



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

Application for Exception to Statewide Rule 19.15.27.G.(a).

Re: Statewide Rule Exception Request Documentation
Scout Energy Management LLC. (760218)
A.B. Coates
Lea County, New Mexico

Scout Energy Management LLC. is submitting a request to flare casinghead gas at the following lease facilities: The lease flared commencing date 04/18/2024 at 3 p.m. through end date 04/19/2024. The flaring is due to our gas purchaser, Targa Midstream, shutting down their system for repairs. 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



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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 3:00 p.m. 04/18/2024 and ended at 3:00 p.m. 04/19/2024.

Calculations were not done as all volumes are true meter readings and are listed below:

- State = 42 mcf/d – reported

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

Regards,

Lee Ellison
lellison@scoutep.com
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A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
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

WELL NAME	HOLE DIRECT	FIELD CODE	API	WELL TYPE	COUNTY	SURFACE LATITUDE
STATE -BB- 3S	VERTICAL	U88	300253316900	OIL WELL	LEA	32.16501

SURFACE LONGTUDE	BOTTOMH OLE LATITUDE	BOTTOMH OLE LONGITUD E	FIELD NAME	Battery	STATUS
-103.08745	32.16501	-103.08745	FLD-DOLLARHIDE PRIMARY	Mexico J	ACTIVE

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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DEFINITIONS

Action 349725

DEFINITIONS

Operator: SCOUT ENERGY MANAGEMENT LLC 13800 Montfort Road Dallas, TX 75240	OGRID: 330949
	Action Number: 349725
	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 349725

QUESTIONS

Operator: SCOUT ENERGY MANAGEMENT LLC 13800 Montfort Road Dallas, TX 75240	OGRID: 330949
	Action Number: 349725
	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	Unavailable.
Incident Facility	[fJXK1532837187] STATE BB AND L BZ NCT 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 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	Pipeline (Any)
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 349725

QUESTIONS (continued)

Operator: SCOUT ENERGY MANAGEMENT LLC 13800 Montfort Road Dallas, TX 75240	OGRID: 330949
	Action Number: 349725
	Action Type: [C-129] Venting and/or Flaring (C-129)

QUESTIONS

Date(s) and Time(s)	
Date vent or flare was discovered or commenced	04/19/2024
Time vent or flare was discovered or commenced	03:00 PM
Time vent or flare was terminated	03:00 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: 42 Mcf Recovered: 0 Mcf Lost: 42 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	04/16/2024
Time notified of downstream activity requiring this vent or flare	02:00 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	outof our control
Steps taken to limit the duration and magnitude of vent or flare	third party issue
Corrective actions taken to eliminate the cause and reoccurrence of vent or flare	third party issue

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ACKNOWLEDGMENTS

Action 349725

ACKNOWLEDGMENTS

Operator: SCOUT ENERGY MANAGEMENT LLC 13800 Montfort Road Dallas, TX 75240	OGRID: 330949
	Action Number: 349725
	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

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	Action Number: 349725
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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.	5/31/2024