FRANKLIN MOUNTAIN ENERGY

January 17, 2023

RE: Release Notification Report for Incident Number nAPP2301660630

Dear Sir or Madam,

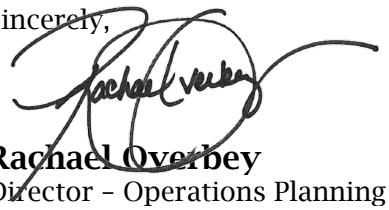
As previously communicated via email on January 16, 2023, approximately 9.6 barrels of a mixture of crude oil and produced water were released during flowback operations at the Paul Foster CTB, which is located within Lea County, New Mexico. Approximately 7.4 barrels of the mixture remained within secondary containment, and the remaining 2.2 barrels exited the same. The release was contained to the physical boundary of the site, and neither ground nor surface waters were impacted.

Free liquids from both within and outside secondary containment were recovered via hydro-vac services. The lateral extent of the spill outside of containment was estimated to be 40 feet in length and 15 feet in width. The depth of impacted soil was determined to be 0.25 inches. The impacted soil was removed and disposed of properly.

FME anticipates performing site delineation soil sampling within early February 2023. The results of the sampling, along with a remediation plan, if necessary, will be submitted upon receipt and completion of the same.

Should there be questions concerning this submittal or if additional information is required, please advise.

Sincerely,



Rachael Overbey
Director – Operations Planning & Regulatory
Franklin Mountain Energy LLC
44 Cook Street, Suite 1000
Denver, CO 80206
Main: 720.414.7868
Mobile: 303.570.4057
roverbey@fmellc.com

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	NAPP2301660630
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party: Franklin Mountain Energy, LLC	OGRID: 373910
Contact Name: Rachael Overbey	Contact Telephone: 720-414-7868
Contact email: roverbey@fmellc.com	Incident # nAPP2301660630
Contact mailing address: 44 Cook Street, Suite 1000; Denver, CO 80206	

Location of Release Source

Latitude 32.08166º Longitude -103.32333º
(NAD 83 in decimal degrees to 5 decimal places)

Site Name: Paul Foster Unit Central Tank Battery	Site Type: Production
Date Release Discovered: 01/16/2023	API# *(if applicable):*

Unit Letter	Section	Township	Range	County
	36	25S	35E	Lea

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)

☐ Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
☐ Produced Water	Volume Released (bbls)	Volume Recovered (bbls)
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	☐ Yes ☐ No
☐ Condensate	Volume Released (bbls)	Volume Recovered (bbls)
☐ Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
☒ Other (describe) Crude Oil/Produced Water Mixture	Volume/Weight Released (provide units): 9.6 barrels	Volume/Weight Recovered (provide units): 7.4 barrels

Cause of Release: During flowback operations, the sand tank became full, causing the release of approximately 9.6 barrels of a crude oil/produced water mixture. Approximately, 7.4 barrels of the release volume remained within secondary containment, and 2.2 barrels of the mixture were released outside of the same.

Free liquid was recovered from both inside and outside of secondary containment using hydro-vac services, and impacted soil was removed and disposed of properly.

Confirmation sampling will be completed in the near future, and the results will be submitted.

Was this a major release as defined by 19.15.29.7(A) NMAC? ☐ Yes ☒ No	If YES, for what reason(s) does the responsible party consider this a major release?
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?	

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 dikes, absorbent pads, or other containment devices.

☒ 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: Rachael Overbey Title: Director – Operations Planning and Regulatory

Signature: _____ Date: _____

email: roverbey@fmellc.com Telephone: 720-414-7868

OCD Only

Received by: Jocelyn Harimon Date: 01/17/2023

SPILL VOLUME CALCULATOR INSIDE OF CONTAINMENT

**This tool will provide an initial best estimate of spill volume for reporting purposes.*

***Before entering information in any field, press the CLEAR ALL button in the top left-hand corner.*

Dropdown-Box | Input Data | Not Applicable

What is the type of spill?	Petroleum Product	
Do you know the source container of the spill AND the level depth of liquids lost?	No	
Are there visible (measurable) liquids on the surface?	Yes	
Does the spill have a sheen?		
What is the shape of the container?		
Enter length of spill:	40.00	ft
Enter width of spill:	50.00	ft
Enter the depth of spill on the surface:	0.25	in
Enter the depth of liquids lost from the source container:		in
Enter depth of soil penetration:	1.00	in

Input % of oil sheen coverage of the total spill area:

Barely visible		0.000000 bbl
Silvery		0.000000 bbl
Slight color		0.000000 bbl
Bright color		0.000000 bbl
Dull		0.000000 bbl
Dark		0.000000 bbl
TOTAL (Must equal 100%)	Values do not sum up to 100%! Equal to 0%	0.000000 bbl

RESULTS

TOTAL SPILL VOLUME:	7.421	bbl
	311.693	gal
OIL SPILL VOLUME:	7.421	bbl
	311.693	gal

SPILL VOLUME CALCULATOR OUTSIDE OF CONTAINMENT

**This tool will provide an initial best estimate of spill volume for reporting purposes.*

***Before entering information in any field, press the CLEAR ALL button in the top left-hand corner.*

Dropdown-Box | Input Data | Not Applicable

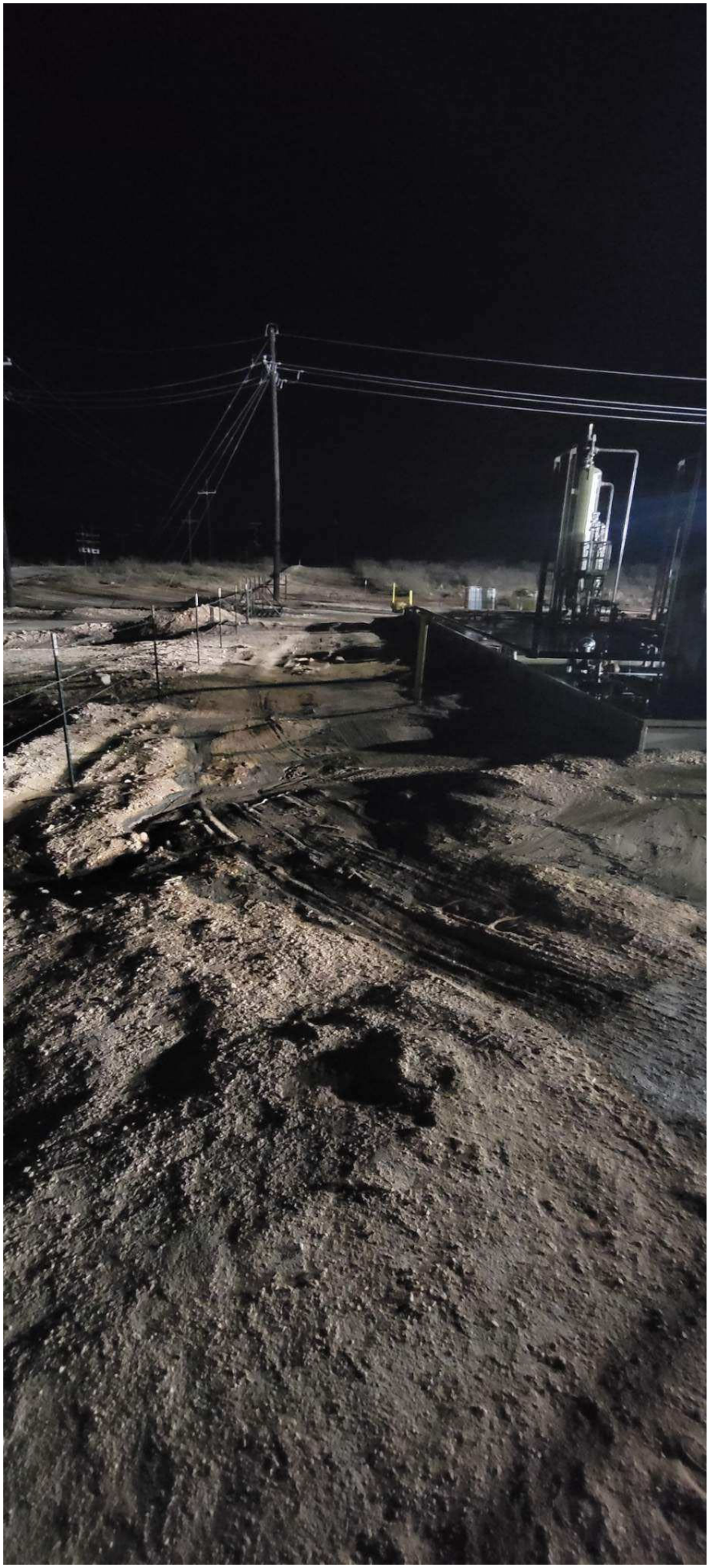
What is the type of spill?	Petroleum Product	
Do you know the source container of the spill AND the level depth of liquids lost?	No	
Are there visible (measurable) liquids on the surface?	Yes	
Does the spill have a sheen?		
What is the shape of the container?		
Enter length of spill:	40.00	ft
Enter width of spill:	15.00	ft
Enter the depth of spill on the surface:	0.25	in
Enter the depth of liquids lost from the source container:		in
Enter depth of soil penetration:	1.00	in

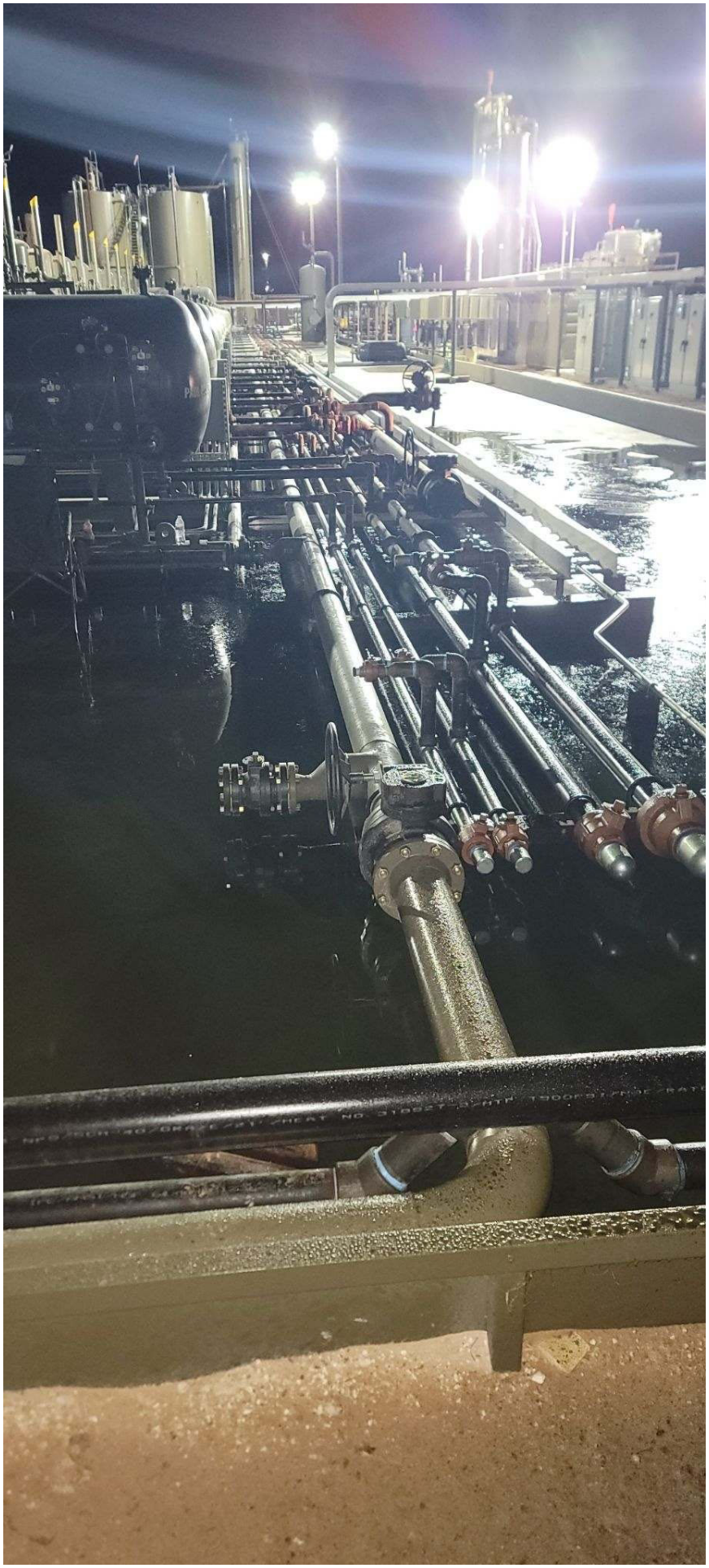
Input % of oil sheen coverage of the total spill area:

Barely visible		0.000000 bbl
Silvery		0.000000 bbl
Slight color		0.000000 bbl
Bright color		0.000000 bbl
Dull		0.000000 bbl
Dark		0.000000 bbl
TOTAL (Must equal 100%)	Values do not sum up to 100%! Equal to 0%	0.000000 bbl

RESULTS

TOTAL SPILL VOLUME:	**2.226**	**bbl**
	93.508	**gal**
OIL SPILL VOLUME:	**2.226**	**bbl**
	93.508	**gal**





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 176638

CONDITIONS

Operator: Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206	OGRID: 373910
	Action Number: 176638
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
jharimon	When submitting future reports regarding this release, please submit the calculations used or specific justification for the volumes reported on the initial C-141	1/17/2023