaser, but due to current infrastructure limitations and economic constraints, routing the gas was not economically feasible at this time. Temporary flaring was necessary to allow continued production of recoverable oil from the subject wells and to prevent operational disruption.

If you have any questions or need any additional information, please feel free to contact me at (469) 485-3122.

Thanks,

A handwritten signature in black ink, appearing to read "Mikey Pham".

Mikey Pham
Regulatory Analyst
mikey.pham@scoutep.com



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API	Well Name	Well Number	Type	Work Type
30-025-11736	A B COATES C FEDERAL	#014	Oil	Plugback
30-025-11728	A B COATES C FEDERAL	#015	Oil	New
30-025-24219	A B COATES C FEDERAL	#029	Oil	New

Mineral Owner	Surface Owner	Status
Federal	Private	Active
Federal	Private	Active
Federal	Private	Active

TANK BATTERY	FACILITY ID	FACILITY LOCATION					TANK CONTROLS				GAS-TO-OIL RATIOS				FACILITY PROCESS	
		UNIT LETTER	Area of Section	Sect T&R	LAT	LONG	CRU	PW	GB	CAP EFF	WBF		LL		CRU	PW
											CRU	PW	CRU	PW		
FACILITY NAME	ID	UL	Section Area	Sect T&R	N	W	Y/N	Y/N	Y/N	%	MSCF/BBL	MSCF/BBL	MSCF/BBL	MSCF/BBL	Convey	Convey
CC FRISTOE AB FEDERAL NCT 1 AND 2	fgRL0916227708	H	SE 1/4 of NE 1/4	S35 T24S R37E	32.17739	-103.12867	N	N	NA	0	0.1707	0.0005	0.0024	0.0023	Trucked	Piped
COATES ABCD	HPAC0600531498	G	SW 1/4 of NE 1/4	S24 T25S R37E	32.11911	-103.11289	N	N	NA	0	0.0337	0.0004	0.0022	0.0001	Trucked	Piped
GLERWIN BATTERY	fkj1517650094	O	SW 1/4 of SE 1/4	S35 T24S R37E	32.16997	-103.12958	N	N	N	0	0.0246	0.0033	0.0024	0.0001	Trucked	Piped
MEXICO J AND L BATTERY 9	foY1829648635	B	Lot 2	S05 T25S R38E	32.16314	-103.08253	N	N	NA	0	0.0165	0.0003	0.0025	0.0000	Trucked	Piped
STATE BB AND L BZ NCT BATTERY	fjxk1532837187	E	SE 1/4 of NW 1/4	S02 T25S R37E	32.16114	-103.13797	N	N	NA	0	0.0285	0.0005	0.0024	0.0001	Trucked	Piped
WEST DOLLARHIDE DRINKARD UNIT CENTRAL BATTERY	fAPP2321233158	D	NW 1/4 of NW 1/4	S32 T24S R38E	32.17944	-103.08761	Y	N	Y	95	0.0214	0.0002	0.0001	0.0005	LACT	Piped

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 572942

DEFINITIONS

Operator: SCOUT ENERGY MANAGEMENT LLC 13800 Montfort Road Dallas, TX 75240	OGRID: 330949
	Action Number: 572942
	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 572942

QUESTIONS

Operator: SCOUT ENERGY MANAGEMENT LLC 13800 Montfort Road Dallas, TX 75240	OGRID: 330949
	Action Number: 572942
	Action Type: [C-129] Venting and/or Flaring (C-129)

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	Unavailable.
Incident Facility	[PAC0600531498] COATES AB C&D

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	No
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	Gas Plant
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	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	2
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 572942

QUESTIONS (continued)

Operator: SCOUT ENERGY MANAGEMENT LLC 13800 Montfort Road Dallas, TX 75240	OGRID: 330949
	Action Number: 572942
	Action Type: [C-129] Venting and/or Flaring (C-129)

QUESTIONS

Date(s) and Time(s)	
Date vent or flare was discovered or commenced	03/24/2026
Time vent or flare was discovered or commenced	08:00 AM
Time vent or flare was terminated	12:00 PM
Cumulative hours during this event	28

Measured or Estimated Volume of Vented or Flared Natural Gas	
Natural Gas Vented (Mcf) Details	<i>Not answered.</i>
Natural Gas Flared (Mcf) Details	Cause: Midstream Scheduled Maintenance Gas Plant Natural Gas Flared Released: 140 Mcf Recovered: 0 Mcf Lost: 140 Mcf.
Other Released Details	<i>Not answered.</i>
Additional details for Measured or Estimated Volume(s). Please specify	<i>Not answered.</i>
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	[172163] VERSADO GAS PROCESSORS L.L.C.
Date notified of downstream activity requiring this vent or flare	03/11/2026
Time notified of downstream activity requiring this vent or flare	05:26 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	Eunice Plant Shutdown
Steps taken to limit the duration and magnitude of vent or flare	Flare until Eunice Plant is back running.
Corrective actions taken to eliminate the cause and reoccurrence of vent or flare	Flare until Eunice Plant is back running.

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ACKNOWLEDGMENTS

Action 572942

ACKNOWLEDGMENTS

Operator: SCOUT ENERGY MANAGEMENT LLC 13800 Montfort Road Dallas, TX 75240	OGRID: 330949
	Action Number: 572942
	Action Type: [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 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

Action 572942

CONDITIONS

Operator: SCOUT ENERGY MANAGEMENT LLC 13800 Montfort Road Dallas, TX 75240	OGRID: 330949
	Action Number: 572942
	Action Type: [C-129] Venting and/or Flaring (C-129)

CONDITIONS

Created By	Condition	Condition Date
mpham	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.	4/8/2026