

Qualification summary: casinghead gas, Sample 22 Lease

Opportunity reference	SAMPLE-ME-01
Engaging party	Sample Operating LLC, operator of the Sample 22 Lease (gas supplier). Represented side for this work: the supplier.
Prepared by	Our Landmen LLC, for Methane.Exchange. Rights from the county and state records; supply facts as given, checked against public records.
Lands	All of Sec 22, Blk 7, Sample Ry. Co. Survey, A-904, Dry Fork County, Texas, 640 ac, more or less
Source	Casinghead gas from the Sample 22 #1H, #2H and #3H (oil wells), API 42-999-30101, -30102, -30103, through one tank battery and one flare point
Stage	4 Qualification, moving to 5 Selected introduction
Disclosure scope	This packet: Our Landmen LLC and Sample Operating LLC only. Page 8 (opportunity profile): the fields the supplier agreed to disclose, to buyer requirement BR-02 only.
Evidence last checked	10/06/2026

Decision 10/07/2026: Continue. Reported supply, gas quality, site and term fit buyer requirement BR-02 on most lines. Three gaps decide the deal: the gathering dedication (can gas be sold at a pad), the surface lease and SUA consent (can the pad be used), and H2S treatment (can the engines burn it). The decline forecast sets the term. Selected introduction to BR-02 on the page 8 fields, which the supplier agreed to on 10/07/2026 after reading this summary.

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STATES USED IN THIS PACKET

Reported	Stated by a party. Not yet checked against a record or measurement.
Corroborated	Matches a public record or a document the party supplied. Source and date given.
Unknown	No information yet. Blank is never read as zero.
Gap	Known to conflict with a requirement, or a missing item that blocks the next decision.

Qualified here means the evidence for the stated scope has been reviewed. It is not an engineering finding, an available-gas commitment or a promised outcome. Engineering, fuel acceptance and power sizing are for the buyer's and provider's engineers.

Summary

Area	Finding	State
Supply	Supplier reports 450 to 500 Mcf/d available today, interruptible, declining. Flared volumes on the monthly reports average 445 to 577 Mcf/d, Mar to Aug 2026. No meter yet at a proposed pad.	Corroborated in part
Quality and pressure	Analysis 08/14/2026 at the separator gas outlet: rich gas, 1,312 Btu/scf HHV, 85 ppm H ₂ S, 1.9 mol percent CO ₂ , 2.6 mol percent N ₂ . Separator 45 to 60 psig.	Corroborated supplier's lab report
Current outlet	Part sold into Sample Gathering LLC's line when it has room, rest flared under a Rule 32 exception whose current term ends 01/31/2027. About 700 Mcf a month used on the lease.	Corroborated
Term	Supplier offers 24 months, interruptible, on gas the gatherer does not take. Depends on the gathering dedication.	Reported
Site control and access	A pad of about 3 ac identified in the NE/4 of Sec 22, 0.3 mi from the battery. The lease road off County Road 140 reaches the battery; a 0.3 mi spur along the fuel line route would reach the pad. Surface owned by Sample Ranch LP. No surface lease for third-party equipment yet.	Gap
Rights stack	Severed minerals under OGL to Sample Operating LLC (MOGL Inst. No. 2019-000877), royalty 1/5, free use for lease operations only. Gas sold to a third party at the pad is a sale: royalty due, pay deck to revise. Gathering dedication of record (Inst. No. 2021-004410) through 12/31/2028.	Gap dedication
Buyer requirements	BR-02 (modular compute, interruptible workload) states 350 to 450 Mcf/d from its own equipment data, 24 months minimum, H ₂ S limit 20 ppm from its generator maker's fuel spec, 2 to 4 ac with truck access.	Fits on volume, term, site area
Gaps	Six open items (page 7). Three decide the deal: the dedication, the surface lease and SUA consent, H ₂ S treatment. The decline forecast sets the term.	Gap

READING OF THE OPPORTUNITY

Gas is going to the flare because the gathering line runs short of room, not because there is no market at all. That makes this already marketed gas with a constrained outlet, not stranded gas. A buyer at the pad takes the volumes the gatherer cannot, which is why the term is interruptible and why the dedication has to be read before anyone signs a gas purchase agreement.

The site works on paper: same surface owner for the pad, the fuel line and a short road spur, a lease road already to the battery, no third tract to cross. The surface owner has not been contacted; the supplier has not yet authorized it.

Gas quality is the engineering question. H₂S at 85 ppm is above the 20 ppm limit BR-02 gave from its generator maker's fuel spec, so treatment is on the table before the volume fit means anything. Rich gas also needs the maker's review. These are for the buyer's and provider's engineers; this packet only puts the numbers and their sources side by side.

Supply, quality and pressure evidence

RATE AND BASIS

Fact	Value and unit	Source and date	State
Gas available to a pad buyer	450 to 500 Mcf/d, interruptible	Supplier's email 10/03/2026; basis: battery check meter, last 90 days	Reported
Casinghead gas produced, lease total	835 Mcf/d avg, 08/2026	Monthly production and disposition report, 08/2026, state commission records	Corroborated
Gas flared	445 to 577 Mcf/d monthly avg, 03 to 08/2026	Same reports, disposition lines	Corroborated
Decline forecast	None supplied	Requested from supplier 10/06/2026	Unknown
Rate at a meter on the proposed pad	No meter exists	Site visit not made	Unknown

Reported production and disposition, Sample 22 Lease (Mcf)

Month	Produced	Sold to gatherer	Flared	Lease use	Produced, Mcf/d	Flared, Mcf/d
03/2026	31,000	12,400	17,900	700	1,000	577
04/2026	29,400	11,800	16,900	700	980	563
05/2026	28,800	13,100	15,000	700	929	484
06/2026	27,600	12,600	14,300	700	920	477
07/2026	26,700	10,200	15,800	700	861	510
08/2026	25,900	11,400	13,800	700	835	445

Made-up figures in the shape of a state monthly report; daily rates are the month total over its days. The flared line shows what the gatherer did not take, not what a pad buyer can rely on each day. Produced gas fell from about 1,000 to 835 Mcf/d in six months; the supplier's forecast is still needed.

GAS ANALYSIS AND PRESSURE

Item	Value and unit	Source and date	State
Sample point	Separator gas outlet, Sample 22 battery	Lab report 08/14/2026, supplied by Sample Operating LLC	Corroborated
Heating value	1,312 Btu/scf, HHV, dry basis	Same report	Corroborated
H2S	85 ppm	Same report	Corroborated
CO2 and N2	1.9 and 2.6 mol percent	Same report	Corroborated
Heavy ends	Rich; C3+ reported on the report	Same report	Corroborated
Pressure	45 to 60 psig at the separator	Supplier's email 10/03/2026	Reported
Pressure needed at the engine inlet	Not stated yet	BR-02's provider to supply	Unknown

A wellhead or separator analysis describes the gas at that point and date. Gas after any treatment needs its own analysis before an equipment maker reviews it.

Current outlet and term

WHERE THE GAS GOES TODAY

Outlet	What the record or the supplier shows	Source	State
Gathering line	Sample Gathering LLC takes gas when its line has room. 10,200 to 13,100 Mcf a month, 03 to 08/2026.	Monthly reports; supplier's email 10/03/2026	Corroborated
Flare	The rest, at one flare point at the battery	Monthly reports	Corroborated
Flare authority	Rule 32 exception for the battery flare; current term ends 01/31/2027	Supplier's copy of the exception; state commission online filing index checked 10/06/2026	Corroborated
Lease use	About 700 Mcf a month for lease operations	Monthly reports	Corroborated

THE GATHERING DEDICATION

Instrument	Memorandum of Gas Gathering Agreement, Sample Operating LLC to Sample Gathering LLC, dated 06/01/2021, recorded Inst. No. 2021-004410, OPR Dry Fork County
What the memorandum says	Dedicates gas produced from lands including all of Sec 22, Blk 7 to the gathering agreement through 12/31/2028. Refers to the unrecorded agreement for terms.
Supplier's statement	The agreement releases volumes the gatherer cannot take. Reported
Not seen	The release clause itself. Until it is read, a sale at the pad is not confirmed for any volume. Gap

TERM THE SUPPLIER CAN OFFER

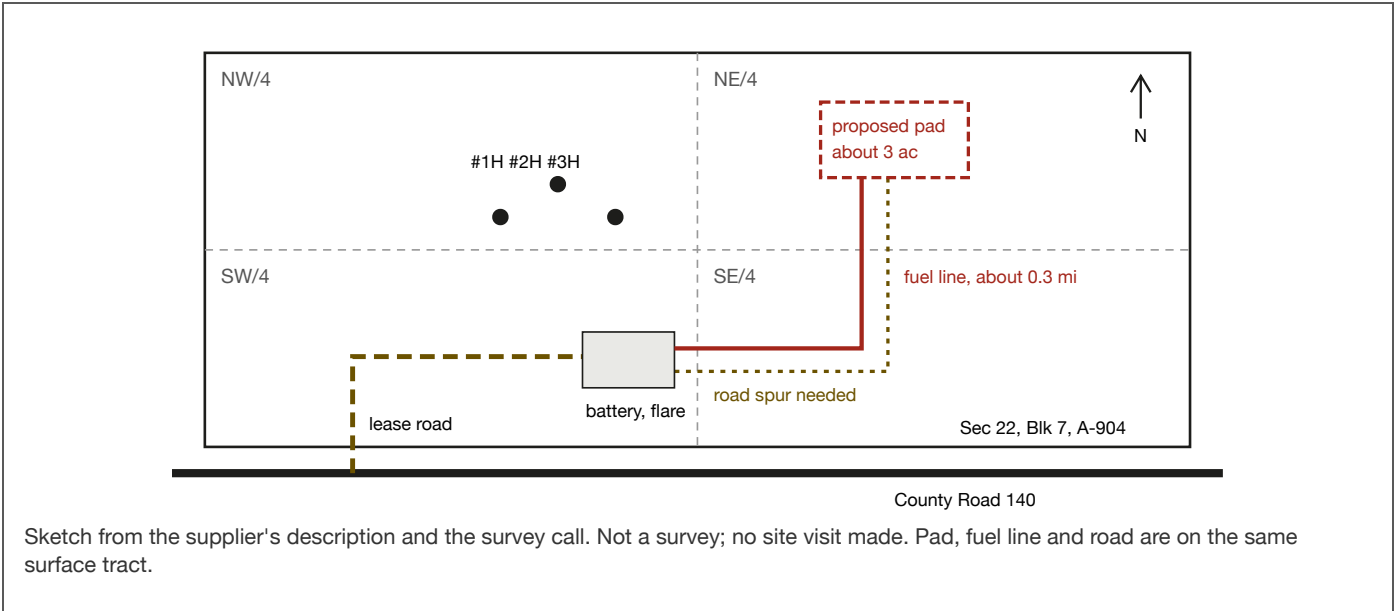
Item	Offered	Depends on	State
Length	24 months from first delivery	Release clause; decline forecast	Reported
Firmness	Interruptible: gatherer first, pad buyer second	Release clause	Reported
Start	Q1 2027	Surface lease, treatment, equipment delivery	Reported
Delivery point	Outlet of a new meter at the pad	Fuel line and meter set by the parties	Reported

WHAT THIS OUTLET COMPARISON NEEDS BEFORE TERMS

- Supplier's current netback on gas sold to the gatherer, on an MMBtu basis at the same point, from its own settlement statements (kept with the supplier; not sent through any web form).
- Royalty owed on gas sold at the pad under the OGL royalty clause (page 5), and the pay deck change.
- Any charge that stays payable to the gatherer on released volumes.

No price, fee or value is stated in this packet.

Site and rights stack



Right	Holder of record	Instrument	Needed for a pad buyer	State
Surface	Sample Ranch LP	WD Inst. No. 2004-001234, OPR; minerals excepted by the 1951 MD	Surface lease for the pad, fuel line and use of the lease road, from Sample Ranch LP to the buyer or the supplier	Gap
Minerals	Mineral owners of record under the 1951 severance, all leased	MD Vol 112 Pg 340, DR, 1951	Nothing new; they are paid royalty on gas sold at the pad	Corroborated
Lease	Sample Operating LLC, lessee	MOGL Inst. No. 2019-000877, OPR; OGL dtd 03/02/2019, royalty 1/5	Free-use clause covers gas used for lease operations only. Gas sold to a pad buyer is a sale: royalty on the sale volume, division orders or pay deck revised	Corroborated
Surface use	Sample Ranch LP and Sample Operating LLC	SUA dtd 05/14/2019, unrecorded; supplier's copy	SUA limits pads to oil and gas operations of the lessee and bars third-party equipment without owner consent	Gap
Gathering	Sample Gathering LLC	Memo Inst. No. 2021-004410, OPR, through 12/31/2028	Release clause or gatherer's consent for volumes sold at the pad (page 4)	Gap
Fuel line	Sample Ranch LP (surface)	None yet	Covered by the surface lease once signed, same tract; no third tract crossed	Gap
Access	County road; lease road to the battery under the SUA	SUA dtd 05/14/2019	Use of the lease road and a new 0.3 mi spur to the pad, for truck delivery, in the surface lease	Gap

County records searched: Dry Fork County OPR and DR grantor and grantee indexes for Sec 22, 1951 to 10/02/2026, and the appraisal district parcel record for the surface. A record search is not a title opinion.

Buyer requirement fit: BR-02

Buyer requirement	BR-02. Modular compute, interruptible workload. Buyer requirement record confirmed by the buyer 09/30/2026. Buyer's identity is not shown to the supplier until both sides agree to the introduction.
Rule for this page	Each requirement is in the buyer's own unit and words. We do not turn a power figure into a gas volume with an assumed heat rate; BR-02 stated its gas requirement from its own equipment data.

Requirement (buyer's words)	Buyer stated	Supply and site evidence	Fit
Gas volume	350 to 450 Mcf/d at the engines	450 to 500 Mcf/d reported available; flared 445 to 577 Mcf/d, 03 to 08/2026; decline forecast missing	Fits on reported figures
Interruptions	Workload can curtail; no backup fuel needed	Interruptible offer, gatherer first	Fits
Term	24 months minimum	24 months offered	Fits if dedication allows
H2S	20 ppm max, generator maker's fuel spec	85 ppm, analysis 08/14/2026	Gap
Heating value and heavy ends	Maker to review the analysis	1,312 Btu/scf HHV, rich	Unknown
Fuel pressure at the inlet	Not stated yet	45 to 60 psig at the separator	Unknown
Site area	2 to 4 ac	About 3 ac identified	Fits
Ground and road	Level; truck access to the pad	No site visit made; lease road reaches the battery, 0.3 mi spur needed	Unknown
Site rights	Surface lease in buyer's name	Surface owner not yet contacted; SUA bars third-party equipment without consent	Gap
Connectivity	Buyer brings satellite; fiber not required	No fiber known near the site	Fits
Start	Q1 2027	Q1 2027 offered	Fits

Fit on volume, interruptions, term, area and timing; ground and road unknown until a site visit. The H2S limit is the first technical question; the surface lease and the dedication are the first rights questions. None of them is a reason to stop, and each has a named party who can answer it (page 7).

In this made-up example, two other buyer requirements were compared and not matched: one needs firm gas, one needs a site within reach of a utility line. Their details stay with them.

Gaps and next steps

#	Gap	Who supplies it	What it decides
1	Release clause of the gathering agreement, or the gatherer's written consent for pad sales	Sample Operating LLC	Whether any gas can be sold at the pad, and the term
2	Treatment plan for 85 ppm H2S against the 20 ppm fuel spec	BR-02's equipment provider and engineer	Whether the gas can be used, and the skid on the pad
3	Decline forecast for the Sample 22 Lease, 24 months	Sample Operating LLC	Volume over the term; size of the installation
4	Engine inlet pressure; whether compression is needed	BR-02's equipment provider	Equipment list on the pad
5	Surface lease for the pad, fuel line and road spur; consent under the SUA; a site visit to check the ground and the spur route	Sample Ranch LP; Our Landmen LLC prepares the land paper once the supplier authorizes contact	Site control
6	Royalty on pad sales; division orders or pay deck revision	Sample Operating LLC	Supplier's net on the sale

NEXT STEPS

1. Done 10/07/2026: supplier read this summary, confirmed it and agreed to the page 8 fields.
2. Selected introduction: BR-02 receives the page 8 profile only. If it wants to go on, both sides agree to exchange names and the analysis under their own confidentiality terms.
3. Supplier sends the release clause (gap 1). If it does not allow pad sales, the opportunity goes on Hold with that reason and a review date.
4. BR-02's provider answers gaps 2 and 4 from the analysis.
5. On the supplier's go-ahead, Our Landmen LLC contacts Sample Ranch LP about a surface lease.

Decision log

10/02/2026 Received, request from the methane.exchange supplier form. Stage 1.
10/03/2026 Clarification: roles confirmed (operator speaks for the gas; surface owner separate). Stage 2.
10/04/2026 Preliminary screen: continue; monthly reports match the flared volume described. Stage 3.
10/06/2026 Qualification: county records searched, analysis received. Stage 4.
10/07/2026 Supplier read this summary and agreed to the page 8 fields for BR-02. Continue to selected introduction. Stage 5.

An introduction is not a commitment by anyone. The supplier and buyer sign their own gas agreement; Our Landmen LLC does the land and rights work when engaged.

Opportunity profile

For	BR-02 only
Permission	Sample Operating LLC, email of 10/07/2026, for the fields on this page. Anything else waits for both sides to agree.
Reference	SAMPLE-ME-01

THE GAS

Area	Dry Fork County, Texas (county only)
Source	Casinghead gas from three oil wells on one lease, one battery
Situation	Already marketed gas with a constrained outlet: the gathering line takes part; the rest is flared
Available to a pad buyer	450 to 500 Mcf/d reported, interruptible, declining; forecast to follow
Quality	Rich, sour: 1,312 Btu/scf HHV, 85 ppm H ₂ S (analysis 08/14/2026)
Pressure	45 to 60 psig at the separator
Term offered	24 months from first delivery, start Q1 2027, subject to the existing gathering arrangement

THE SITE

Pad	About 3 ac on the same surface tract as the battery, 0.3 mi of fuel line, lease road from a county road to the battery; a 0.3 mi spur to the pad still needed
Rights	Surface lease needed from the surface owner; not yet negotiated
Connectivity	No fiber known nearby

NOT DISCLOSED

Operator name, lease and well names, exact location, contract terms, settlement figures, surface owner's name.

IF YOU WANT TO GO ON

Reply to Methane.Exchange. Both sides agree to exchange names and documents; your engineer reviews the analysis. Methane.Exchange does not sell the gas and does not bind either side.