



XRI Holdings LLC
15 Smith Dr., Ste 5000,
Midland, Texas
79705
432-218-2810

Spill Report Category B (<50bbls of produced water ; <5bbls of oil)

Information	
Spill-20260609-sand dune 2	
HSE	
Tuesday, June 9th 2026, 2:01 PM (CDT -05:00)	
Label	
Spill-YearMonthDay-01 - Name of Location (ex. Spill-20250909-01 - Location)	Spill-20260609-sand dune 2
General Information	
Time of Incident:	12:33 PM
Who Reported Spill:	Travis Cress
Division:	Source
Yes <input checked="" type="radio"/> No <input type="radio"/> NA <input type="checkbox"/> Any Injures? If yes, explain	
Facility/Location Information	
Facility/Pipeline where spill occurred:	Sand dune
Where at the site did the spill occur:	Along lay flat



Down the ravine area



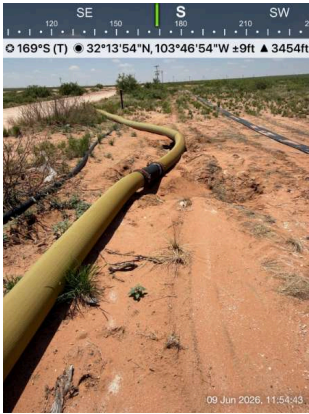
Toward spill release

County:

== Eddy

GPS Coordinates from Solocator

== 32.2318372,-103.7819406



Release Information

Yes

No

NA

Produced Water:



Toward Ravine area

Yes

No

NA

Inside Containment? If no, explain:

Estimated barrels released:

== TBD

Total amount recovered:	=	TBD
Total amount lost:	=	TBD
What was the cause of the spill?	=	Worn out layflat
Yes <input checked="" type="radio"/> No <input type="radio"/> NA <input type="radio"/> First occurrence? If no, explain:		
Remediation? If yes, explain	=	No Response

Description of Release



Description:

 Layflat leak

Actions

Describe clean-up actions:	=	TBD
Who was dispatched to conduct the clean-up:	=	TBD
Yes <input checked="" type="radio"/> No <input type="radio"/> NA <input type="radio"/> Is clean-up complete? If no, give an estimated date		

Notifications

<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA <input type="radio"/> Landowner notified?		
Landowner Name:	=	State land
Date notified:		June 9, 2026
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> NA <input type="radio"/> Manager notified?		
Time notified:		12:01 PM

Witness Information; If Applicable

Event Timeline

Close Out Report

Yes <input checked="" type="radio"/> No <input type="radio"/> NA <input type="radio"/> Is the spill remediated? If no, explain		
Closer Report		No Response

Final Comments

Comments:	=	Spill area not remediated
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Additional Photos



Area of spill

Signatures

Travis Cress , COR - HSE Safety Representative

June 9th 2026, 2:01 PM (CDT -05:00)

32.2318549, -103.7817729

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

QUESTIONS

Action 594411

QUESTIONS

Operator: XRI Holdings, LLC 15 Smith Rd. MIDLAND, TX 79705	OGRID: 334269
	Action Number: 594411
	Action Type: [C-141] Initial C-141 (C-141-v-Initial)

QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2616153684
Incident Name	NAPP2616153684 SAND DUNES #2 @ J-09-24S-31E
Incident Type	Produced Water Release
Incident Status	Initial C-141 Received

Location of Release Source	
<i>Please answer all the questions in this group.</i>	
Site Name	Sand Dunes #2
Date Release Discovered	01/02/2026
Surface Owner	State

Incident Details	
<i>Please answer all the questions in this group.</i>	
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	
<i>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.</i>	
Crude Oil Released (bbls) Details	Not answered.
Produced Water Released (bbls) Details	Cause: Equipment Failure Flow Line - Injection Produced Water Released: 56 BBL Recovered: 0 BBL Lost: 56 BBL.
Is the concentration of chloride in the produced water >10,000 mg/l	Yes
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)	Lay Flat had a pin hole leak which resulted in a failure - put berms around to contain spill

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QUESTIONS, Page 2

Action 594411

QUESTIONS (continued)

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QUESTIONS

Nature and Volume of Release (continued)	
Is this a gas only submission (i.e. only significant Mcf values reported)	No, according to supplied volumes this does not appear to be a "gas only" report.
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	Yes
Reasons why this would be considered a submission for a notification of a major release	From paragraph A. "Major release" determine using: (1) an unauthorized release of a volume, excluding gases, of 25 barrels or more.
<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.</i>	

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

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: Janet Reinhardt Email: janet.reinhardt@xriwater.com Date: 06/10/2026
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Action 594411

QUESTIONS (continued)

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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.
What is the minimum distance, between the closest lateral extents of the release and the following surface areas:	
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.

Remediation Plan

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
<i>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.</i>	

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CONDITIONS

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CONDITIONS

Created By	Condition	Condition Date
michael.buchanan	Initial C141 is approved. A remediation work plan, site characterization plan or remediation closure was due to the OCD no later than 90-days after the date of discovery, not to exceed 04/02/2026. However, the incident was only recently reported on 06/10/2026. It is unclear if new ownership and/or operatorship has occurred. Please provide an update on the site characterization and remediation plan as soon as possible.	6/11/2026