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

Responsible Party Vanguard Operating, LLC

Contact Name Jason Fisher

State of New Mexico Energy Minerals and Natural Resources Department

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-141 Revised August 24, 2018 Submit to appropriate OCD District office

| Incident ID | NAB1905738938 |
|----------------|---------------|
| District RP | 2RP5267 |
| Facility ID | fAB1833146840 |
| Application ID | pAB1905734672 |

Release Notification

Responsible Party

OGRID 258350

Contact Telephone 505-918-0523

| Contact ema | ii jiisner@v | nrenergy.com | | | Incident # (assigned by OCD) NAB1905738938 | | |
|--|--------------|--|--|----------------|---|--|--|
| Contact mail 79762 | ing address | 4001 Penbrook Si | uite 201 Odessa, | , TX | | | |
| | | | Locatio | n of Re | elease Source | | |
| Latitude 32.8 | 147 | | | I | Longitude -104.133 | | |
| | • | | (NAD 83 in | | grees to 5 decimal places) | | |
| Site Name AI | D 24 State 9 | 9 Battery | | - Shawward | Site Type Tank Battery | | |
| Date Release | Discovered | 1-31-2019 | | | API# Please see attached | | |
| | | | | | | | |
| Unit Letter | Section | Township | Range | | County | | |
| N | 24 | 17S | 28E | Eddy | <i>'</i> | | |
| Material(s) Released (Select all that apply and attach calculated Crude Oil Volume Released (bbls) Produced Water Volume Released (bbls) Is the concentration of dissolved chlorided produced water >10,000 mg/l? Condensate Volume Released (bbls) | | | II that apply and atta ed (bbls) ed (bbls) tion of dissolved >10,000 mg/l? | ach calculatio | Volume Recovered (bbls) 0 Volume Recovered (bbls) | | |
| Natural G | as | Volume Release | ed (Mcf) 1129 | | Volume Recovered (Mcf) 0 | | |
| Other (des | scribe) | Volume/Weight Released (provide units) | | ide units) | Volume/Weight Recovered (provide units) | | |
| The gas purch | haser had an | emergency shut o | lown to make re | pairs at the | heir plant. The gas was sent to flare for 74 hours. | | |
| | | | | | | | |

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State of New Mexico Oil Conservation Division

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| Was this a major release as defined by 19.15.29.7(A) NMAC? | If YES, for what reason(s) does the responsible party consider this a major release? **Unauthorized release of gases exceeding 500 mcf. | |
|--|--|--|
| Yes ⊠ No **YES | AB | |
| **Email to Amalia B | ustamante, OCD Dist. II: 1/22/2019 from Chuck Johnston, Jason Fisher @ Vanguard. BY When and by what means (phone, email, etc)? Ustamante, OCD Dist. II: 1/22/2019 from Chuck Johnston, Jason Fisher @ Vanguard. BY BY WHEN TO WHOM SHOW THE WHOM SHOW TO WHOM SHOW THE WHOM SHOW TO WHOM SHOW THE WHOM SHOW TO WHOM SHOW THE WHO | |

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

| ☑ The source of the release has been stopped.☑ The impacted area has been secured to protect human health and | the environment | | | |
|--|---------------------------------|--|--|--|
| | | | | |
| Released materials have been contained via the use of berms or | - 1 | | | |
| All free liquids and recoverable materials have been removed ar | d managed appropriately. | | | |
| If all the actions described above have <u>not</u> been undertaken, explain | why: | | | |
| | | | | |
| Per 19.15.29.8 B. (4) NMAC 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 within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation. | | | | |
| I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD 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 OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD 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. | | | | |
| Printed Name:Chuck Johnston | Title:EHS Operations Specialist | | | |
| Signature: My My | Date:1-31-2019_ | | | |
| email:cjohnston@vnrenergy.com | Telephone:432-202-4771 | | | |
| OCD Only Received by: | Date: _ 2/26/2019 | | | |
| | | | | |

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State of New Mexico Oil Conservation Division

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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 items must be included in the closure report. |
|---|
| ☐ A scaled site and sampling diagram as described in 19.15.29.11 NMAC |
| Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection) |
| Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling) |
| ☐ Description of remediation activities |
| |
| I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD 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 OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD 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. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete. Printed Name:Chuck Johnston Title: EHS Specialist Title: EHS Specialist |
| Signature: Date:1-31-2019 |
| email: cjohnston@vnrenergy.com Telephone:432-202-4771 |
| OCD Only |
| Received by: |
| Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations. |
| Closure Approved by: |
| Printed Name: Amalia Bustamante Title: B.O.S O |
| |

| <u>API</u> | <u>Well Name</u> | <u>Well Number</u> |
|--------------|------------------|--------------------|
| 30-015-38187 | AID 24 STATE | #007 |
| 30-015-38188 | AID 24 STATE | #009 |
| 30-015-38190 | AID 24 STATE | #011 |
| 30-015-38192 | AID 24 STATE | #014 |
| 30-015-40049 | AID 24 STATE | #019 |
| 30-015-41081 | AID 24 STATE | #025 |
| 30-015-41068 | AID 24 STATE | #026 |
| 30-015-41082 | AID 24 STATE | #027 |