

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

Form C-141
Revised August 24, 2018
Submit to appropriate OCD District office

| | |
|----------------|----------------|
| Incident ID | NAPP2129146666 |
| District RP | |
| Facility ID | |
| Application ID | |

Release Notification

Responsible Party

| | |
|---|------------------------------|
| Responsible Party Lucid Artesia Company | OGRID 147831 |
| Contact Name Michael Gant | Contact Telephone 3143307876 |
| Contact email MGant@lucid-energy.com | Incident # (assigned by OCD) |
| Contact mailing address 201 South 4th Street Artesia NM 88210 | |

Location of Release Source

Latitude 32.700078° Longitude -104.471731°
(NAD 83 in decimal degrees to 5 decimal places)

| | |
|--|--------------------------------|
| Site Name Penasco 10" Pipeline release | Site Type Natural gas pipeline |
| Date Release Discovered 10/07/2021 | API# (if applicable) |

| Unit Letter | Section | Township | Range | County |
|-------------|---------|----------|-------|--------|
| O | 34 | 18S | 25E | Eddy |

Surface Owner: ☐ State ☐ Federal ☐ Tribal ☒ Private (Name: _____)

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

| | | |
|--|--|--|
| <input type="checkbox"/> Crude Oil | Volume Released (bbls) | Volume Recovered (bbls) |
| <input type="checkbox"/> Produced Water | Volume Released (bbls) | Volume Recovered (bbls) |
| | Is the concentration of dissolved chloride in the produced water >10,000 mg/l? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Condensate | Volume Released (bbls) | Volume Recovered (bbls) |
| <input checked="" type="checkbox"/> Natural Gas | Volume Released (Mcf) 1185 MCF | Volume Recovered (Mcf) 0 MCF |
| <input checked="" type="checkbox"/> Other (describe) Pipeline liquids | Volume/Weight Released (provide units) unknown volume | Volume/Weight Recovered (provide units) 0 GAL |

Cause of Release The release was caused by corrosion in the pipe which led to a pinhole leak forming on the bottom of the pipe.


Oil Conservation Division

| | |
|----------------|----------------|
| Incident ID | NAPP2129146666 |
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| | |
|--|---|
| Was this a major release as defined by 19.15.29.7(A) NMAC? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | If YES, for what reason(s) does the responsible party consider this a major release? This is considered a major release due to the total lost volume of natural gas of >500 MCF. |
| If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? Immediate notice was not provided to OCD, as Lucid did not have immediate and accurate volume calculations of the loss. Once volume loss had been confirmed Lucid EHSR immediately notified OCD on 10/18/2021 via OCD online NOR form. | |

Initial Response

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

| | |
|--|---|
| <input checked="" type="checkbox"/> The source of the release has been stopped. <input checked="" type="checkbox"/> The impacted area has been secured to protect human health and the environment. <input checked="" type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices. <input checked="" type="checkbox"/> All free liquids and recoverable materials have been removed and 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: <u>Michael Gant</u> | Title: <u>Environmental Coordinator</u> |
| Signature: <u></u> | Date: <u>10/21/2021</u> |
| email: <u>MGant@lucid-energy.com</u> | Telephone: <u>3143307876</u> |
| <u>OCD Only</u> | |
| Received by: <u>Ramona Marcus</u> | Date: <u>11/9/2021</u> |

Please submit this form by the 5th business day of the month following the month the vent/blowdown occurred. Please submit a separate form for each site. All sections should be filled out by field personnel. **All red fields per event must be entered to calculate volumes correctly!** **All yellow fields should be entered if known for increased accuracy.**

Month Blowdown Occurred

August

Year

2021

Site

Employee Name

Calculated (Pipeline) Volumes

| Blowdown(s) | | | | Purge/Vent | | | |
|------------------------|--|-------------------|--|------------------------|-----------------|-----------------------|----------|
| Reference Meter Number | | Blowdown (MCF) | | Reference Meter Number | | Volume Lost (MCF) | 1,185.14 |
| Pipe ID (in) | | Length (Feet) | | Beginning Date & Time | 10/04/2021 0000 | Vent Duration (Hours) | 72.00 |
| Begin Press. (PSIG) | | End Press. (PSIG) | | Ending Date & Time | 10/07/2021 0000 | Gas Temp | |
| Gas Temp. | | Specific Gravity | | Pipe ID (in) | 10in Sch. 80 | Specific Gravity | |
| Elevation (ft) | | | | Orifice Size (in) | 0.5 | Elevation (ft) | |
| | | | | Avg Pressure | 60.00 | | |
| Reference Meter Number | | Blowdown (MCF) | | Reference Meter Number | | Volume Lost (MCF) | |
| Pipe ID (in) | | Length (Feet) | | Beginning Date & Time | | Vent Duration (Hours) | |
| Begin Press. (PSIG) | | End Press. (PSIG) | | Ending Date & Time | | Gas Temp | |
| Gas Temp. | | Specific Gravity | | Pipe ID (in) | | Specific Gravity | |
| Elevation (ft) | | | | Orifice Size (in) | | Elevation (ft) | |
| | | | | Avg Pressure | | | |
| Reference Meter Number | | Blowdown (MCF) | | Reference Meter Number | | Volume Lost (MCF) | |
| Pipe ID (in) | | Length (Feet) | | Beginning Date & Time | | Vent Duration (Hours) | |
| Begin Press. (PSIG) | | End Press. (PSIG) | | Ending Date & Time | | Gas Temp | |
| Gas Temp. | | Specific Gravity | | Pipe ID (in) | | Specific Gravity | |
| Elevation (ft) | | | | Orifice Size (in) | | Elevation (ft) | |
| | | | | Avg Pressure | | | |

Known (Station) Volumes

Volumes must be known to calculate correctly!

| Type of Blowdown | Number of Occurrences | | Known Volume (MCF) Blowdown | | Volume (MCF) |
|------------------|-----------------------|---------------|-----------------------------|--------|--------------|
| | | Multiplied by | | Equals | |
| | | Multiplied by | | Equals | |
| | | Multiplied by | | Equals | |

Total Volume (MCF):

1,185.14

Comments:

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 56552

CONDITIONS

| | |
|---|---|
| Operator: Lucid Artesia Company 201 S. Fourth Street Artesia, NM 88210 | OGRID: 147831 |
| | Action Number: 56552 |
| | Action Type: [C-141] Release Corrective Action (C-141) |

CONDITIONS

| | | |
|------------|-----------|----------------|
| Created By | Condition | Condition Date |
| marcus | None | 11/9/2021 |