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

State of New Mexico Energy Minerals and Natural Resources Department

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

NM Oil Conservation Div.
Dist. II - Artesia Revis

ist. II - Artesia Revised August 24, 2018
Received Submit to appropriate OCD District office
10/05/2018

Form C-141

Incident ID	NAB1828443038
District RP	2RP-5004
Facility ID	
Application ID	pAB1828443290

Release Notification

		Res	ponsible Pa	nrty	
Responsible Party Var	guard Operating, L	LC	OGRID	D 258350	
Contact Name Jason Fi	sher		Contact	et Telephone 505-918-0523	
Contact email jfisher@	vnrenergy.com		Inciden	nt # (assigned by OCD) NAB1828443038	
Contact mailing addres	s 4001 Penbrook Su	nite 201 Odessa, T	ΓX		
		Location	of Release	Source	
Latitude 32.804214		(NAD 83 in de	Longitud ecimal degrees to 5 de	de -104.211703 decimal places)	
Site Name Staley State	Battery	***************************************	Site Typ	pe Tank Battery	
Date Release Discovere	d 9-25-2018		API# P	Please see attached (30-015-31284)	
Unit Letter Section	Township	Range	Co	County	
J 30	17S	28E	Eddy		
Surface Owner: XX Stat	e Federal T	ribal	Name:)	
		Nature an	d Volume o	of Release	
Mate Crude Oil	rial(s) Released (Select a Volume Release		h calculations or spec	verific justification for the volumes provided below) Volume Recovered (bbls) 0	
			***************************************	` ,	
Produced Water	Volume Release			Volume Recovered (bbls)	
	Is the concentrate produced water	tion of dissolved (>10.000 mg/l?	chloride in the	Yes No	
Condensate	Volume Release			Volume Recovered (bbls)	
Natural Gas	Volume Release	ed (Mcf) 4580		Volume Recovered (Mcf) 0	
Other (describe)	Volume/Weight	Released (provid	le units)	Volume/Weight Recovered (provide units)	
The gas purchaser requ	ested a reduction in	gas due to equipr	ment issues in the	eir plant. The site was put to flare and back to sales on 1—	-

The gas purchaser requested a reduction in gas due to equipment issues in their plant. The site was put to flare and back to sales on 1–01-2018.

Form C-141 Page 2

State of New Mexico Oil Conservation Division

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Was this a major	1	nsible party consider this a major release?
release as defined by 19.15.29.7(A) NMAC?	Greater than 500 mcf.	
19.13.25.7(A) NMAC:		
X Yes 🗌 No		
		hom? When and by what means (phone, email, etc)?
Yes by Chuck Johnston t	o Mike Bratcher, Marie Pruett, Jim Griswo	old and Amalia Bustamante by email 9-28-2018 1:08 pm.
	Initial R	esponse
The recoveible		ly unless they could create a safety hazard that would result in injury
The responsible [party must undertake the johowing actions immediate	ty uniess they coula create a sajety hazara mai woula result in injury
☐ The source of the rele	ease has been stopped.	
☐ The impacted area ha	s been secured to protect human health and	the environment.
Released materials ha	ave been contained via the use of berms or	dikes, absorbent pads, or other containment devices.
☐ All free liquids and re	ecoverable materials have been removed ar	nd managed appropriately.
If all the actions described	d above have <u>not</u> been undertaken, explain	why:
Per 19.15.29.8 B. (4) NM	AC the responsible party may commence	remediation immediately after discovery of a release. If remediation
has begun, please attach	a narrative of actions to date. If remedial	efforts have been successfully completed or if the release occurred
		please attach all information needed for closure evaluation.
		best of my knowledge and understand that pursuant to OCD rules and iffications and perform corrective actions for releases which may endanger
public health or the environr	nent. The acceptance of a C-141 report by the	OCD does not relieve the operator of liability should their operations have
		eat to groundwater, surface water, human health or the environment. In responsibility for compliance with any other federal, state, or local laws
and/or regulations.	1 a C-141 report does not reneve the operator of	responsibility for compliance with any other rederal, state, or local laws
Printed Name: Chuc	k Johnston	Title: EHS Operations Specialist
11med (vame	// / / /	
Signature:	Jen.	Date:10-4-2018_
email:cjohnston@vi	nrenergy.com	Telephone:432-202-4771
OCD Only		
Received by:	ntamente	Date:10/11/2018

Form C-141 Page 6

State of New Mexico Oil Conservation Division

Incident ID	NAB1828443038
District RP	2RP-5004
Facility ID	
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Closure

The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

Closure Report Attachment Checklist: Each of the following its	ems must be included in the closure report.
A scaled site and sampling diagram as described in 19.15.29.11	I NMAC N/A
Photographs of the remediated site prior to backfill or photos of must be notified 2 days prior to liner inspection)	of the liner integrity if applicable (Note: appropriate OCD District office
☐ Laboratory analyses of final sampling (Note: appropriate ODC	District office must be notified 2 days prior to final sampling)
Description of remediation activities	
and regulations all operators are required to report and/or file certain may endanger public health or the environment. The acceptance of a should their operations have failed to adequately investigate and remulation health or the environment. In addition, OCD acceptance of a compliance with any other federal, state, or local laws and/or regulat restore, reclaim, and re-vegetate the impacted surface area to the con accordance with 19.15.29.13 NMAC including notification to the OC Printed Name: Chuck Johnston Title	cediate contamination that pose a threat to groundwater, surface water, C-141 report does not relieve the operator of responsibility for ions. The responsible party acknowledges they must substantially ditions that existed prior to the release or their final land use in
Received by:	Date:10/11/2018
	of liability should their operations have failed to adequately investigate and vater, human health, or the environment nor does not relieve the responsible r regulations.
Closure Approved by: Analytic Stamuste	Date:10/11/2018
Printed Name: _ Amalia Bustamante	Title: Business Operations Spec O

<u>API</u>	Well Name	Well Number
30-015-31284	STALEY STATE	#001
30-015-31285	STALEY STATE	#002
30-015-34086	STALEY STATE	#003
30-015-36253	STALEY STATE	#007
30-015-36977	STALEY STATE	#008
30-015-36564	STALEY STATE	#009
30-015-38511	STALEY STATE	#015
30-015-40338	STALEY STATE	#016
30-015-40983	STALEY STATE	#020
30-015-40989	STALEY STATE	#021
30-015-41063	STALEY STATE	#022
30-015-41066	STALEY STATE	#025
30-015-42725	STALEY STATE	#028
30-015-42726	STALEY STATE	#029