

GAS FLARING

August 17, 2022

Flaring Requests

Summary

There are three wells flaring over 100 MCFG per day based on current production numbers.

There are three exceptions requested at this time.

Kraken Operating – Approved for 6 months

Kai 16-4 #2H – API #25-083-23394, 26N-59E-21

1. Flaring 278 MCF/D.
2. Completed: 4/2022.
3. Estimated gas reserves: 511 MMCF.
4. Proximity to market: Currently connected.
5. Flaring alternatives: Kraken is selling gas to Crusoe Energy Systems. The gas is used for power generation and computing and remote networking systems in a Digital Flare Mitigation project. Currently 356 MCF/day is being sold through the project.
6. Amount of gas used in lease operations: 7 MCF/D.
7. Justification to flare: Capacity restraints on sales line preventing selling gas to stay under 100 mcf/day limit.

Kai 16-4 #3H – API #25-083-23395, 26N-59E-21

1. Flaring 273 MCF/D.
2. Completed: 4/2022.
3. Estimated gas reserves: 508 MMCF.
4. Proximity to market: Currently connected.
5. Flaring alternatives: Kraken is selling gas to Crusoe Energy Systems. The gas is used for power generation and computing and remote networking systems in a Digital Flare Mitigation project. Currently 350 MCF/day is being sold through the project.
6. Amount of gas used in lease operations: 7 MCF/D.
7. Justification to flare: Capacity restraints on sales line preventing selling gas to stay under 100 mcf/day limit.

Kai 16-4 #4H – API #25-083-23396, 26N-59E-21

1. Flaring 269 MCF/D.
2. Completed: 4/2022.
3. Estimated gas reserves: 515 MMCF.
4. Proximity to market: Currently connected.
5. Flaring alternatives: Kraken is selling gas to Crusoe Energy Systems. The gas is used for power generation and computing and remote networking systems in a Digital Flare Mitigation project. Currently 344 MCF/day is being sold through the project.
6. Amount of gas used in lease operations: 7 MCF/D.
7. Justification to flare: Capacity restraints on sales line preventing selling gas to stay under 100 mcf/day limit.