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

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Incident ID	NRM2032957547
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party LH Operating, LLC	OGRID 329319	
Contact Name John Denman	Contact Telephone 575-909-0149	
Contact email john@lhoperating.com	Incident # (assigned by OCD)	
Contact mailing address 4809 Cole Avenue, Suite 106, Dallas, TX 75205		

Location of Release Source

Latitude _32.85815

Longitude	-103.88115
NAD 83 in decimal degrees to 5 deci.	

Site Name H E West B #009	Site Type Injection
Date Release Discovered 11/16/2020	API# (if applicable) 30-015-05072

Unit Letter	Section	Township	Range	County
м	04	17S	31E	Eddy

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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)

Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
Produced Water	Volume Released (bbls) 7	Volume Recovered (bbls) 0
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	Yes No
	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

Service company tractor trailer drove over the wellhead and bent the injection tubing at the surface. This caused the tubing to crimp and a hole to form at this point.

Form C-141

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State of New Mexi	co
Oil Conservation Div	vision

Incident ID	NRM2032957547
District RP	
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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

 \boxtimes 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:

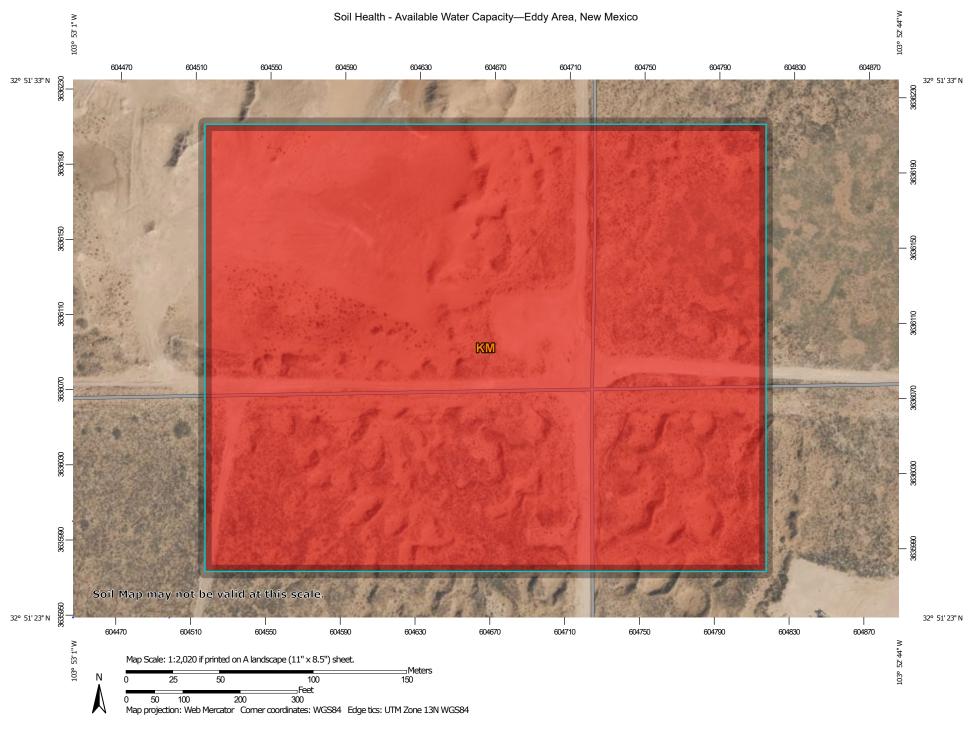
Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 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: John Denman	Title: <u>Ensineer</u>
Signature:	Date:
email: john @ LH Operating. com	Telephone: 575-909-0149
OCD Only	
Received by: Ramona Marcus	Date: <u>11/24/2020</u>

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Area # Ler	ngth (ft)	Width (ft)	Depth (ft)	Volume (cu ft)	
1	13	10	2	260	0
2	19	5	2	190	0
3	59	3	2	354	4
Total				804.00	0 cu ft Soil
				5%	% Assumed Pore Space (see attached)
				40.20	0 cu ft Fluid
				7.16	<mark>6</mark> barrels



USDA Natural Resources Conservation Service Web Soil Survey National Cooperative Soil Survey 11/16/2020 Page 1 of 5

MAP LEGEND	MAP INFORMATION The soil surveys that comprise your AOI were mapped at 1:20,000.	
Area of Interest (AOI) Area of Interest (AOI)		
Soils Soil Rating Polygons = 0.05 Not rated or not available Soil Rating Lines = 0.05 Not rated or not available Soil Rating Points = 0.05	 Warning: Soil Map may not be valid at this scale. Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale. Please rely on the bar scale on each map sheet for map measurements. Source of Map: Natural Resources Conservation Service Web Soil Survey URL: 	
□ Not rated or not available Water Features Streams and Canals Transportation Rails	Coordinate System: Web Mercator (EPSG:3857) Maps from the Web Soil Survey are based on the Web Mercato projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.	
 Interstate Highways US Routes Major Roads 	This product is generated from the USDA-NRCS certified data a of the version date(s) listed below. Soil Survey Area: Eddy Area, New Mexico Survey Area Data: Version 16, Jun 8, 2020	
Local Roads Background	Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.	
Aerial Photography	Date(s) aerial images were photographed: Feb 7, 2020—May 12, 2020 The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.	



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Soil Health - Available Water Capacity—Eddy Area, New Mexico

Soil Health - Available Water Capacity

Map unit symbol	Map unit name	Rating (centimeters per centimeter)	Acres in AOI	Percent of AOI
КМ	Kermit-Berino fine sands, 0 to 3 percent slopes	0.05	17.7	100.0%
Totals for Area of Interest			17.7	100.0%



Description

Soil Health - Available Water Capacity-Eddy Area, New Mexico

Available water capacity (AWC) refers to the quantity of water that the soil is capable of storing for use by plants. It is expressed in centimeters of water per centimeter of soil for each soil layer.

Significance:

Available water capacity is an indicator of a soil's ability to retain water and make it sufficiently available for plant use. In areas where daily rainfall is insufficient to meet plant needs, the capacity of soil to store water is very important (USDA-NRCS, 2008). Water held in the soil is needed to sustain plants between rainfall or irrigation events and provide a buffer against periods of water deficit. The capacity varies, depending on soil properties that affect retention of water. The most important properties are the content of organic matter, soil texture, bulk density, and soil structure, with corrections for salinity and rock fragments. Available water capacity determinations are used to develop water budgets, predict droughtiness, design and operate irrigation systems, design drainage systems, protect water resources, and predict yields (Lowery et al., 1996). They also are an important factor in the choice of plants or crops to be grown. The available water capacity can be increased by applying soil management that maximizes the soil's inherent capacity to store water. Improving soil structure and ameliorating compacted zones can improve both the storage capacity of the soil itself and increase the depth to which plant roots can penetrate.

Factors Affecting Available Water Capacity:

Inherent factors.—Available water capacity is affected by soil texture, amount of rock fragments, and a soil's depth and layers. It is primarily controlled by soil texture and structure. Soils with higher silt contents generally have higher available water capacities, while sandy soils have the lowest available water capacities. Rock fragments reduce a soil's available water capacity proportionate to their volume, unless the rocks are porous. Soil depth and root-restricting layers affect the total available water capacity since they can limit the volume of soil available for root growth.

Dynamic factors.—Available water capacity is affected by soil organic matter, compaction, and salt concentrations. Organic matter can increase a soil's capacity to store water, on average, equivalent to its weight in available water (Libohova et al., 2018). Indirectly, organic matter improves soil structure and aggregate stability, resulting in increased pore size and volume. These soil improvements result in increased infiltration and movement of water through the soil. Greater amounts of water entering the soil can then be used by plant roots. Compaction reduces the available water capacity by reducing the total pore volume. Soils with high salt concentrations have a reduced available water capacity. Solutes in soil water attract water (osmotic potential), making it difficult for plant roots to extract or uptake the water.

Measurement:

Available water capacity is determined in the lab by measuring the water content at field capacity (33 kPa) and wilting point (1500 kPa) and calculating the

difference (Soil Survey Staff, 2014). Pressure plates or membranes are used to bring the soil sample to a desired matric potential (33 kPa or 1500 kPa). When at equilibrium, the soil sample is removed and dried to determine its water content.

References:

Soil Health - Available Water Capacity-Eddy Area, New Mexico

Libohova, Z., C. Seybold, D. Wysocki, S. Wills, P. Schoeneberger, C. Williams, D. Lindbo, D. Stott, and P.R. Owens. 2018. Reevaluating the effects of soil organic matter and other properties on available water-holding capacity using the National Cooperative Soil Survey Characterization Database. Journal of Soil and Water Conservation 73(4):411-421.

Lowery, B., M.A. Arshad, R. Lal, and W.J. Hickey. 1996. Soil water parameters and soil quality. In: J.W. Doran and A.J. Jones (eds.) Methods for assessing soil quality. Soil Science Society of America Special Publication 49:143-157.

Soil Survey Staff. 2014. Kellogg Soil Survey Laboratory methods manual. Soil Survey Investigations Report No. 42, Version 5.0. R. Burt and Soil Survey Staff (eds.). U.S. Department of Agriculture, Natural Resources Conservation Service.

U.S. Department of Agriculture, Natural Resources Conservation Service. 2008. Soil quality indicators—Available water capacity.

Rating Options

Units of Measure: centimeters per centimeter Aggregation Method: Dominant Component Component Percent Cutoff: None Specified Tie-break Rule: Higher Interpret Nulls as Zero: No Layer Options (Horizon Aggregation Method): All Layers (Weighted Average)