

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	<b>nAPP2401531615</b>
District RP	
Facility ID	
Application ID	

## Release Notification

### Responsible Party

Responsible Party: <b>Caza Operating, LLC</b>	OGRID: <b>249099</b>
Contact Name: <b>Kevin Garrett</b>	Contact Telephone: <b>(432) 556-8508</b>
Contact email: <b>kgarrett@cazapetro.com</b>	Incident # (assigned by OCD) <b>nAPP2401531615</b>
Contact mailing address: <b>200 N. Loraine, Suite 1550 Midland, TX 79701</b>	

### Location of Release Source

Latitude 32.443707 Longitude -103.456195  
*(NAD 83 in decimal degrees to 5 decimal places)*

Site Name: <b>Gamma 27 State #003H</b>	Site Type: <b>Production</b>
Date Release Discovered: <b>1/14/2024</b>	API# (if applicable) <b>30-025-43488</b>

Unit Letter	Section	Township	Range	County
<b>O</b>	<b>27</b>	<b>21S</b>	<b>34E</b>	<b>Lea</b>

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 checked="" type="checkbox"/> Produced Water	Volume Released (bbls) <b>9 BBLs</b>	Volume Recovered (bbls) <b>0 BBLs</b>
	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: **Frozen Ball Valve on Heater Treater**

Incident ID	nAPP2401531615
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 checked="" 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 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>                    <b>Kellan Smith</b>                    </u> Title: <u>                    <b>Project Scientist</b>                    </u>
Signature: <u>                    <i>Kellan Smith</i>                    </u> Date: <u>                    <b>1/15/24</b>                    </u>
email: <u>                    <b>ksmith@ntglobal.com</b>                    </u> Telephone: <u>                    <b>(580) 682-1889</b>                    </u>
<b><u>OCD Only</u></b>  Received by: _____ Date: _____

**\*\*\*\*\* LIQUID SPILLS - VOLUME CALCULATIONS \*\*\*\*\***

Location of spill: Gamma 27 State #003H

Date of Spill: 14-Jan-2024

If the leak/spill is associated with production equipment, i.e. - wellhead, stuffing box, flowline, tank battery, production vessel, transfer pump, or storage tank place an "X" here:

**Input Data:**

If spill volumes from measurement, i.e. metering, tank volumes, etc. are known enter the volumes here: OIL: 0.0 BBL WATER: 9.0 BBL

If "known" spill volumes are given, input data for the following "Area Calculations" is optional. The above will override the calculated volumes.

Total Area Calculations							Standing Liquid Calculations						
Total Surface Area	width	length		wet soil depth	oil (%)		Standing Liquid Area	width	length	liquid depth	oil (%)		
Rectangle Area #1	50 ft	29 ft	X	3.00 in	0%		Rectangle Area #1	0 ft	X	0 ft	X	0 in	0%
Rectangle Area #2	0 ft	X	0 ft	X	0 in	0%	Rectangle Area #2	0 ft	X	0 ft	X	0 in	0%
Rectangle Area #3	0 ft	X	0 ft	X	0 in	0%	Rectangle Area #3	0 ft	X	0 ft	X	0 in	0%
Rectangle Area #4	0 ft	X	0 ft	X	0 in	0%	Rectangle Area #4	0 ft	X	0 ft	X	0 in	0%
Rectangle Area #5	0 ft	X	0 ft	X	0 in	0%	Rectangle Area #5	0 ft	X	0 ft	X	0 in	0%
Rectangle Area #6	0 ft	X	0 ft	X	0 in	0%	Rectangle Area #6	0 ft	X	0 ft	X	0 in	0%
Rectangle Area #7	0 ft	X	0 ft	X	0 in	0%	Rectangle Area #7	0 ft	X	0 ft	X	0 in	0%
Rectangle Area #8	0 ft	X	0 ft	X	0 in	0%	Rectangle Area #8	0 ft	X	0 ft	X	0 in	0%

okay

**production system leak - DAILY PRODUCTION DATA REQUIRED**

Average Daily Production: Oil 0 BBL Water 0 BBL 0 Gas (MCFD)

Total Hydrocarbon Content in gas: 0% (percentage)

Did leak occur before the separator?:  YES  N/A (place an "X")

H2S Content in Produced Gas: 0 PPM

H2S Content in Tank Vapors: 0 PPM

Amount of Free Liquid Recovered: 0 BBL okay

Percentage of Oil in Free Liquid Recovered: 0% (percentage)

Liquid holding factor \*: 0.14 gal per gal

Use the following when the spill wets the grains of the soil.

Use the following when the liquid completely fills the pore space of the soil:

- \* Sand = 0.08 gallon (gal.) liquid per gal. volume of soil.
- \* Gravelly (caliche) loam = 0.14 gal. liquid per gal. volume of soil.
- \* Sandy clay loam soil = 0.14 gal liquid per gal. volume of soil.
- \* Clay loam = 0.16 gal. liquid per gal. volume of soil.

- Occurs when the spill soaked soil is contained by barriers, natural (or not).
- \* Clay loam = 0.20 gal. liquid per gal. volume of soil.
- \* Gravelly (caliche) loam = 0.25 gal. liquid per gal. volume of soil.
- \* Sandy loam = 0.5 gal. liquid per gal. volume of soil.

Total Solid/Liquid Volume: 1,450 sq. ft. 363 cu. ft. cu. ft. Total Free Liquid Volume: sq. ft. cu. ft. cu. ft.

**Estimated Volumes Spilled**

Liquid in Soil: 9.0 BBL 0.0 BBL  
 Free Liquid: 0.0 BBL 0.0 BBL  
 Totals: 9.0 BBL 0.0 BBL

**Estimated Production Volumes Lost**

Estimated Production Spilled: 9.0 BBL 0.0 BBL

**Estimated Surface Damage**

Surface Area: 1,450 sq. ft.  
 Surface Area: .0333 acre

**Recovered Volumes**

Estimated oil recovered: BBL check - okay  
 Estimated water recovered: BBL check - okay

**Estimated Weights, and Volumes**

Saturated Soil = 40,600 lbs 363 cu. ft. 13 cu. yds.  
 Total Liquid = 9 BBL 378 gallon 3,145 lbs

**Air Emission from flowline leaks:**

Volume of oil spill: - BBL  
 Separator gas calculated: - MCF  
 Separator gas released: - MCF  
 Gas released from oil: - lb  
 H2S released: - lb  
 Total HC gas released: - lb  
 Total HC gas released: - MCF

**Air Emission of Reporting Requirements:**

New Mexico Texas  
 HC gas release reportable? NO NO  
 H2S release reportable? NO NO

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

QUESTIONS

Action 303828

**QUESTIONS**

Operator: CAZA OPERATING, LLC 200 N Loraine St Midland, TX 79701	OGRID: 249099
	Action Number: 303828
	Action Type: [C-141] Initial C-141 (C-141-v-Initial)

**QUESTIONS**

<b>Prerequisites</b>	
Incident ID (n#)	nAPP2401531615
Incident Name	NAPP2401531615 GRAMMA 27 STATE #003H @ 0
Incident Type	Produced Water Release
Incident Status	Initial C-141 Received

**Location of Release Source**

Please answer all the questions in this group.

Site Name	Gramma 27 State #003H
Date Release Discovered	01/14/2023
Surface Owner	State

**Incident Details**

Please answer all the questions in this group.

Incident Type	Produced Water Release
Did this release result in a fire or is the result of a fire	No
Did this release result in any injuries	No
Has this release reached or does it have a reasonable probability of reaching a watercourse	No
Has this release endangered or does it have a reasonable probability of endangering public health	No
Has this release substantially damaged or will it substantially damage property or the environment	No
Is this release of a volume that is or may with reasonable probability be detrimental to fresh water	No

**Nature and Volume of Release**

Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.

Crude Oil Released (bbls) Details	Not answered.
Produced Water Released (bbls) Details	Cause: Freeze   Treating Tower   Produced Water   Released: 9 BBL   Recovered: 0 BBL   Lost: 9 BBL.
Is the concentration of chloride in the produced water >10,000 mg/l	No
Condensate Released (bbls) Details	Not answered.
Natural Gas Vented (Mcf) Details	Not answered.
Natural Gas Flared (Mcf) Details	Not answered.
Other Released Details	Not answered.
Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)	Not answered.

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Action 303828

**QUESTIONS (continued)**

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**QUESTIONS**

<b>Nature and Volume of Release (continued)</b>	
Is this a gas only submission (i.e. only significant Mcf values reported)	<b>No, according to supplied volumes this does not appear to be a "gas only" report.</b>
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	<b>No</b>
Reasons why this would be considered a submission for a notification of a major release	<i>Unavailable.</i>

*With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e. gas only) are to be submitted on the C-129 form.*

**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	<b>True</b>
The impacted area has been secured to protect human health and the environment	<b>True</b>
Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices	<b>True</b>
All free liquids and recoverable materials have been removed and managed appropriately	<b>True</b>
If all the actions described above have not been undertaken, explain why	<i>Not answered.</i>

*Per Paragraph (4) of Subsection B of 19.15.29.8 NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please prepare and attach a narrative of actions to date in the follow-up C-141 submission. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC), please prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.*

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.

I hereby agree and sign off to the above statement	Name: Kelly Arrendondo Title: Production Reporting Manager Email: karredondo@ntglobal.com Date: 01/16/2024
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QUESTIONS, Page 3

Action 303828

**QUESTIONS (continued)**

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	Action Number: 303828
	Action Type: [C-141] Initial C-141 (C-141-v-Initial)

**QUESTIONS**

**Site Characterization**  
 Please answer all the questions in this group (only required when seeking remediation plan approval and beyond). 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 in feet below ground surface (ft bgs)	Not answered.
What method was used to determine the depth to ground water	Not answered.
Did this release impact groundwater or surface water	Not answered.
<b>What is the minimum distance, between the closest lateral extents of the release and the following surface areas:</b>	
A continuously flowing watercourse or any other significant watercourse	Not answered.
Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)	Not answered.
An occupied permanent residence, school, hospital, institution, or church	Not answered.
A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes	Not answered.
Any other fresh water well or spring	Not answered.
Incorporated municipal boundaries or a defined municipal fresh water well field	Not answered.
A wetland	Not answered.
A subsurface mine	Not answered.
An (non-karst) unstable area	Not answered.
Categorize the risk of this well / site being in a karst geology	Not answered.
A 100-year floodplain	Not answered.
Did the release impact areas not on an exploration, development, production, or storage site	Not answered.

<b>Remediation Plan</b>	
Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.	
Requesting a remediation plan approval with this submission	No
The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.	

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CONDITIONS

Action 303828

**CONDITIONS**

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**CONDITIONS**

Created By	Condition	Condition Date
scwells	None	1/16/2024