

Desert Mountain Energy Corp. Completes Reassembly Of West Pecos Field Plant

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VANCOUVER, Jan. 22, 2024 - [Desert Mountain Energy Corp.](#) (the "Company") (TSXV: DME) (U.S. OTC: DMEHF) (Frankfurt: QM01) From the President of the Company. [Desert Mountain Energy Corp.](#) (DME) is pleased to announce the successful reassembly of its natural gas and helium processing and extraction facility. The Company has received the final operational permit from the BLM. The company has made several plant modifications to enhance safety and accommodate upcoming regulatory changes in 2024. These modifications have allowed DME to significantly increase overall gas production and begin plant operations for total natural gas throughput. Plant modifications include the ability to automatically bypass the main gas portion of the gas processing facility and continue natural gas sales. The West Pecos Field Plant has been specifically designed to meet a variety of customer purity requirements for gaseous helium, ensuring a maximum return on investment.

The purchase of the West Pecos Abo Gas Field included an existing offtake contract that requires all gas to be sold under its terms for the remaining short term of the contract. Depending upon the outcome of ongoing discussions, the Company may need to wait for the expiration of the current gas purchase agreement on 05/31/24 to begin full-time helium extraction and sales. The Company will not litigate any disagreements with the offtake partner and is prepared to wait for the contract to expire. While the Company is negotiating with the current offtake partner, processed gas sale contracts are being explored and negotiated directly with end users. As stated in a previous press release, the closest gas transportation company has modified and updated its existing line tap, which could be a very advantageous connection. There is an existing line from the outbound side of our processing facility to their line tap, which is approximately 90 feet away.

Since taking over operations on 07/01/23, DME has significantly increased gas throughput across the entire field, going from 104 MCFGPD to 1,341 MCFGPD in November 2023 and aiming for 1,500 MCFGPD in December 2023. This progress has been achieved without significant capital investment, with 15 wells revitalized at a cost of less than \$150 per well using foaming techniques. The company plans to further improve production through well workovers starting in March 2024, with an average cost of \$15,000 per well. DME is working towards the near-term goal of exceeding 3,000 MCFGPD from existing wells and perforations.

The Company has conducted a thorough review of open hole logs and has identified numerous productive zones in various areas of the field. In the West Pecos Slope Abo Gas Field there are 11 distinct zones within the Upper Abo Formation which have shown productivity. On average, the total thickness of the Upper Abo Formation in this field is 390 feet. Many wells have not reached the Lower Abo or Wolfcamp Formations, but those that have indicated multiple successful completions into specific zones. Of the wells that have penetrated these formations, well records indicate multiple successful completions into specific zones which were constrained at the time of original drilling by spacing density rules. The majority of those original concerns or constraints have been addressed via rule/regulation changes and have since been modified or removed and the Company looks to further enhance long-term helium production through completions in those specific zones. Future drilling plans will be addressed separately upon release of the NI51-101 reserve report and 2023 audited financials, for the year ending September 30, 2023.

ABOUT DESERT MOUNTAIN ENERGY

[Desert Mountain Energy Corp.](#) is a publicly traded resource company primarily focused on the exploration, development and production of helium, hydrogen, natural gas and condensate. The Company is focused on helium extraction from different raw gas sources in an environmental and economic manner supplying elements deemed critical to the renewable energy and high technology industries.

We seek safe harbor

"Robert Rohlifing"

Robert Rohlfing
Exec Chairman & CEO

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This news release contains "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward looking statements and information herein include but are not limited to statements regarding the Company's anticipated performance in the future the planned exploration activities, receipt of positive results from drilling, the completion of further drilling and exploration work, and the timing and results of various activities.

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.

Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to the continued operation of the Company's exploration operations, no material adverse change in the market price of commodities, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or information, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed or intended. There can be no assurance that any forward-looking statements or information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information. The Company does not intend to, and nor does not assume any obligation to update such forward-looking statements or information, other than as required by applicable law.

SOURCE [Desert Mountain Energy Corp.](#)

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