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

)

Incident ID	nAPP2229057488
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party Armstrong Energy Corporation	OGRID 1092
Contact Name Jeffery Tew	Contact Telephone 575-625-2222
Contact email jtew@aecnm.com	Incident # (assigned by OCD) nAPP2229057488
Contact mailing address PO Box 1973, Roswell, NM 88202	

Location of Release Source

Latitude <u>32.942522</u>

Longitude -103.304927 (NAD 83 in decimal degrees to 5 decimal places)

Site Name SV Kim Harris #003	Site Type Oil Well
Date Release Discovered 10/16/22	API# (<i>if applicable</i>) 30-025-33894

Unit Letter	Section	Township	Range	County
В	12	16S	36E	Lea

Surface Owner: State Federal Tribal X Private (Name: Clayton Revocable Trust

Nature and Volume of Release

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

Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
X Produced Water	Volume Released (bbls) 18	Volume Recovered (bbls) 8
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	X Yes No
Condensate	Volume Released (bbls)	Volume Recovered (bbls)
Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)

Cause of Release

Developed a hole in the water leg of the heater treater that resulted in a release of produced water.

.

	Page 2 of
Incident ID	nAPP2229057488
District RP	
Facility ID	
Application ID	

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?	
Yes X No		
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?		
Notice given by Kyle Alpers to Kerry Fortner on 10/17/22 via phone.		

Initial Response

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

 \mathbf{x} The source of the release has been stopped.

X The impacted area has been secured to protect human health and the environment.

X Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.

X All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have not 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: Jeffery Tew	Title: Operations Engineer
Signature: <u><i>effery Tew</i></u> email: jtew@aecnm.com	Date: <u>10/21/2022</u>
email:	Telephone: 575-625-2222
OCD Only	
Received by: Jocelyn Harimon	Date:10/21/2022

Oil Conservation Division

	Page 3 of 7
Incident ID	
District RP	
Facility ID	
Application ID	

Site Assessment/Characterization

This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

What is the shallowest depth to groundwater beneath the area affected by the release?	(ft bgs)
Did this release impact groundwater or surface water?	🗌 Yes 🗌 No
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	🗌 Yes 🗌 No
Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)?	🗌 Yes 🗌 No
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	🗌 Yes 🗌 No
Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes?	🗌 Yes 🗌 No
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	🗌 Yes 🗌 No
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	🗌 Yes 🗌 No
Are the lateral extents of the release within 300 feet of a wetland?	🗌 Yes 🗌 No
Are the lateral extents of the release overlying a subsurface mine?	🗌 Yes 🗌 No
Are the lateral extents of the release overlying an unstable area such as karst geology?	🗌 Yes 🗌 No
Are the lateral extents of the release within a 100-year floodplain?	🗌 Yes 🗌 No
Did the release impact areas not on an exploration, development, production, or storage site?	🗌 Yes 🗌 No

Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined. Refer to 19.15.29.11 NMAC for specifics.

Characterization Report Checklist: Each of the following items must be included in the report.

Scaled site map showing impacted area, surface features, subsurface features, delineation points, and monitoring wells.
Field data
Data table of soil contaminant concentration data
Depth to water determination
Determination of water sources and significant watercourses within ½-mile of the lateral extents of the release
Boring or excavation logs
Photographs including date and GIS information
Topographic/Aerial maps

Laboratory data including chain of custody

If the site characterization report does not include completed efforts at remediation of the release, the report must include a proposed remediation plan. That plan must include the estimated volume of material to be remediated, the proposed remediation technique, proposed sampling plan and methods, anticipated timelines for beginning and completing the remediation. The closure criteria for a release are contained in Table 1 of 19.15.29.12 NMAC, however, use of the table is modified by site- and release-specific parameters.

eceived by OCD: 10/21/2 orm C-141	State of New Mexico	Incident ID
ige 4	Oil Conservation Division	District RP
		Facility ID
		Application ID
public health or the environ failed to adequately investig addition, OCD acceptance of and/or regulations. Printed Name:	ament. The acceptance of a C-141 report by the OCD gate and remediate contamination that pose a threat to of a C-141 report does not relieve the operator of response Tit	ions and perform corrective actions for releases which may endanger does not relieve the operator of liability should their operations have groundwater, surface water, human health or the environment. In onsibility for compliance with any other federal, state, or local laws le:
email:	Tel	ephone:
OCD Only Received by:		Date:

Received by OCD: 10/21/2022 2:58:23 PM Form C-141 State of New Mexico

Oil Conservation Division

<u>Remediation Plan Checklist</u>: Each of the following items must be included in the plan.

Incident ID	
District RP	
Facility ID	
Application ID	

Page 5 of 7

Remediation Plan

Detailed description of proposed remediation technique Scaled sitemap with GPS coordinates showing delineation points Estimated volume of material to be remediated Closure criteria is to Table 1 specifications subject to 19.15.29.12(C)(4) NMAC Proposed schedule for remediation (note if remediation plan timeline is more than 90 days OCD approval is required) Deferral Requests Only: Each of the following items must be confirmed as part of any request for deferral of remediation. Contamination must be in areas immediately under or around production equipment where remediation could cause a major facility deconstruction. Extents of contamination must be fully delineated. Contamination does not cause an imminent risk to human health, the environment, or groundwater. 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: Title: Signature: Date: Telephone: _____ email: OCD Only Received by: Date: Approved Approved with Attached Conditions of Approval Denied Deferral Approved Signature: Date:

Page 6

Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

Page 6 of 7

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.

<u>Closure Report Attachment Checklist</u> : Each of the following i	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		
and regulations all operators are required to report and/or file certai may endanger public health or the environment. The acceptance of should their operations have failed to adequately investigate and re- human health or the environment. In addition, OCD acceptance of compliance with any other federal, state, or local laws and/or regula restore, reclaim, and re-vegetate the impacted surface area to the co- accordance with 19.15.29.13 NMAC including notification to the C Printed Name:	ations. The responsible party acknowledges they must substantially anditions that existed prior to the release or their final land use in DCD when reclamation and re-vegetation are complete.	
Signature:		
email:	Telephone:	
OCD Only		
Received by:	Date:	
	of liability should their operations have failed to adequately investigate and water, human health, or the environment nor does not relieve the responsible for regulations.	

Closure Approved by:	Date:
Printed Name:	Title:

Released to Imaging: 10/21/2022 3:48:58 PM

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

Operator:	OGRID:
ARMSTRONG ENERGY CORP	1092
P.O. Box 1973	Action Number:
Roswell, NM 88202	152680
	Action Type:
	[C-141] Release Corrective Action (C-141)
CONDITIONS	

Created By Condition Condition Date 10/21/2022 None jharimon

CONDITIONS

Action 152680

Page 7 of 7