

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
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

AUG 14 2018

Form C-141
Revised April 3, 2017

DISTRICT II ARTESIA O.C.D.
Submit Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

NAB1823257321

| | | |
|---|---------------------|---|
| Name of Company Vanguard Operating, LLC <i>252350</i> | | Contact Jason Fisher |
| Address 5847 San Felipe, Ste. 3000 Houston, TX 77057 | | Telephone No. 505-918-0523 |
| Facility Name Staley State Battery Staley State #001 Well | | Facility Type Central Battery and Well Site |
| Surface Owner | Mineral Owner State | API No. 30-015-31284 |

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter J | Section 30 | Township 17S | Range 28E | Feet from the 2310 | North/South Line South | Feet from the 1650 | East/West Line East | County Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|

Latitude 32.8041534 Longitude -104.2117538 NAD83

NATURE OF RELEASE

| | | |
|--|---|----------------------------|
| Type of Release Gas | Volume of Release 118 mcf | Volume Recovered 0 |
| Source of Release Flare | Date and Hour of Occurrence 8-10-2018 | Date and Hour of Discovery |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? | Date and Hour | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Frontier plant went down during the lightning storm. The gas flared for 5 hours until the plant was back on line.

Describe Area Affected and Cleanup Action Taken.*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD 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 NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD 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.

| | | |
|---|--|--|
| Signature: <i>Chuck Johnston</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Chuck Johnston | Signed By <i>Mike [Signature]</i> Approved by Environmental Specialist: | |
| Title: EHS Specialist | Approval Date: <i>8/20/18</i> | Expiration Date: <i>N/A</i> |
| E-mail Address: cjohnston@vnrenergy.com | Conditions of Approval: <i>FINAL</i> | Attached <input checked="" type="checkbox"/> <i>4932</i> |
| Date: 8-10-2018 | Phone: 432-202-4771 | |

* Attach Additional Sheets If Necessary

Bratcher, Mike, EMNRD

From: Chuck Johnston <cjohnston@vnrenergy.com>
Sent: Tuesday, August 14, 2018 12:32 PM
To: Bratcher, Mike, EMNRD
Subject: Vanguard Operating Flaring event
Attachments: Vanguard Operating Flaring 8-10-2018.pdf

Mike, please find attached C-141 forms for flaring of gas of some of our batteries 8-10-2018. Frontier plant was knocked down during the lightning storm and we had to flare gas for 5 hours until the plant was back operational.

Let me know if you have any questions,

Chuck Johnston
EHS / Operations Specialist
432-202-4771 Cell
432-248-8154 Office

