Desert Mountain Energy Corp. Acquires Helium-bearing Gas Field In New Mexico

19.06.2023 | CNW

VANCOUVER, June 19, 2023 - Desert Mountain Energy Corp. (the "Company") (TSXV: DME) (U.S. OTC: DMEHF) (Frankfurt: QM01) From the President of the Company. The Company is pleased to announce that it has signed a binding letter of intent to purchase the Pecos Slope West Abo Gas Field and gas gathering system located in Chaves County, New Mexico. The company will close the purchase on June 30, 2023, from a privately held company and will immediately assume operations and revenue from the existing 188 gas wells and 1 water disposal well. Currently, there are no compression, helium processing or NGL stripping facilities located on-site nor are any of the wells on any type of artificial lift. This acquisition follows in line with the Company's previously disclosed plans and use of proceeds to utilize our mobile modular and scalable helium processing plant design, where applicable, elsewhere in the United States to maximize shareholder value. The third-party acquisition cost is $500,000.00 US for the gathering system and $2,000,000.00 US cash for the wells.

The Company will continue to review and seek strategic opportunities in this helium-bearing natural gas area.

STAGED REVITALIZATION PLAN

1. Reconfigure gas gathering system "choke points"
2. Finalize plant design requirements
3. Select wells for immediate, mid-term and long-term workovers
4. New line taps for increased revenue
5. Generating additional revenue from Helium, CO2, methane credits and NGL's
6. Long-term gas gathering contracts
7. Emissions sequestration
8. Review offsetting possible acquisitions

PECOS SLOPE WEST ABO GAS FIELD

The Company plans to revitalize the Pecos Slope West Abo Gas Field and improve natural gas sales from the wells current level. The wells are all collected through a private gathering system, approximately 50 +- miles in length, which intern flows into a mid-point sales line. Currently, there are no compression, condensate fluid recovery facilities or Helium extraction on site. The current gas purchasing contract goes through another party and that contract does not provide credit for either inert gases (helium) or Natural Gas Liquids (NGL). The current gas purchasing contract pays $3.68 per mcf and expires in April 2024. DME will be looking at a more favorable gas contract and/or utilizing two other existing line taps. In addition to the installation of our plant design to separate the helium, we will also be stripping valuable condensate liquids. Current condensate liquids can vary widely from $60bbl to $90bbl. The Company's assessment, which began last year, includes an individual third-party gas analysis on 187 of the 188 gas wells. Flow rates are extremely low as the line pressure is at 152 #PSI. According to records, the majority of the wells are over 25 years old with most not having received any type of swabbing or downhole cleanup work in 20 years. The majority of this field's historical natural gas production has been from the 17 wells closest to the location of the former gas compressor station.

Wells closest to the old compressor station have significant bcf's of cumulative sales data and correspondingly, the gas analysis on those wells demonstrates the lowest helium values. The wells furthest distance from the old compression station also flows through a combination of different-sized lines creating specific "choke points." We will be addressing these choke points through minimal replacement of some line

sections and manifold connection reconfiguration. These reconfigurations may include the addition of small compressors to improve the performance of wells with the highest helium values.

The Pecos Slope West Abo Gas Field produces from a Permian age formation and has a surface-mapped fault and igneous dike mapped in the subsurface. (New Mexico Geology 11/2005 vol 27). Previous generalized referenced studies were apparently either not provided access to or choose to be random with selected well files. The well files clearly show elevated helium and hydrogen percentages ranging from 3.863% to 1.374%. The shallower zones in this area have not been tested for the presence of helium. The upper zones in the few wells which were tested, showed high levels of nitrogen and hydrogen, with no mention of tests being run to identify helium.

The gas tests were conducted in February 2023 and show interesting gas composition dependent on the specific location within the Pecos Slope West Abo Gas Field. DME's team will continue to organize, analyze and define the empirical well control data. Thus far, gas analysis demonstrates data which shows a clear correlation between the helium and methane values when the nitrogen levels are between 3.8% and 14.0%. The few wells where the nitrogen was in excess of 16%, methane production curves are not accurate. Current CO2 levels tested on wells with elevated helium dropped to below threshold values (less than 0.000). The Company, which we are purchasing this field from, also had a qualified independent individual assemble a report based on the current volumes. Since helium has never been sold or credited as a separate product, P1 sales and reserves cannot be accurately predicted. Those values, when correlated to our reworked wells, will provide positive reserve insight. The Company will have an independent NI 51-101 compliant reserve report issued by the end of the calendar year. DME expects that as we work-over and recomplete wells from a yet-to-be-determined number, helium production and reserves will increase.

A quick review of the testing data shows where randomly the helium is elevated and nitrogen is between 4.503% and 8.313%, the BTU @ 14.73 PSIA (dry) Volume Real Gas Fuel (VRGF) is 1023.7. On the few wells where the nitrogen is above the aforementioned values, the BTU @ 14.73 PSIA (dry) VRGF drops to 998.0 with the lowest analyzed at 632.4 BTU. Compressibility ranges between 0.9979 and 0.9974 with specific gravities ranging between .6333 and .6589. Another interesting aspect in this field is when higher helium values are correlated to the BTU VRGF, the gasoline gallon content per thousand, Gallons Per Thousand, (GPM) is significantly elevated. Ethane & heavier 2.392 GPM, Propane & heavier 1.231GPM, Butane & heavier 0.745 GPM, and Pentane & heavier 0.449GPM. These volumes become significant when directly correlated to the volume of condensate oils to be extracted. These all have values and are easily marketed. For reference, our plant was designed to basically strip out all, of these fractional products, before the helium is enriched.

The main Permian age (lower Leonardian or upper Wolfcampian this area), Abo Formation gas bearing zone in this area is between 3,600' and 3,900' depth from surface and is considered as, "tight gas sand," (designation under federal regulations 1980,) rising from the east to west and south to north. The gas tests from 02/23 are instrumental in constructing a proper plan for increasing helium production. The low-permeability red bed sandstones account for most of the gas production. However, Pennsylvanian limestones with Silurian and Ordovician dolostones are important gas reservoirs. It is generally thought that the Abo structure coincides with the Precambrian structure (Broadhead and Jones 2002). Tectonic movements which were responsible for the Pedernal uplift directly north in The Sin Nombre arch are in conjunction with the closely associated basinal areas in the Pennsylvanian and Early Permian age. Most of the associated tectonic movement has stopped by the end of the Abo depositional strata. This results with most of the faults exhibiting no major offset in the post-Abo Formations. Production from the Abo is from lenticular, low-permeability, fluvial-deltaic, red bed sandstones that are interbeded with red, nonmarine mudstones, (Broadhead 1984, Bentz 1992). Overall thickness in this pool varies from 650' to 750', with the trapping mechanisms being poorly understood and must involve regional structure combined with a possible northward loss of internal shale seals or perhaps more as a capillary pressure barrier.

The wells demonstrating elevated helium values, across the 76,500 acres, are located in the northern portion. Original completion records indicate a number of wells which were specifically completed down from the uppermost section of the formation to secure production from the higher BTU gas. As previously stated, this may relate to some of the higher helium values seen in the few wells that were in the upper 20'-30' of the formation. It is too early in our research to extrapolate hard, helium reserve from that data. This awaits our recompletion efforts. The Company is not looking to drill any wells in the near term. Prior ownership of the field suggested a total in excess of 150 additional new wells could be considered to fully develop all aspects of the field.

The company is also receiving a permitted water disposal well as part of the overall package. This well is not

for commercial purposes but will serve to meet the currently estimated 30 bbls. of daily water production.

The Company will continue to work with other companies to capture and process all exhaust from operations in order to make this a net zero-carbon operation.

ABOUT DESERT MOUNTAIN ENERGY

Desert Mountain Energy Corp. is a publicly traded resource company primarily focused on exploration, development and production of helium, hydrogen and noble gases. The Company is primarily looking for elements deemed critical to the renewable energy and high technology industries.

We seek safe harbor

"Robert Rohlfing"
Robert Rohlfing
Exec Chairman & CEO

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Forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company and its operations to be materially different from those expressed or implied by such statements. Such factors include, among others, changes in national and local governments, legislation, taxation, controls, regulations and political or economic developments in Canada and the United States; financial risks due to helium prices, operating or technical difficulties in exploration and development activities; risks and hazards and the speculative nature of resource exploration and related development; risks in obtaining necessary licenses and permits, and challenges to the Company's title to properties.

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Contact
Don Mosher, President & Director, (604) 617-5448, E-mail Don@desertmountainenergy.com