

CARMONA RESOURCES



SITE INFORMATION

Closure Report
Graham Nash State 6H (06.27.22)
Incident #: NAPP2218849935
Eddy County, New Mexico
Unit G Sec 33 T26S R28E
32.001814°, -104.09056°

Produced Water Release
Point of Release: Tank Overflow
Release Date: 06/27/2022
Volume Released: 7.313 barrels of Produced Water
Volume Recovered: 4 barrels of Produced Water

CARMONA RESOURCES



Prepared for:
Concho Operating, LLC
15 West London Road
Loving, New Mexico 88256

Prepared by:
Carmona Resources, LLC
310 West Wall Street
Suite 415
Midland, Texas 79701

310 West Wall Street, Suite 415
Midland TX, 79701
432.813.1992

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March 13, 2022

Mike Bratcher
District Supervisor
Oil Conservation Division, District 2
811 S. First Street
Artesia, New Mexico 88210

Re: Closure Report
Graham Nash State 6H (06.27.22)
Concho Operating, LLC
Incident ID NAPP2218849935
Site Location: Unit G, S33, T26S, R28E
(Lat 32.00184°, Long -104.09056°)
Eddy County, New Mexico

Mr. Bratcher:

On behalf of Concho Operating, LLC (COG), Carmona Resources, LLC has prepared this letter to document site activities for Graham Nash State 6H (06.27.22). The site is located at 32.00184°, -104.09056° within Unit G, S33, T26S, R28E, in Eddy County, New Mexico (Figures 1 and 2).

1.0 Site information and Background

Based on the initial C-141 obtained from the New Mexico Oil Conservation Division (NMOCD), the release was discovered on June 27, 2022, due to a water transfer pump going down, causing tanks to overflow inside the secondary containment. It resulted in approximately seven point three one three (7.313) barrels of produced water and four (4) barrels of produced water recovered. See figure 3. The initial C-141 form is attached in Appendix B.

2.0 Site Characterization and Groundwater

The site is located within a high karst area. Based on a review of the New Mexico Office of State Engineers and USGS databases, one (1) known water source, the Delaware River, is located 0.30 West of the location. The closest well is located approximately 1.31 miles Northwest of the site in S29, T26S, R28E and was drilled in 2020. The well has a reported depth to groundwater of 33' feet below ground surface (ft bgs). A copy of the associated point of diversion is attached in Appendix C.

3.0 Site Characterization and Groundwater

Per the NMOCD regulatory criteria established in 19.15.29.12 NMAC, the following criteria were utilized in assessing the site.

- Benzene: 10 milligrams per kilogram (mg/kg).
- Benzene, toluene, ethylbenzene, and total xylenes (BTEX): 50 mg/kg.
- TPH: 100 mg/kg (GRO + DRO + MRO).
- Chloride: 600 mg/kg.



4.0 Liner Inspection Activities

Before performing the liner inspection, the NMOCD division office was notified via email on June 27, 2022, per Subsection D of 19.15.29.12 NMAC. See Appendix B. On July 21, 2022, Carmona Resources, LLC conducted liner inspection activities to assess the liner's integrity within the facility and determined the liner was intact with no integrity issues. Refer to the Photolog.

5.0 Conclusions

Based on the liner inspection throughout the facility, no further actions are required at the site. The final C-141 is attached, and COG formally requests closure of the spill. If you have any questions regarding this report or need additional information, don't hesitate to contact us at 432-813-1992.

Sincerely,

Carmona Resources, LLC

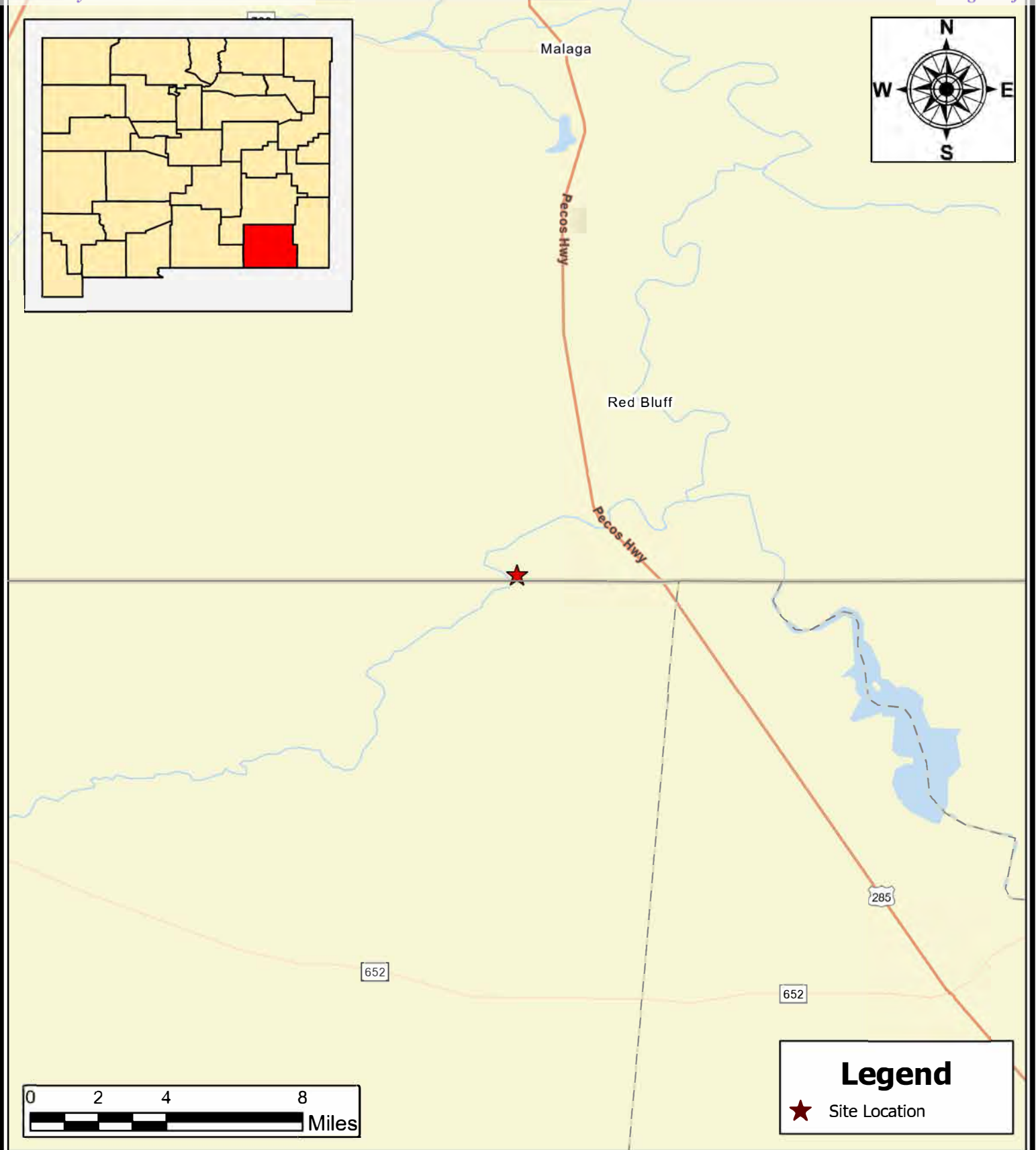
Conner Moehring
Sr. Project Manager

Ashton Thielke
Sr. Project Manager


FIGURES

CARMONA RESOURCES



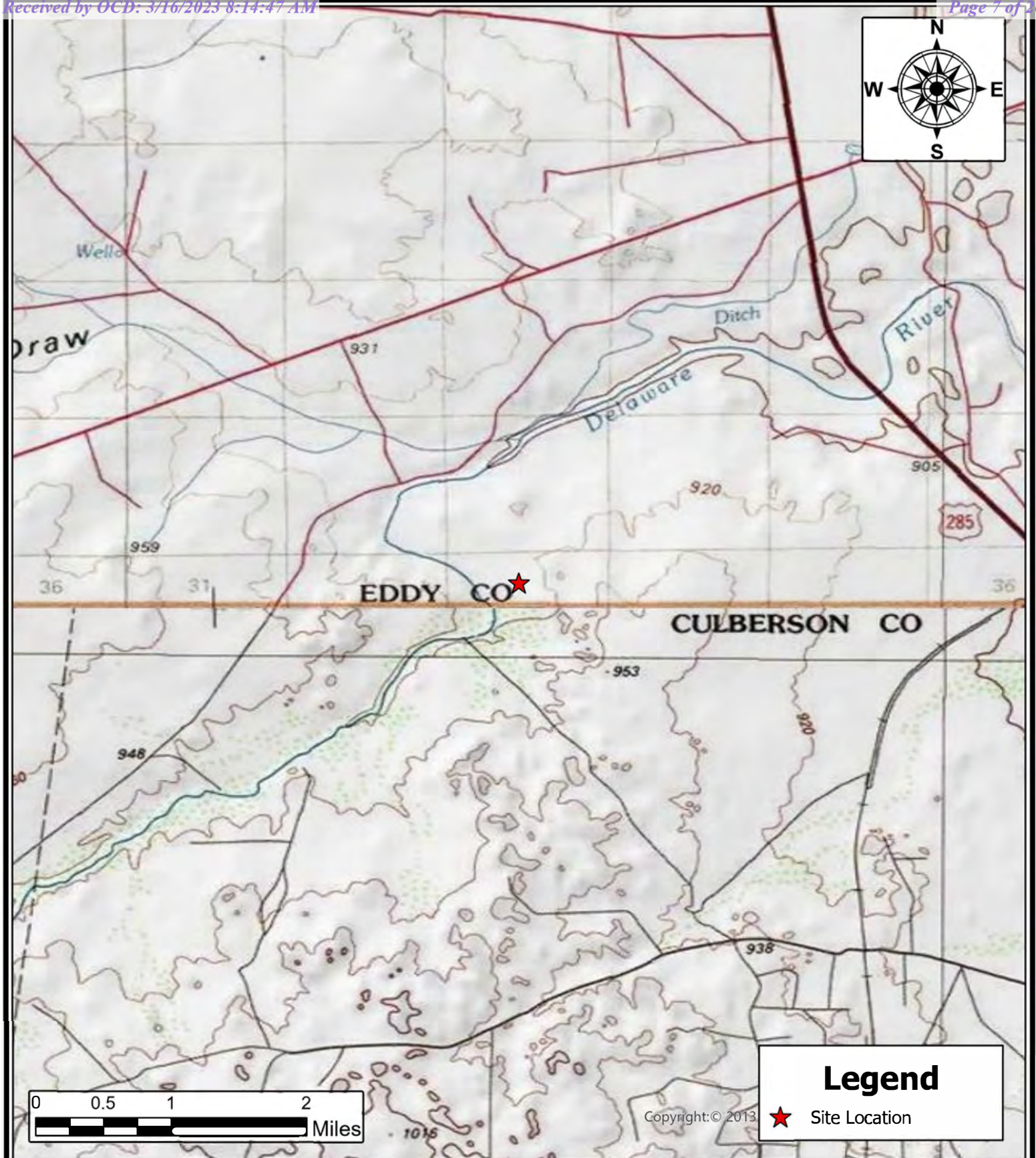



OVERVIEW MAP COG OPERATING GRAHAM NASH STATE 6H (06.27.22) EDDY COUNTY, NEW MEXICO 32.00184, -104.09056	
SCALE: As Shown	Date: 7/31/2022

CARMONA RESOURCES  Carmona Resources 310 West Wall Street, Suite 415 Midland, Texas 79701


NOTES: 1. Base Image: ESRI Maps & Data 2013 2. Map Projection: NAD 1983 UTM Zone 13N

DRAWING NUMBER:
FIGURE 1
SHEET NUMBER:
1 of 1



<p>TOPOGRAPHIC MAP COG OPERATING GRAHAM NASH STATE 6H (06.27.22) EDDY COUNTY, NEW MEXICO 32.00184, -104.09056</p>		<p>CARMONA RESOURCES</p>  <p>Carmona Resources 310 West Wall Street, Suite 415 Midland, Texas 79701</p>	<p><u>NOTES:</u></p> <p>1. Base Image: ESRI Maps & Data 2013 2. Map Projection: NAD 1983 UTM Zone 13N</p>	<p>DRAWING NUMBER:</p>
<p>SCALE: As Shown</p> <p>Date: 7/31/2022</p>				<p>FIGURE 2</p>
				<p>SHEET NUMBER:</p> <p>1 of 1</p>



<div>SECONDARY LOCATION MAP COG OPERATING GRAHAM NASH STATE 6H (06.27.22) EDDY COUNTY, NEW MEXICO 32.00184, -104.09056</div>		<div>CARMONA RESOURCES</div> <div></div> <div>Carmona Resources 310 West Wall Street, Suite 415 Midland, Texas 79701</div>	<div>NOTES:</div> <div>1. Base Image: ESRI Maps & Data 2013 2. Map Projection: NAD 1983 UTM Zone 13N</div>	DRAWING NUMBER:
SCALE: As Shown			Date: 7/31/2022	FIGURE 3
				SHEET NUMBER: 1 of 1

APPENDIX A

CARMONA RESOURCES



PHOTOGRAPHIC LOG

Concho Operating, LLC

Photograph No. 1

Facility: Graham Nash State 6H (06.27.22)

County: Eddy County, New Mexico

Description:

View East of lined facility.



Photograph No. 2

Facility: Graham Nash State 6H (06.27.22)

County: Eddy County, New Mexico

Description:

View East of lined facility.



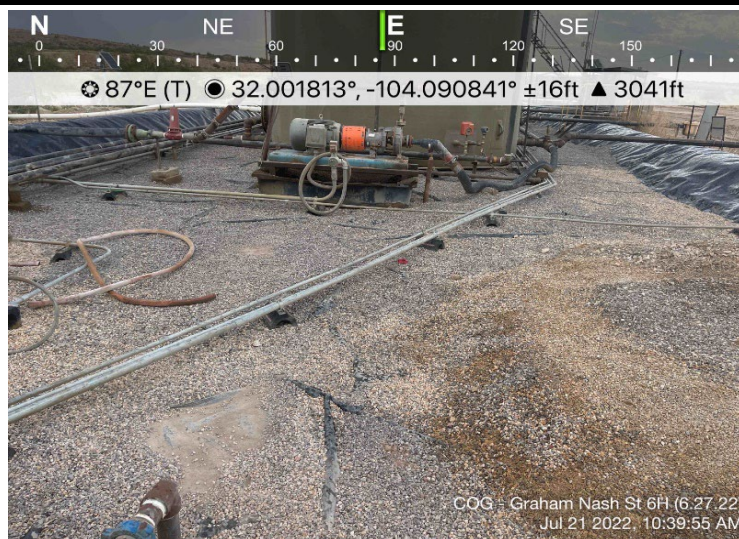
Photograph No. 3

Facility: Graham Nash State 6H (06.27.22)

County: Eddy County, New Mexico

Description:

View East of lined facility.



PHOTOGRAPHIC LOG

Concho Operating, LLC

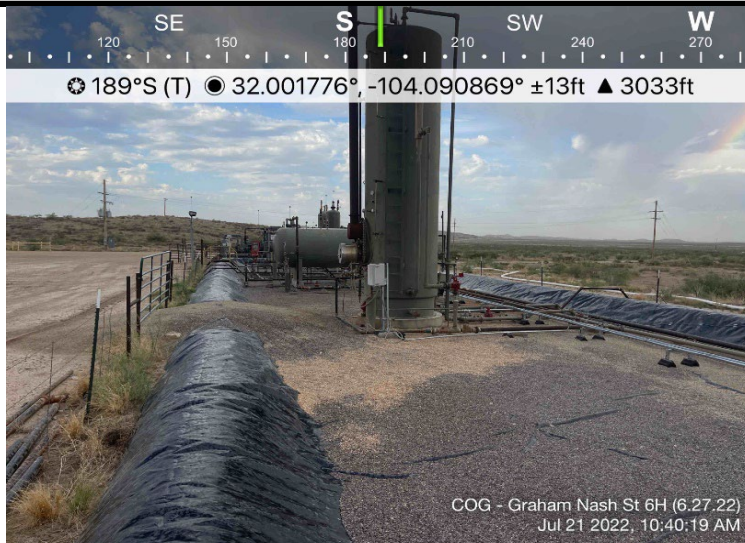
Photograph No. 4

Facility: Graham Nash State 6H (06.27.22)

County: Eddy County, New Mexico

Description:

View South of lined facility.



Photograph No. 5

Facility: Graham Nash State 6H (06.27.22)

County: Eddy County, New Mexico

Description:

View South of lined facility.



Photograph No. 6

Facility: Graham Nash State 6H (06.27.22)

County: Eddy County, New Mexico

Description:

View West of lined facility.



APPENDIX B

CARMONA RESOURCES



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	
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party	OGRID
Contact Name	Contact Telephone
Contact email	Incident # (assigned by OCD)
Contact mailing address	

Location of Release Source

Latitude _____ Longitude _____
(NAD 83 in decimal degrees to 5 decimal places)

Site Name	Site Type
Date Release Discovered	API# (if applicable)

Unit Letter	Section	Township	Range	County

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 type="checkbox"/> Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
<input type="checkbox"/> Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)

Cause of Release


State of New Mexico
Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

Was this a major release as defined by 19.15.29.7(A) NMAC? <input type="checkbox"/> Yes <input type="checkbox"/> 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

<input type="checkbox"/> The source of the release has been stopped.	
<input type="checkbox"/> The impacted area has been secured to protect human health and the environment.	
<input type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.	
<input 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: _____	Title: _____
Signature: <u></u> _____	Date: _____
email: _____	Telephone: _____
<u>OCD Only</u>	
Received by: _____	Date: _____

L48 Spill Volume Estimate Form

Received by OCD: 3/16/2023 8:14:47 AM

Page 15 of 26

Facility Name & Number:	Graham Nash ST 6H
Asset Area:	Carlsbad 4 South
Release Discovery Date & Time:	06/27/2022 1:00 P.M.
Release Type:	Produced Water
Provide any known details about the event:	Water tanks overflowed due to power outage

Spill Calculation - On Pad Surface Pool Spill

Convert Irregular shape into a series of rectangles	Length (ft.)	Width (ft.)	Deepest point in each of the areas (in.)	No. of boundaries of "shore" in each area	Estimated <u>Pool</u> Area (sq. ft.)	Estimated Average Depth (ft.)	Estimated volume of each pool area (bbl.)	Penetration allowance (ft.)	Total Estimated Volume of Spill (bbl.)
Rectangle A	45.0	36.0	0.50	3	1620.000	0.014	4.005	0.001	4.008
Rectangle B	45.0	36.0	0.15	2	1620.000	0.006	1.802	0.000	1.803
Rectangle C	45.0	30.0	0.15	2	1350.000	0.006	1.502	0.000	1.502
Rectangle D					0.000	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Rectangle E					0.000	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Rectangle F					0.000	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Rectangle G					0.000	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Rectangle H					0.000	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Rectangle I					0.000	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Rectangle J					0.000	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Volume Release:									7.313

Released to Imaging: 6/9/2023 10:13:12 AM

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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	<input type="checkbox"/> Yes <input type="checkbox"/> 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)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release within 300 feet of a wetland?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release overlying a subsurface mine?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release overlying an unstable area such as karst geology?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Are the lateral extents of the release within a 100-year floodplain?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did the release impact areas not on an exploration, development, production, or storage site?	<input type="checkbox"/> Yes <input type="checkbox"/> 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.

State of New Mexico
Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

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: Jocelyn Harimon Date: _____

email: _____ Telephone: _____

OCD Only

Received by: Jocelyn Harimon Date: 03/16/2023

Incident ID	
District RP	
Facility ID	
Application ID	

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: _____ Title: _____

Signature: Jacques Harimon Date: _____

email: _____ Telephone: _____

OCD Only

Received by: Jocelyn Harimon Date: 03/16/2023

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: Nelson Velez Date: 06/09/2023

Printed Name: Nelson Velez Title: Environmental Specialist - Adv

From: Mike Carmona
Sent: Tuesday, July 19, 2022 9:51 AM
To: OCD.Enviro@state.nm.us
Cc: Harris, Jacqui; Conner Moehring
Subject: COG Graham Nash State 6H (6.27.22) Notification

Good Morning,

On behalf of COG, Carmona Resources will conduct a liner inspection at the below-referenced site on 07/21/2022. Please let me know if you have any questions.

Graham Nash State 6H (6.27.22)
32.0018 °, -104.0906°
Eddy County, New Mexico

Mike J. Carmona
310 West Wall Street, Suite 415
Midland TX, 79701
M: 432-813-1992
Mcarmona@carmonaresources.com



APPENDIX C

CARMONA RESOURCES



NEAREST WATER WELL

COG OPERATING

Legend

- 0.50 Mile Radius
- 1.31 Miles
- Graham Nash State 6H (06.27.22)
- NMSEO Water Well

33' - Drilled 2020

Graham Nash State 6H (06.27.22)

NEW MEXICO





4000 ft

HIGH KARST

COG OPERATING

Legend

-  Graham Nash State 6H (06.27.22)
-  High
-  Medium

Graham Nash State 6H (06.27.22)

NEW MEXICO



4000 ft



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
C 04466 POD1	CUB	ED	3	3	2	29	26S	28E	584327	3542357		2100	96	33	63
C 04022 POD2	CUB	ED	2	2	2	27	26S	28E	588106	3543082		3014	250	145	105
C 02160 S7	CUB	ED	3	3	1	22	26S	28E	586638	3543998*		3082	300	120	180

Average Depth to Water: **99 feet**

Minimum Depth: **33 feet**

Maximum Depth: **145 feet**

Record Count: 3

UTMNAD83 Radius Search (in meters):

Easting (X): 585928.86

Northing (Y): 3540998

Radius: 4000

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

7/25/22 12:36 PM

Page 1 of 1

WATER COLUMN/ AVERAGE
DEPTH TO WATER



New Mexico Office of the State Engineer

Point of Diversion Summary

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

Well Tag	POD Number	Q64	Q16	Q4	Sec	Tws	Rng	X	Y
NA	C 04466 POD1	3	3	2	29	26S	28E	584327	3542357

x

Driller License: 1456 **Driller Company:** WHITE DRILLING COMPANY

Driller Name: JOHN W WHITE

Drill Start Date: 09/01/2020 **Drill Finish Date:** 09/02/2020 **Plug Date:** 10/16/2020

Log File Date: 11/12/2020 **PCW Rcv Date:** **Source:** Shallow

Pump Type: **Pipe Discharge Size:** **Estimated Yield:** 0 GPM

Casing Size: **Depth Well:** 96 feet **Depth Water:** 33 feet

x

Water Bearing Stratifications:

Top	Bottom	Description
33	35	Sandstone/Gravel/Conglomerate
35	37	Other/Unknown
37	42	Other/Unknown
42	54	Sandstone/Gravel/Conglomerate
54	65	Other/Unknown
65	67	Sandstone/Gravel/Conglomerate
67	74	Sandstone/Gravel/Conglomerate

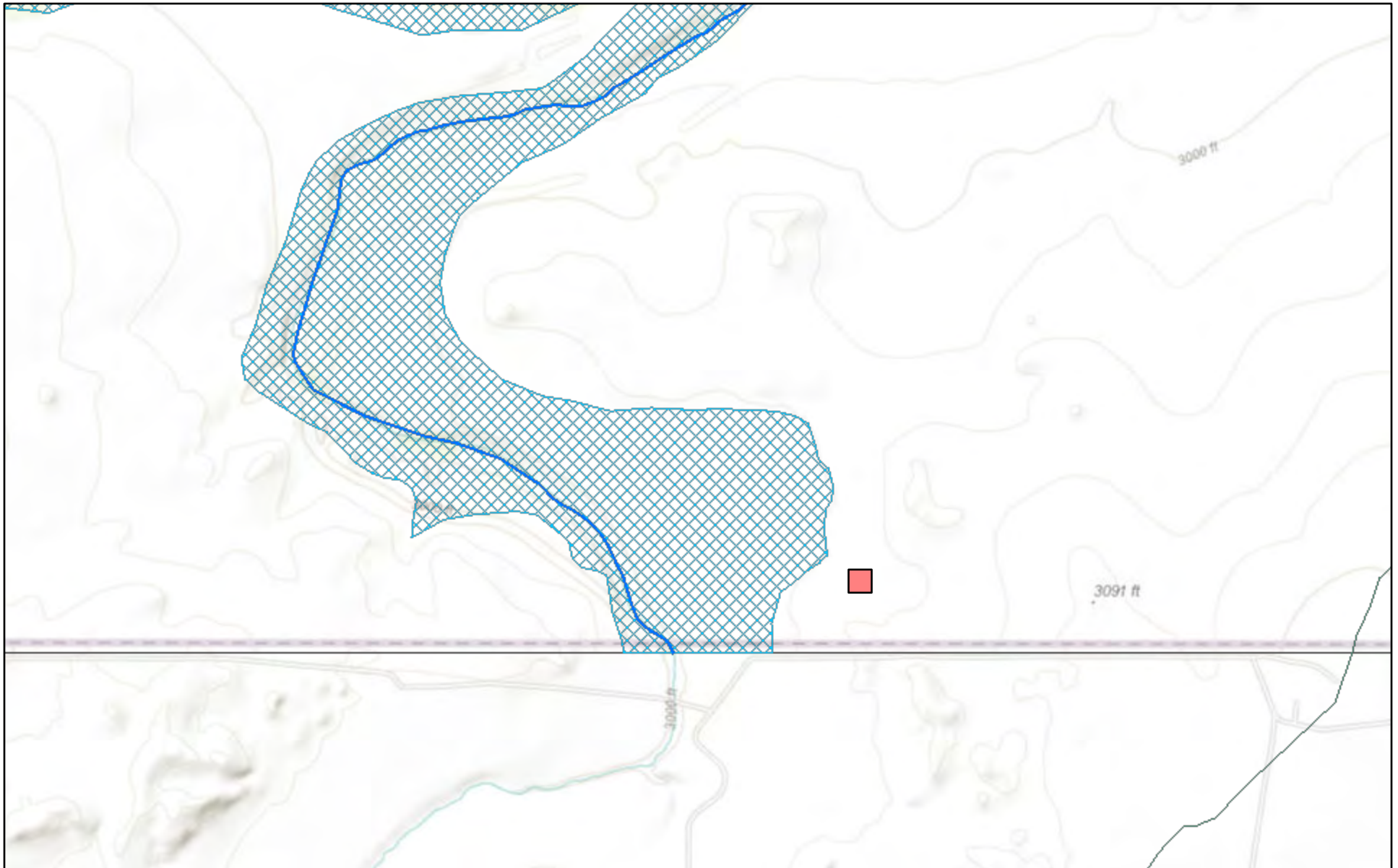
x

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

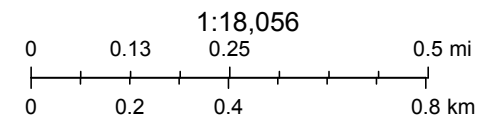
7/25/22 12:36 PM

POINT OF DIVERSION SUMMARY

New Mexico NFHL Data



July 25, 2022



FEMA, Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey,

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This is a non-regulatory product for informational use only. Please consult your local floodplain administrator for further information.

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 197798

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 197798
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
nvelez	None	6/9/2023