

P.O. Box 10640 Bozeman, Montana 59719

(406) 460-0903

TO: Randy Pancheco, APWS; Jim Griswold, NMOCD

FROM: Curtis Shuck, Chairman

DATE: October 3, 2022

RE: Twin Lakes SA #081 (30-005-60993) Orphan Well Pre-Plugging Methane Monitoring

TECHNICAL MEMORANDUM

The Well Done Foundation, Inc. (WDF) performing contract professional services methane monitoring for A-Plus Well Services, Inc. (APWS) for the State of New Mexico Energy, Minerals and Natural Resources Department – Oil Conservation Division (OCD) under Purchase Order #10000002000038AA for Orphan Oil & Gas Wells at the Twin Lakes Field in Chavez County, NM.

The site conditions found at Twin Lakes SAU #081 by the WDF Measure 1 Team on August 22, 2022, at 3:45 P.M. revealed a leaking wellhead with high concentrations of methane and H2s gas present and leaking by the production valve at the 2-3/8" tubing. The WDF Team performed field gas measurements, collected gas samples and performed a 24.9-hour Methane Emissions Flow Monitoring Test using Ventbuster™ Instruments VB100-034 Ultra-Low Flow Meter with GPS for site location verification.

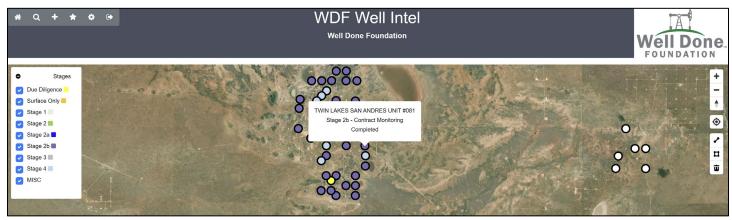


Image 1.1 - Twin Lakes SAU Field

The findings from the Pre-Plugging Methane Flow Monitoring Test, using Ventbuster™ Instruments VB100-0034 Ultra-Low Flow Meter with GPS, resulted in 0.09 cubic meters per day of total measured wellhead emissions. A composite gas sample was collected at the wellhead by WDF during the flow test beginning on August 22, 2022 and at the end of the flow test on August 23, 2022, approximately 24.9-hours later. Methane gas concentration levels were measured at 170,460 ppm, pursuant to Test ID 2022057512 performed by Laboratory Services of Hobbs, NM on August 31, 2022 at 1:16 P.M. Therefore, the adjusted methane gas emission measured at this wellhead is calculated at **0.46 grams per hour (g/hour)**. ¹

[•] Methane Calculation: 717 grams CH4 per cubic meter (717 x 0.09 m3/day = 64.53 g/day total /24 = 2.69 g/hour x 0.170460 (methane concentration) = 0.46 g/hour CH4). Methane, gas weighs 0.000717 gram per cubic centimeter or 0.717 kilogram per cubic meter, i.e. density of methane, gas is equal to 0.717 kg/m³; at 0°C (32°F or 273.15K) at standard atmospheric pressure. In Imperial or US customary measurement system, the density is equal to 0.044 pound per cubic foot [lb/ft³].

Received by OCD: 12/17/2023 11:41:30 PM I his orphan well does not exceed the >1 g/hour federal program reporting requirements for methane emissions reductions as described in Section 40601 (Orphaned well site plugging, remediation, and restoration) of Title V (Methane Reduction Infrastructure) of the 2021 Bipartisan Infrastructure Law (BIL; Public Law 117-58)².



Test Report

Start Date: Monday, August 22nd, 2022, 4:29 PM MDT End Date: Tuesday, August 23rd, 2022, 5:24 PM MDT

Device: VB100-0034 Well Licensee: NMOCD Well Name: Twin Lakes SA-81 UWI: 30-005-60993

Well License Number: 30-005-60993

Surface Location: Private Bottom Hole Location: Unknown Test Operator: SOS Authorized By: NMOCD Test Reason: IIJA PRE PLUG Scope Of Work: 12-Hour

AFE Number: NMOCD038AA/APWS22.001

GPS: 33.56107,-104.01944

Notes: GTG

Flow Test

Average Flowrate 0.09m3/d 0.46g/hour

Average Flow Temperature 25.7

Average Flow Pressure 0.0kPag

Flow Duration 24.9 hours

Image 2.1 - Twin Lakes SAU #081 (30-005-60993) Methane Monitoring Dashboard

BACKGROUND

The Twin Lakes SAU #081 (30-005-60993) Orphan Well is located in Chavez County, NM at Latitude 33.56108304165336, Longitude -104.01945296386114 was measured and monitored by the WDF Field Team on 8/22-23/2022 following a Safety Briefing. Per the WDF protocol, the well was photographed from four (4) compass point aspects and closeups capturing the wellhead, field gas analysis results and gas sampling and uploaded to the WDF Well Intel™ IoT site. A Field Gas Analysis was conducted to detect Methane and H2s gas presence and concentration levels using a Honeywell BW Quattro Multi Gas Meter, serial number: QA121-012211.

² These April 11, 2022 Guidelines were developed to meet the federal program reporting requirements for methane emissions reductions as described in Section 40601 (Orphaned well site plugging, remediation, and restoration) of Title V (Methane Reduction Infrastructure) of the 2021 Bipartisan Infrastructure Law (BIL; Public Law 117-58).

² | Page



Image 3.1 – WDF Well Intel™ Orphan Well Project Management IoT

The WDF Field Team collected Gas Sample #1 using a 1 Liter Tedlar/TO-Plus Gas Sampling Bag from the 2-3/8" production tubing which was flowing gas past the valve at the beginning of the Flow Test at approximately 4:30 P.M MDT on 8.22.2022 as the well was being prepared for the Flow Measurement and Gas Sample #2 in the same 1 Liter Tedlar Bag the following day, 8.23.2022 before the Flow Test was concluded 5:41 P.M. MDT.

WDF rigged up the Ventbuster™ Instruments VB100-034 Continuous Ultra-Low Flow Meter with GPS for testing site confirmation for a minimum 12-Hour Methane Emission Test and began Test ID: 2ae02218, verifying a cellular signal, cloud link and GPS coordinates. WDF collected Gas Sample #2 in the same Tedlar/TO Plus Gas Sample Bag prior to the VB Test being concluded on 8.23.2022 to ensure the Methane Emission Flow was normalized. The collected Gas Sample was secured and placed in a storage cooler for transport to Laboratory Services, Inc. in Hobbs, NM.

WDF returned the following day (approximately 24.9 hours) to conclude the Pre-Plugging Methane Emission Flow Test and rig the VB100-034 down and secure the wellhead. A "Green Ribbon" was placed at the Wellhead indicating that WDF had concluded the Pre-Plugging Methane Flow testing.

TECHNICAL FINDINGS

Twin Lakes SAU #081 (30-005-60993):

- Total C1 through C6 Gas Concentration: 521,820 ppm
- Total Measured Wellhead Gas Emissions: 0.09 m3/day
- Methane Gas Concentration: 170,460 ppm
- Calculated Wellhead Methane Gas Emissions: 0.46 g/hour

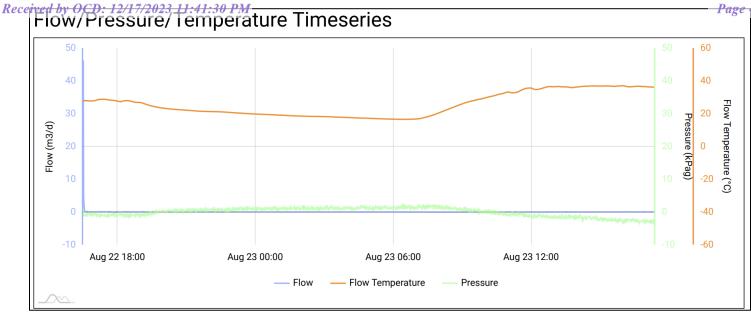


Image 4.1 - Twin Lakes SAU #081 (30-005-60993) Methane Flow/Pressure/Temperature Timeseries

CONCLUSIONS

- The Twin Lakes SA #081 (30-005-60993) is currently emitting Methane at the rate of 0.46 g/hour, which is below the Federal minimum threshold for reporting described in Section 40601 (Orphaned well site plugging, remediation, and restoration) of Title V (Methane Reduction Infrastructure) of the 2021 Bipartisan Infrastructure Law (BIL; Public Law 117-58) which is >1g/hour.
- Plugging of this well however should still be a priority in the NMOCD schedule due to the potential for increased emissions.

FIELD NOTES

#	Date	Note
1	2022- 08-22	ces: WDF Measure 1 Team arrived at #081 at approximately 1545 and photographed the well and location. Using the BW Quattro gas detection was performed at the 2-3/8" tubing, 4-1/2" casing and at the surface casing vent. High concentrations of methane and H2s were found to be present at the 2-3/8" tubing. Gas #1 sample was collected for lab analysis using a 1-Liter Tedlar Gas Sample Bag. Team rigged up VB100-034 for methane emissions flow measurements and began Test ID: ae02218. Gas sample #2 was taken using the same Tedlar Bag once the VB Test was in progress.
2	2022- 08-22	ces: USE EXTREME CAUTION - HIGH H2s !!!!!!!
3	2022- 08-22	Weather Observations: Overcast skies, light winds out of the NW <2.0 mph. Temps of approximately 87.0 degrees with fairly high humidity (52%) given the rains over weekend.
4	2022- 08-23	ces: Rig down VB100-034 and secure wellhead. Place "Green Ribbon" at well as indication that WDF monitoring is complete. GTG - Wildcat Out!

Image 4.2 - Twin Lakes SAU #081 (30-005-60993) Field Notes



1) Twin Lakes SA #081 (30-005-60993) - North Facing



2) Twin Lakes SA #081 (30-005-60993) - Field Gas Reading



3) Twin Lakes SA #081 (30-005-60993) - Monitoring



4) Twin Lakes SA #081 (30-005-60993) - Monitoring Complete



14817G		Twin Lakes SA #81				Twin Lakes SA #81	
Sample Point Coo	de	Sample Point Name				Sample Po	int Location
Laborato	ry Services	2022057	7512	Tedlar Bag		Stacy - Spo	ot
	aboratory	Lab File		Container Identity	-	Sampler	
USA		USA		USA		New Mexico Facility Name	
District		Area Name		Field Name			
Aug 22, 20	22 15:50	Aug 22	Aug 22, 2022 15:50		Aug 30, 2022 14:03		30, 2022
Date Sar			te Effective		ate Received		te Reported
		System Adm	inistrator				
Ambient Temp (°F)	Ambient Temp (°F) Flow Rate (Mcf)		Analyst		:		
Well Done I	oundation					NG	
Oper	ator	_				Lab Source Descrip	otion
			1	G	ross Heating Valu	ies (Real, BTU/	ft³)
Component	Mol %	GPM		14.696 PSI	@ 60.00 °F	14.73 PSI	@ 60.00 °F
H2S (H2S)	1.0150			Dry 1,020.9	Saturated 1,004.4	Dry 1,023.3	Saturated 1,006.7
Nitrogen (N2)	46.3120]		Calculated Total S		
CO2 (CO2)	0.4910]		GPA2145-16 *Calculated		
Methane (C1)	17.0460	ĺ	1		ensity Real		Density Ideal
Ethane (C2)	14.4190	3.8550	1	-	1710 ar Weight	1.	0674
Propane (C3)	14.3870	3.9630	1	30.9	9159		
I-Butane (IC4)	1.7970	0.5880	1		C6+ Group	Properties	
N-Butane (NC4)	3.0730	0.9690	1	C6 60 000	Assumed Co		20 10 0000/
. ,	0.6770	0.2480	1	C6 - 60.000	% C7 - 30.		28 - 10.000%
I-Pentane (IC5)	0.3930	+	1		10150		
N-Pentane (NC5)		0.1420	1				
Hexanes Plus (C6+	·	0.1690	1	PROTREND STATUS		DATA SO	
TOTAL	100.0000	9.9340]	Passed By Validat Passed By Validat		22 Importe	eu
lethod(s): Gas C6+ - GPA 2261, E	extended Gas - GPA 2286, Cal	culations - GPA 21/2		First sample take		mposition look	s reasonable
				VALIDATOR: Brooke Rush			
				VALIDATOR COMM	ENTS:		
				OK			
Source	Date	Notes					

<u>District I</u> 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 295410

DEFINITIONS

Operator:	OGRID:
BLUE SKY NM, INC.	300825
7941 Katy Freeway	Action Number:
Houston, TX 77024	295410
	Action Type:
	[UF-OMA] Pre-Plug Methane Monitoring (UF-OMA-MMA)

DEFINITIONS

The Orphan Well Mitigation Activity (OMA) forms are a subset of the OCD's forms exclusively designed for activities related to State of New Mexico's contracted plugging and reclamation activities. Specifically, these forms are used for orphan wells or associated facilities which are in a "Reclamation Fund Approved" status. This status represents wells or facilities where the OCD has acquired a hearing order allowing the OCD to perform plugging or reclamation on wells and associated facilities that no longer have a viable operator to perform the necessary work. These forms are not to be utilized for any other purpose.

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QUESTIONS

Action 295410

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Operator:	OGRID:
BLUE SKY NM, INC.	300825
7941 Katy Freeway	Action Number:
Houston, TX 77024	295410
	Action Type:
	[UF-OMA] Pre-Plug Methane Monitoring (UF-OMA-MMA)

QUESTIONS

Prerequisites		
[OGRID] Well Operator	[300825] BLUE SKY NM, INC.	
[API] Well Name and Number	[30-005-60993] TWIN LAKES SAN ANDRES UNIT #081	
Well Status	Plugged (not released)	

Monitoring Event Information		
Please answer all the questions in this group.		
Reason For Filing	Pre-Plug Methane Monitoring	
Date of monitoring	08/22/2022	
Latitude	33.56107	
Longitude	-104.01944	

Monitoring Event Details		
Please answer all the questions in this group.		
Flow rate in cubic meters per day (m³/day)	0.09	
Test duration in hours (hr)	24.9	
Average flow temperature in degrees Celsius (°C)	25.7	
Average gauge flow pressure in kilopascals (kPag)	0.0	
Methane concentration in part per million (ppm)	170,460	
Methane emission rate in grams per hour (g/hr)	0.46	
Testing Method	Steady State	

	Monitoring Contractor		
Please answer all the questions in this group.			
	Name of monitoring contractor	Well Done New Mexico LLC	