

# Desert Mountain Energy Corp. Provides Progress Report On West Pecos Slope Abo Project

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[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 confirm the delivery of all necessary components for the West Pecos helium processing plant. Heavy rains washed out portions of roads not maintained by the Company which delayed delivery of the larger multi-stage compressor. Operational start-up is anticipated to take place in the first half of November. Critical components, excluding the final compressor and dehydration unit connections, have been pressure tested successfully.

The company, as previously communicated, has been focused on pigging flow lines, eliminating specific choke points, and conducting flow line maintenance. Work on the gas lines and on 12 specific wells has resulted in significant increases in gas flow. Management feels that of 188 total wells in the field, between 85-104 would be targets for additional workovers to increase production for both natural gas and helium. Actual results and time will dictate the final number of wells which could benefit from enhancement procedures.

The Company assumed control of operations on July 1, 2023, at which point natural gas production had declined to roughly 104MCFGPD. During the course of the flow line work carried out in the latter part of July, and throughout August and September 2023, gas sales were intermittently halted for a total of 10 days. Since the completion of that initial work, production levels have increased. In July 2023 DME averaged production of 275MCFGPD, with August and September 2023 averaging 822MCFGPD. DME systematically focuses on improving wells, plant line feed compressors and general maintenance to increase those numbers to meet our near-term goal of 1,500+MCFGPD. Anticipated increases in gas production for the long term will be achieved through more complex well workovers, which will be paid for using cash flow from field operations.

The acquisition of smaller-volume compressors was aimed at enhancing production from helium-rich wells. As mentioned in our earlier press releases on 06/19/23, 07/06/23, and 08/16/23, our geological team swiftly pinpointed and continues to evaluate wells suited for optimal helium production. Independent gas analysis conducted on chosen wells during and after workovers continues to ensure proper correlation between the gas analysis tests, originally provided to us by the seller. The Company is aware that initial helium and natural gas values will alter once production starts in our plant. As previously reported in press releases, helium was considered as an inert gas and as such, no value was ascribed to, or payment made to any former company as a produced marketable product. This implies that any helium values will need to be initially classified under PUD reserves. Management feels that continued geological study of well files will further pinpoint highly prospective zones for increased helium production. DME's position is that those reviews showing previously discovered zones and testing positive for helium will confirm a number of yet-to-be-determined additional drill locations as identified by previous operators. During the Company's initial review prior to purchase, some research indicated higher helium values on one or two of the wells which have since been found inaccurate. Consequently, this data has accordingly been included in our planned well workovers to maximize helium production.

Recent sampling and historical data suggest an initial average of 0.50% helium grades with the commencement of helium production in the plant. Senior Management is continually approached by additional helium end-user purchasers offering to buy all helium grades. To increase shareholder value, the Company is exploring potential end-user contracts, enabling higher prices for its natural gas production as appropriate. The presence of more natural gas carriers crossing our leases strengthens this position. For instance, El Paso gas, with a pipeline across our leases and two existing line taps, one of which is at our initial processing facility locations, exemplifies this. Large, high-pressure gas lines typically require over a year of advanced planning to secure all necessary approvals for a tap addition. The planning and installation of a physical line tap can surpass one million USD. Currently, DME has two well-maintained line taps on our properties.

"Unforeseen obstacles led to the necessary relocation of our processing facility to our new gas asset in New Mexico," says CEO Robert Rohlfing. "However, the company is poised to commence operations and looks forward to realizing a positive cash flow from our consolidated revenue-generating assets."

[Desert Mountain Energy Corp.](#) is committed to not only adhering to the state and federal regulations concerning emissions and quarterly testing from field equipment but also going a step further. The company is entering into an agreement with a private company to remove the majority of the CO<sub>2</sub> from field emissions and convert it cost-effectively to food-grade CO<sub>2</sub>. The operation will begin with smaller engines operating booster compressors before progressing to larger plant-sized compression and power generation. DME looks forward to collaborating with the New Mexico-based company and further building on its previous work with National Laboratories.

In addition, the company continues to work with our external hydrology firm in Arizona to investigate all possible strategies related to its long-term operational plan in that state. DME made a joint decision and agreed to extend their timeframes and contracts with Beam Earth in regard to our hydrogen projects in Arizona. The Company continues to renew its existing oil, gas, helium and mineral leases in Arizona.

Robert Rohlfing, CEO of DME, will be a highlighted speaker at the 2023 Helium Super Summit, scheduled to occur in Houston, TX from October 1 to November 1, 2023.

#### 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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SOURCE [Desert Mountain Energy Corp.](#)

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