

Percent of Proceeds - South Carlsbad Facility

Meter: 11100 - Salt Draw 10 St Com WCB #2H

Meter Split: 100%



Chisholm Energy Operating, LLC  
801 Cherry St., Suite 1200-Unit 20  
Ft. Worth, TX76101

BA #: 173580  
Attention:  
Email:  
Fax #:

Accounting Date: May 1, 2021  
Production Date: April 2021  
Pressure Base: 14.73

## Physical Information

| Description            | Mcf    | MMBtu  | Description            | GPM           | Mol           |
|------------------------|--------|--------|------------------------|---------------|---------------|
| Gross Wellhead         | 19,662 | 25,694 | nit                    |               | 0.8404        |
|                        |        |        | co2                    |               | 0.0958        |
| Field Deducts          | 26     | 26     | c1                     |               | 75.8879       |
| Field Fuel             | 1,180  | 1,542  | c2                     | 3.2445        | 12.0848       |
| Gas Lift               | 11     | 14     | c3                     | 1.6100        | 5.8214        |
| Net To Plant           | 18,445 | 24,112 | ic4                    | 0.2764        | 0.8415        |
|                        |        |        | nc4                    | 0.6243        | 1.9727        |
| Shrink                 | 3,756  | 9,033  | ic5                    | 0.1777        | 0.4840        |
| Plant Fuel             | 393    | 514    | nc5                    | 0.1969        | 0.5410        |
| Plant Treating Deducts | 186    | 205    | c6                     | 0.3288        | 0.7505        |
|                        |        |        | h2o                    | 0.0390        | 0.6800        |
| Allocated Residue      | 14,110 | 14,360 | <b>Overall - Total</b> | <b>6.4976</b> | <b>100.00</b> |

Wellhead BTU: 1.3068

For Questions Contact: Blake Ortiz (214) 420-4938 bortiz@lucid-energy.com

By:  **WATERFIELD**  
ENERGY

Chisholm Energy Operating, LLC has meters on all flares. The metered flare volumes reported are taken from our daily production software.

**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**

QUESTIONS

Action 53348

**QUESTIONS**

|                                                                                          |                                                        |
|------------------------------------------------------------------------------------------|--------------------------------------------------------|
| Operator:<br>CHISHOLM ENERGY OPERATING, LLC<br>801 Cherry Street<br>Fort Worth, TX 76102 | OGRID:<br>372137                                       |
|                                                                                          | Action Number:<br>53348                                |
|                                                                                          | Action Type:<br>[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     | Not answered.                                   |
| Incident Facility | [fAPP2126545392] SALT DRAW 10 STATE COM BATTERY |

**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 or is this venting and/or flaring caused by an emergency or malfunction                                                                                                                                                                                                                  | Yes                                               |
| Did or will this venting and/or flaring last eight hours or more cumulatively within any 24-hour period from a single event                                                                                                                                                                  | No                                                |
| Is this considered a submission for a venting and/or flaring event                                                                                                                                                                                                                           | Yes, minor venting and/or flaring of natural gas. |
| 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 or will there be at least 50 MCF of natural gas vented and/or flared during this event                                                                                                                                                                                             | Yes                                               |
| Did this venting and/or flaring 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 venting and/or flaring 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                                | Producing Well |
| 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                                     | 76 |
| Nitrogen (N2) percentage, if greater than one percent        | 1  |
| Hydrogen Sulfide (H2S) PPM, rounded up                       | 0  |
| Carbon Dioxide (CO2) percentage, if greater than one percent | 0  |
| 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. |

**Date(s) and Time(s)**

|                                                         |            |
|---------------------------------------------------------|------------|
| Date venting and/or flaring was discovered or commenced | 09/17/2021 |
| Time venting and/or flaring was discovered or commenced | 06:00 AM   |
| Time venting and/or flaring was terminated              | 09:00 AM   |
| Cumulative hours during this event                      | 3          |

**Measured or Estimated Volume of Vented or Flared Natural Gas**

|                                  |                                                                                                                    |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Natural Gas Vented (Mcf) Details | Cause: High Line Pressure   Producing Well   Natural Gas Vented   Released: 0 Mcf   Recovered: 0 Mcf   Lost: 0 Mcf |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------|

|                                                                           |                                                                                                                        |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Natural Gas Flared (Mcf) Details                                          | Cause: High Line Pressure   Producing Well   Natural Gas Flared   Released: 260 Mcf   Recovered: 0 Mcf   Lost: 260 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 or is this venting and/or flaring a result of downstream activity      | No            |
| Was notification of downstream activity received by you or your operator   | Not answered. |
| Downstream OGRID that should have notified you or your operator            | Not answered. |
| Date notified of downstream activity requiring this venting and/or flaring | Not answered. |
| Time notified of downstream activity requiring this venting and/or flaring | Not answered. |

**Steps and Actions to Prevent Waste**

|                                                                                                                                |                                          |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| For this event, the operator could not have reasonably anticipated the current event and it was beyond the operator's control. | True                                     |
| Please explain reason for why this event was beyond your operator's control                                                    | HIGH LINE PRESSURE CAUSED FLARED VOLUMES |
| Steps taken to limit the duration and magnitude of venting and/or flaring                                                      | N/A                                      |
| Corrective actions taken to eliminate the cause and reoccurrence of venting and/or flaring                                     | OUT OF OPERTOR CONTROL                   |

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CONDITIONS  
  
Action 53348

CONDITIONS

|                                                                                          |                                                        |
|------------------------------------------------------------------------------------------|--------------------------------------------------------|
| Operator:<br>CHISHOLM ENERGY OPERATING, LLC<br>801 Cherry Street<br>Fort Worth, TX 76102 | OGRID:<br>372137                                       |
|                                                                                          | Action Number:<br>53348                                |
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CONDITIONS

| Created By | Condition                                                                                                                                                                          | Condition Date |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| jelrod     | 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. | 9/30/2021      |