

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

NEW MEXICO OIL CONSERVATION
ARTESIA DISTRICT
State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

JAN 09 2018

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Form C-141
Revised August 8, 2011

RECEIVED

LAB1801755861

Release Notification and Corrective Action

Initial only

LAB1801755995

OPERATOR

☒ Initial Report ☒ Final Report

| | | |
|--|--------|---|
| Name of Company Matador Resources | 228937 | Contact Casey Snow |
| Address 500 N Main St Suite 1 Roswell NM 88201 | | Telephone No. (972) 371-5439 |
| Facility Name Tiger Recycling Facility | | Facility Type Produced Water Recycle Facility |

| | | |
|-----------------------|-----------------------|-------------|
| Surface Owner Private | Mineral Owner Private | API No. n/a |
|-----------------------|-----------------------|-------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter P | Section 14 | Township 24S | Range 28E | Feet from the 215 | North/South Line South | Feet from the 915 | East/West Line EAST | County Eddy |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|

32.211082 Latitude 32° 04' 05" N Longitude 104° 32' 23" W - 104.052335

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release Produced Water and Crude Oil | Volume of Release 460bbls | Volume Recovered 435 |
| Source of Release Equipment Failure on Recycle Tank | Date and Hour of Occurrence 12/28/17 8:20 pm | Date and Hour of Discovery 12/29/17 12 am |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? NM OCD Artesia District Office | |
| By Whom? Lucas Middleton (SMA) | Date and Hour 12/29/17 3:19 pm | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Cause: Equipment Failed and allow the Recycle tank to over flow on to secondary containment and pad
Remedial Action: Stopped over flow of tank and began to vac all standing liquids.

Describe Area Affected and Cleanup Action Taken.*

The Affected area was predominately within secondary containment and approximately a 60' x 40' area affecting the production pad. At the time of spill the ground was frozen due to low temperature and initial inspection showed the release to remain surficial. The initial response was to vac all stand liquid on secondary containment and on production pad.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

OIL CONSERVATION DIVISION

Signature:

Printed Name: Casey Snow

Approved by Environmental Specialist:

Title: Manager Regulatory, Environmental, & Safety

Approval Date: 1/10/18

Expiration Date: N/A

E-mail Address: csnow@matadorresources.com

Conditions of Approval:

see attached

Attached

2RP-4567

Date: August 2, 2017, 2017 Phone: (972) 371-5439

* Attach Additional Sheets If Necessary

2RP-1791

1/10/18 AB

Operator/Responsible Party,

The OCD has received the form C-141 you provided on **1/9/18** regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number SRP-45107 has been assigned. **Please refer to this case number in all future correspondence.**

It is the Division's obligation under both the Oil & Gas Act and Water Quality Act to provide for the protection of public health and the environment. Our regulations (19.15.29.11 NMAC) state the following,

The responsible person shall complete division-approved corrective action for releases that endanger public health or the environment. The responsible person shall address releases in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with 19.15.30 NMAC. [emphasis added]

Release characterization is the first phase of corrective action unless the release is ongoing or is of limited volume and all impacts can be immediately addressed. Proper and cost-effective remediation typically cannot occur without adequate characterization of the impacts of any release. Furthermore, the Division has the ability to impose reasonable conditions upon the efforts it oversees. **As such, the Division is requiring a workplan for the characterization of impacts associated with this release be submitted to the OCD District II office in Artesia on or before 2/9/18. If and when the release characterization workplan is approved, there will be an associated deadline for submittal of the resultant investigation report. Modest extensions of time to these deadlines may be granted, but only with acceptable justification.**

The goals of a characterization effort are: 1) determination of the lateral and vertical extents along with the magnitude of soil contamination. 2) determine if groundwater or surface waters have been impacted. 3) If groundwater or surface waters have been impacted, what are the extents and magnitude of that impact. 4) The characterization of any other adverse impacts that may have occurred (examples: impacts on vegetation, impacts on wildlife, air quality, loss of use of property, etc.). To meet these goals as quickly as possible, the following items must, at a minimum, be addressed in the release characterization workplan and subsequent reporting:

- Horizontal delineation of soil impacts in each of the four cardinal compass directions. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. This is not an exclusive list of potential contaminants. Analyzed parameters should be modified based on the nature of the released substance(s). Soil sampling must be both within the impacted area and beyond.
- Vertical delineation of soil impacts. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. As above, this is not an exclusive list of potential contaminants and can be modified. Vertical characterization samples should be taken at depth intervals no greater than five feet apart. Lithologic description of encountered soils must also be provided. At least ten vertical feet of soils with contaminant concentrations at or below these values must be demonstrated as existing above the water table.
- Nominal detection limits for field and laboratory analyses must be provided.
- Composite sampling is not generally allowed.
- Field screening and assessment techniques are acceptable (headspace, titration, EC [include algorithm for validation purposes], EM, etc.), but the sampling and assay procedures must be clearly defined. Copies of field notes are highly desirable. A statistically significant set of split samples must be submitted for confirmatory laboratory analysis, including the laterally farthest and vertically deepest sets of soil samples. Make sure there are at least two soil samples submitted

for laboratory analysis from each borehole or test pit (highest observed contamination and deepest depth investigated). Copies of the actual laboratory results must be provided including chain of custody documentation.

- Probable depth to shallowest protectable groundwater and lateral distance to nearest surface water. If there is an estimate of groundwater depth, the information used to arrive at that estimate must be provided. If there is a reasonable assumption that the depth to protectable water is 50 feet or less, the responsible party should anticipate the need for at least one groundwater monitoring well to be installed in the area of likely maximum contamination.

- If groundwater contamination is encountered, an additional investigation workplan may be required to determine the extents of that contamination. Groundwater and/or surface water samples, if any, must be analyzed by a competent laboratory for volatile organic hydrocarbons (typically Method 8260 full list), total dissolved solids, pH, major anions and cations including chloride and sulfate, dissolved iron, and dissolved manganese. The investigation workplan must provide the groundwater sampling method(s) and sample handling protocols. To the fullest extent possible, aqueous analyses must be undertaken using nominal method detection limits. As with the soil analyses, copies of the actual laboratory results must be provided including chain of custody documentation.

- Accurately scaled and well-drafted site maps must be provided providing the location of borings, test pits, monitoring wells, potentially impacted areas, and significant surface features including roads and site infrastructure that might limit either the release characterization or remedial efforts. Field sketches may be included in subsequent reporting, but should not be considered stand-alone documentation of the site's layout. Digital photographic documentation of the location and fieldwork is recommended, especially if unusual circumstances are encountered.

Nothing herein should be interpreted to preclude emergency response actions or to imply immediate remediation by removal cannot proceed as warranted. Nonetheless, characterization of impacts and confirmation of the effectiveness of remedial efforts must still be provided to the OCD before any release incident will be closed.

Jim Griswold

OCD Environmental Bureau Chief

1220 South St. Francis Drive

Santa Fe, New Mexico 87505

505-476-3465

jim.griswold@state.nm.us

Weaver, Crystal, EMNRD

From: Weaver, Crystal, EMNRD
Sent: Tuesday, January 16, 2018 1:18 PM
To: 'Lucas Middleton'; Bratcher, Mike, EMNRD
Cc: 'Csnow (Csnow@matadorresources.com)'
Subject: RE: Tiger Recycling Facility

Hello all,

Ok so I used a converting program and converted the coordinates that were provided on the Initial C-141 and then used them in our mapping system and it doesn't come up at the location of the legal description that is provided on the C-141. So I looked up the Tiger recycling facility in our system and found coordinates for the facility. I will add those on to the C-141 form instead because the legal description matches those and because the aerial imagery used by the mapping program shows an image of the recycling facility at this location, but next time if the coordinates are not correct I will simply mark things that are incorrect and then still process that C-141 form and then still request that a new one be submitted.

If you have any questions or concerns please contact either myself or Mike Bratcher here at the OCD District II Office.

Thank you,

Crystal Weaver

Environmental Specialist
OCD – Artesia District II
811 S. 1st Street
Artesia, NM 88210
Office: 575-748-1283 ext. 101
Cell: 575-840-5963
Fax: 575-748-9720

From: Weaver, Crystal, EMNRD
Sent: Friday, January 12, 2018 12:21 PM
To: 'Lucas Middleton' <lucas.middleton@soudermiller.com>; Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>
Cc: Csnow (Csnow@matadorresources.com) <Csnow@matadorresources.com>
Subject: RE: Tiger Recycling Facility

Matador/Lucas,

I can not accept this form marked as an Initial/Final so I will cross out that the Final box is checked on the form and it will be processed as an **Initial only**. Also all of our data systems only accept coordinates in the decimal degree format. I will convert the coordinates and change it on the form but please make an effort to provide coordinates in that format at all times if possible.

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To: 'Lucas Middleton'; Bratcher, Mike, EMNRD
Cc: Csnow (Csnow@matadorresources.com)
Subject: RE: Tiger Recycling Facility

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Last, I see that a good amount of this release was said to be held by secondary containment. Since that is mentioned both photos and the statement I asked for back when the immediate notification was sent in for this release will be required to verify credibility of the secondary containment integrity.

*When a C-141 is submitted for a release that is stated to involve secondary lined containment, OCD is asking that operators provide a written statement within the Final C-141 (**attesting to the integrity of the liner and stating that you yourself or another member of your organization ((that has been informed/educated on what to look for)) have inspected the liner, also if the containment involves any fill material OCD needs a statement on the form saying that all fill was removed and replaced**). If there are any breaches in the liner that needs to be documented and a full delineation will be required for the area beneath the liner where the breach occurred.*

Aside from that request, OCD is also requesting for all operators to include photos in the body of the email they send to us showing the condition of the lined area before and after it was remediated/inspected. Since a work plan will be required for this spill (cause not all of it was contained by secondary containment) the photos can be either included in the body of the final email when the Final C-141 is sent or they can be included in the work plan.

I will further review the C-141 form and if I find any more errors/discrepancies I will let you all know.

Thank you,

Crystal Weaver

Environmental Specialist

OCD – Artesia District II

811 S. 1st Street

Artesia, NM 88210

Office: 575-748-1283 ext. 101

Cell: 575-840-5963

Fax: 575-748-9720

From: Lucas Middleton [mailto:lucas.middleton@soudermiller.com]
Sent: Tuesday, January 9, 2018 9:27 AM
To: Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>; Weaver, Crystal, EMNRD <Crystal.Weaver@state.nm.us>
Cc: Csnow (Csnow@matadorresources.com) <Csnow@matadorresources.com>
Subject: Tiger Recycling Facility

Good Morning,

On behalf of Matador Resources, SMA is filing with you the C141- Initial for a release occurred on the Tiger Recycling Facility . See attachment.

Thank You

Lucas Middleton
Staff Scientist
(575) 499-9244 (mobile)



Souder, Miller & Associates
Engineering • Environmental • Surveying
201 S. Halagueno
Carlsbad, NM 88220
www.soudermiller.com

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Weaver, Crystal, EMNRD

From: Lucas Middleton <lucas.middleton@soudermiller.com>
Sent: Tuesday, January 9, 2018 9:27 AM
To: Bratcher, Mike, EMNRD; Weaver, Crystal, EMNRD
Cc: Csnow (Csnow@matadorresources.com)
Subject: Tiger Recycling Facility
Attachments: C-141 Initial MATador Tiger Recycling.pdf

Good Morning,
On behalf of Matador Resources, SMA is filing with you the C141- Initial for a release occurred on the Tiger Recycling Facility . See attachment.

Thank You

Lucas Middleton
Staff Scientist
(575) 499-9244 (mobile)



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