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 | NRM2022558133 |
|----------------|---------------|
| District RP | |
| Facility ID | |
| Application ID | |

Release Notification

Responsible Party

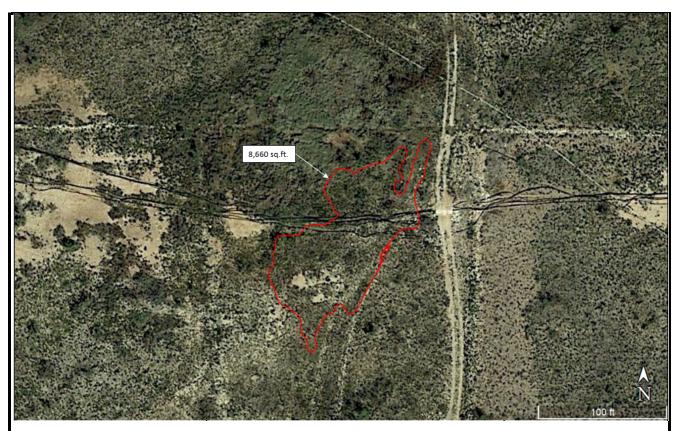
| Responsible Party Grizzly Operating, LLC | | | OGR | OGRID 258350 | | | | |
|--|---------------|------------------------|-------------------------|---|-------------------------------|---------------------------|--|--|
| Contact Name Carmen Pitt | | | Conta | Contact Telephone 432-248-8145 | | | | |
| Contact ema | il cpitt@g | grizzlyenergyllc.c | om | Incid | ent # (assigned by OCD) | | | |
| Contact mail | ling address | 4001 Penbrook | St. Odessa, TX | 79762 | | | | |
| | | | | 25. | | | | |
| | | | Locatio | n of Releas | e Source | | | |
| Latitude 32.8 | 86709 | | | Longit | ude -103.301054 | | | |
| | | | (NAD 83 in 6 | decimal degrees to : | decimal places) | | | |
| Site Name | CS Caylor 7 | #3 Flowline | | Site T | Site Type Flowline | | | |
| Date Release | Discovered | 8/10/2020 | | API# | API# (if applicable) | | | |
| Unit Letter | Section | Township | Range | | County | | | |
| H | 1 | 17S | 36E | County Lea | | | | |
| | 1 | | 302 | LCa | | | | |
| Surface Owne | er: State | ☐ Federal ☐ T | ribal Private | (Name: City of | Lovington) | | | |
| | | | | | 45.1 | | | |
| | | | Nature ar | nd Volume | of Release | | | |
| | | al(s) Released (Select | all that apply and atta | ch calculations or sp | pecific justification for the | volumes provided below) | | |
| Crude Oil Volume Released (bbls) | | | | Volume Recov | Volume Recovered (bbls) | | | |
| Non- | l Water | Volume Releas | ed (bbls) 23 | | Volume Recov | Volume Recovered (bbls) 0 | | |
| Is the concentration of dissolved chlorid produced water >10,000 mg/l? | | | chloride in the | ⊠ Yes □ No | ⊠ Yes □ No | | | |
| Condensa | ate | Volume Releas | | | Volume Recov | Volume Recovered (bbls) | | |
| Natural Gas Volume Released (Mcf) | | | | Volume Recov | Volume Recovered (Mcf) | | | |
| Other (describe) Volume/Weight Released (provide units | | ide units) | Volume/Weigl | Volume/Weight Recovered (provide units) | | | | |
| | | | | | | | | |
| Cause of Rel | | | | | | | | |
| Poly flowline | e failed caus | sing release. | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

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| 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 | | | |
| The source of the rele | ease has been stopped. | | | |
| The impacted area ha | s been secured to protect human health and the environment. | | | |
| Released materials ha | ave 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: | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Dog 10 15 20 9 D (4) NM | (AC the regressible party may commone remodiction immediately after discovery of a release. If remodiation | | | |
| has begun, please attach | IAC the responsible party may commence remediation immediately after discovery of a release. If remediation a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred at area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation. | | | |
| | rmation given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and | | | |
| public health or the environr | required to report and/or file certain release notifications and perform corrective actions for releases which may endanger nent. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have | | | |
| | ate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In f a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws | | | |
| Printed Name:Carmen | Pitt Title:EHS Senior Specialist | | | |
| Signature: <u>Carme</u> | n Pitt Date: 8/12/2020 | | | |
| email:cpitt@grizzlyen | ergyllc.com Telephone:432-248-8145 | | | |
| | | | | |
| OCD Only | | | | |
| Received by: Ramona | a Marcus Date: 8/12/2020 | | | |
| | | | | |

NRM2022558133



Volume Calculation

| ID | Area (Ft²) | - | %Porosity/ Saturation | _ | Volume (bbls) |
|-----------------------|---------------|------|--------------------------|--------|------------------|
| CS Caylor #3 Flowline | 8,660 | 0.44 | 0.1 | 127.02 | 22.6 |

Volume of Oil Released: 0 bbls Volume of Water Released: 22.6 bbls

Volume of Oil Recovered: 0 bbls
Volume of Water Recovered: 0 bbls

Volume of Liquid Remaining in Soil: 22.6 bbls

Volume Recovered: 0 bbls

Total Volume: 22.6 bbls