



13800 Montfort Dr, Ste. 100
Dallas, TX 75240
972-277-1397 www.scoutep.com

June 9, 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. Wednesday April 26, 2023 and ended at 8:59 p.m. Thursday April 27, 2023. Calculations were not done as all volumes are true meter readings and are listed below:

- 05/19/2023 = ERWIN = 67 mcf/d – reported

If there are any questions or concerns, please do not hesitate to contact our office.

Regards,

Lee Ellison
lellison@scoutep.com
(972) 325-1096
13800 Montfort Drive, Ste.100
Dallas, TX 75240



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June 1, 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 possibly 7 days, commencing date 05/12/2023 at 9:00 a.m. through end date 05/19/2023. The flaring is due to our gas purchaser, Targa Midstream, shutting down their system for repairs due to fire in the Eunice Plant. 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
(972) 497-2863
13800 Montfort Drive, Ste.100
Dallas, TX 75240

WELL NAME	HOLE DIRECT	FIELD CODE	API	WELL TYPE	COUNTY	SURFACE LATITUDE
ERWIN, G. L. -A- FED DHC 6JB	VERTICAL	U88	300253294800	OIL WELL	LEA	32.16588
ERWIN, G. L. -A- FED #11	VERTICAL	U88	300253918000	OIL WELL	LEA	32.16962
ERWIN, G. L. -A- FED 5 J	VERTICAL	U88	300253087500	OIL WELL	LEA	32.17662
ERWIN, G. L. -A- FED 9	VERTICAL	U88	300253527900	OIL WELL	LEA	32.18350
ERWIN, G. L. -B- FED NCT1	VERTICAL	U88	300252200700	OIL WELL	LEA	32.18838
ERWIN, G. L. -B- FED NCT-2	VERTICAL	U88	300253087400	OIL WELL	LEA	32.18464
ERWIN, G. L. -B- FED NCT-2	VERTICAL	U88	300253294900	OIL WELL	LEA	32.18458
ERWIN, G. L. -B- FED NCT-2	VERTICAL	U88	300253338400	OIL WELL	LEA	32.16984
ERWIN, G. L. -B- FED NCT-2	VERTICAL	U88	300253829500	OIL WELL	LEA	32.16588
ERWIN, G. L. -B- FED NCT-2	VERTICAL	U88	300253841300	OIL WELL	LEA	32.16962
ERWIN, G. L. -B- FED NCT2	VERTICAL	U88	3002584130	OIL WELL	LEA	32.17662
ERWIN, G. L. -B- FED NCT2	VERTICAL	U88	300253329000	OIL WELL	LEA	32.18350
ERWIN, G. L. -B- FED NCT2	VERTICAL	U88	300253918100	OIL WELL	LEA	32.18838
ERWIN, G. L. -B- FED NCT2	VERTICAL	U88	300251136300	OIL WELL	LEA	32.18464

SURFACE LONGITUDE	BOTTOM HOLE LATITUDE	BOTTOMH OLE LONGITUD E	FIELD NAME	Battery	STATUS
-103.08671	32.16501	-103.08745	BLINEBRY	Mexico J	ACTIVE
-103.07109	32.16501	-103.08745	7RIVERS/QUEEN/GRAYBURG	Mexico J	ACTIVE
-103.08817	32.16501	-103.08745	TUBB/DRINKARD/BLINEBRY	Mexico J	ACTIVE
-103.09260	32.16501	-103.08745	BLINEBRY	Mexico J	ACTIVE
-103.08598	32.16501	-103.08745	BLINEBRY	Mexico J	ACTIVE
-103.08597	32.16501	-103.08745	MCKEE	Mexico J	ACTIVE
-103.09839	32.16501	-103.08745	7RIVERS/QUEEN/GRAYBURG	Mexico J	ACTIVE
-103.09389	32.16501	-103.08745	TUBB/DRINKARD/BLINEBRY	Mexico J	ACTIVE
-103.08671	32.16501	-103.08745	7RIVERS/QUEEN/GRAYBURG	Mexico J	ACTIVE
-103.07109	32.16501	-103.08745	7RIVERS/QUEEN/GRAYBURG	Mexico J	ACTIVE
-103.08817	32.16501	-103.08745		Mexico J	ACTIVE
-103.09260	32.16501	-103.08745	FUSSELMAN	Mexico J	ACTIVE
-103.08598	32.16501	-103.08745	7RIVERS/QUEEN/GRAYBURG	Mexico J	ACTIVE
-103.08597	32.16501	-103.08745	GLORIETA/DEVONIAN/BLINEBRY	Mexico J	ACTIVE



MICHELLE LUJAN GRISHAM
GOVERNOR

JAMES C. KENNEY
CABINET SECRETARY

August 12, 2022

Certified Mail

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

Notice of Intent No. 9681
Agency Interest No. 40554 - PRN20220001
GL Erwin Battery
AIRS No. 350252274

Dear Glenda De Leon:

This letter acknowledges the receipt of your Air Quality Bureau Notice of Intent (NOI) form dated July 7, 2022 for an Oil & Gas facility in New Mexico. The notice was received by the Department on July 15, 2022.

Construction or modification may commence 6.4 mi NNE of Jal in Lea County at latitude and longitude decimal degrees: 32.192936, -103.1297, 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
20.2.61 NMAC	Smoke and Visible Emissions
20.2.70 NMAC	Operating Permits

Scout Energy Management LLC
GL Erwin Battery - NOI No. 9681
August 12, 2022

Page 2 of 2

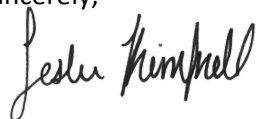
Citation	Title
40 CFR 60 Subpart IIII	Standards of Performance for Stationary Compression Ignition Internal Combustion Engines
40 CFR 60 Subpart JJJJ	Standards of Performance for Stationary Spark Ignition Internal Combustion Engines
40 CFR 60 Subpart Ka	Standards of Performance for Storage Vessels for 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 505-629-7305.

Sincerely,



Leslee Kimbrell
Air Permit Specialist
Permit Section
Air Quality Bureau

cc by email: Rebecca McBride, Montrose Air Quality Services LLC

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
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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 225850

DEFINITIONS

Operator: SCOUT ENERGY MANAGEMENT LLC 13800 Montfort Road Dallas, TX 75240	OGRID: 330949
	Action Number: 225850
	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 225850

QUESTIONS

Operator: SCOUT ENERGY MANAGEMENT LLC 13800 Montfort Road Dallas, TX 75240	OGRID: 330949
	Action Number: 225850
	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	[30-025-22007] G L ERWIN B FEDERAL NCT-1 #006
Incident Facility	Unavailable.

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

Equipment Involved	
Primary Equipment Involved	Production Tank
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	52
Nitrogen (N2) percentage, if greater than one percent	4
Hydrogen Sulfide (H2S) PPM, rounded up	1
Carbon Dioxide (C02) percentage, if greater than one percent	1
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 Sufide (H2S) PPM quality requirement	Not answered.
Carbon Dioxide (C02) percentage quality requirement	Not answered.
Oxygen (O2) percentage quality requirement	Not answered.

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QUESTIONS, Page 2

Action 225850

QUESTIONS (continued)

Operator: SCOUT ENERGY MANAGEMENT LLC 13800 Montfort Road Dallas, TX 75240	OGRID: 330949
	Action Number: 225850
	Action Type: [C-129] Venting and/or Flaring (C-129)

QUESTIONS

Date(s) and Time(s)	
Date vent or flare was discovered or commenced	05/19/2023
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 Emergency Maintenance Pipeline (Any) Natural Gas Vented Released: 67 Mcf Recovered: 0 Mcf Lost: 67 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	05/12/2023
Time notified of downstream activity requiring this vent or flare	08:15 AM

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 fire at eunice plant
Steps taken to limit the duration and magnitude of vent or flare	3rd party issue
Corrective actions taken to eliminate the cause and reoccurrence of vent or flare	3rd party issue

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ACKNOWLEDGMENTS

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	Action Number: 225850
	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 225850

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	Action Number: 225850
	Action Type: [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.	6/9/2023