District I 1625 N. French Dr., Hobbs, NM 88240 District III 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

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| Incident ID | nAPP2327052874 |
|----------------|----------------|
| District RP | |
| Facility ID | |
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Release Notification

Responsible Party

| Responsible Party: Caza Operating, LLC | OGRID: 249099 |
|---|---|
| Contact Name: Kevin Garrett | Contact Telephone: (432) 556-8508 |
| Contact email: kgarrett@cazapetro.com | Incident # (assigned by OCD) nAPP2327052874 |
| Contact mailing address: 200 N. Loraine, Suite 1550 Midland, TX 79701 | |

Location of Release Source

| Latitude | 32.353235 (NA | Longitude D 83 in decimal degrees to 5 decimal places) | -103.381495 |
|-------------------|----------------------|---|-------------|
| Site Name: Lenn | ox 33 State #006H | Site Type: Production | |
| Date Release Disc | covered: 9/26/2023 | API# (if applicable) 30-025- | 43349 |

| Unit Letter | Section | Township | Range | County |
|-------------|---------|----------|-------|--------|
| Α | 32 | 228 | 35E | Lea |

Surface Owner: State Federal Tribal Private (Name:

Nature and Volume of Release

| | ial(s) Released (Select all that apply and attach calculations or specific | • • • | 0 DDI |
|------------------------|--|---|--------|
| Crude Oil | Volume Released (bbls) 10 BBLs | Volume Recovered (bbls) | 0 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) | Volume/Weight Released (provide units) | Volume/Weight Recovered (provide units) | |
| Cause of Release: Flar | e Burp | | |
| | | | |
| | | | |
| | | | |

| 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 🖾 No | |
| If YES, was immediate no | otice 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

 \square 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: | Kellan Smith | Title: | Project Scientist | |
|----------------|----------------------------|--------|---------------------------|--|
| Signature: | Kellon South | | Date: <u>9/27/23</u> | |
| email: | <u>ksmith@ntglobal.com</u> | | Telephone: (580) 682-1889 | |
| | | | | |
| OCD Only | | | | |
| Received by: _ | Scott Rodgers | | Date:09/27/2023 | |

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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.

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| regulations all operators a public health or the envir failed to adequately inves addition, OCD acceptanc and/or regulations. Printed Name: Signature: | nformation given above is true and complete to the l are required to report and/or file certain release noti ronment. The acceptance of a C-141 report by the C stigate and remediate contamination that pose a thre are of a C-141 report does not relieve the operator of | fications and perform c DCD does not relieve th at to groundwater, surf responsibility for comp Title: Date: | orrective actions for rele e operator of liability sh ace water, human health liance with any other fe | eases which may endanger ould their operations have or the environment. In deral, state, or local laws |
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<u>Remediation Plan Checklist</u>: Each of the following items must be included in the plan.

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Remediation Plan

| Detailed description of proposed remediation technique Scaled sitemap with GPS coordinates showing delineation poin Estimated volume of material to be remediated Closure criteria is to Table 1 specifications subject to 19.15.29. Proposed schedule for remediation (note if remediation plan times) | 12(C)(4) NMAC | | |
|--|--|--|--|
| Deferral Requests Only: Each of the following items must be con | nfirmed as part of any request for deferral of remediation. | | |
| Contamination must be in areas immediately under or around p deconstruction. | roduction equipment where remediation could cause a major facility | | |
| 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: | | |
| email: | Telephone: | | |
| OCD Only | | | |
| Received by: | Date: | | |
| Approved Approved with Attached Conditions of | Approval Denied Deferral Approved | | |
| Signature: | Date: | | |

Oil Conservation Division

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Closure

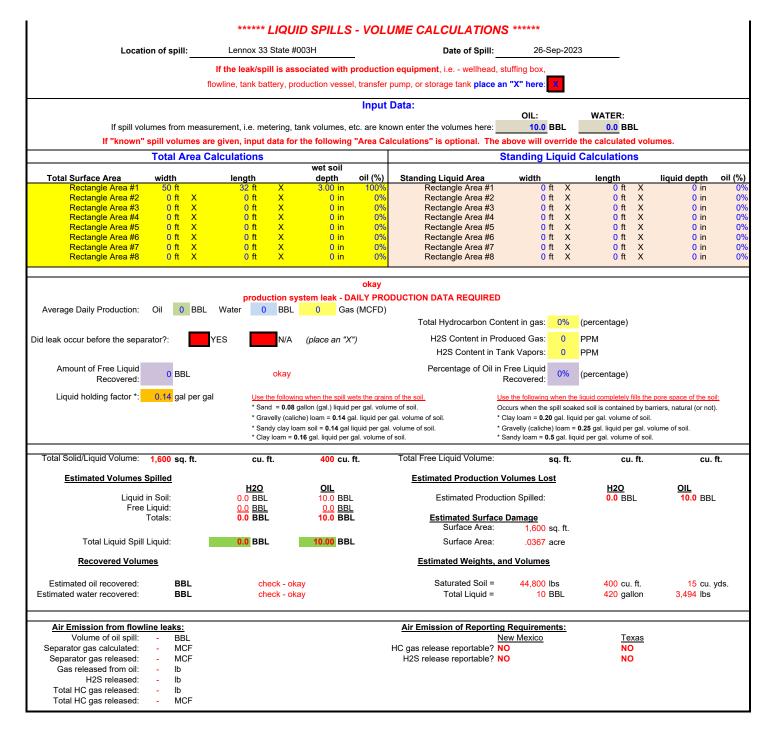
The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled 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.

| <u>Closure Report Attachment Checklist</u>: Each of the following it | 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 must be notified 2 days prior to liner inspection) | s of the liner integrity if applicable (Note: appropriate OCD District office |
| Laboratory analyses of final sampling (Note: appropriate OD | C 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 certain 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 | ations. The responsible party acknowledges they must substantially onditions that existed prior to the release or their final land use in |
| Printed Name: | Title: |
| Signature: | Date: |
| email: | Telephone: |
| OCD Only | |
| Received by: | Date: |
| Closure approval by the OCD does not relieve the responsible party | of liability should their operations have failed to adequately investigate and water, human health, or the environment nor does not relieve the responsible |

| Closure Approved by: | _ Date: |
|----------------------|---------|
| Printed Name: | Title: |

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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

| CAZA OPERATING, LLC 249099 200 N Loraine St Action Number: | | OGRID: |
|--|--------------------|---|
| | AZA OPERATING, LLC | 249099 |
| | 00 N Loraine St | Action Number: |
| Midland, TX 79701 269776 | idland, TX 79701 | 269776 |
| Action Type: | | Action Type: |
| [C-141] Release Corrective Action (C-141) | | [C-141] Release Corrective Action (C-141) |

CONDITIONS

| Created By | Condition | Condition Date |
|---------------|-----------|-------------------|
| scott.rodgers | None | 9/27/2023 |

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Action 269776