

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	nAPP2235068529
District RP	
Facility ID	
Application ID	167954

Release Notification

Responsible Party

Responsible Party: Novo Oil & Gas Northern Delaware, LLC	OGRID: 372920
Contact Name: Kurt A. Shipley	Contact Telephone: 405-286-3916
Contact email: kshipley@novooog.com	Incident # (assigned by OCD): nAPP2235068529
Contact mailing address: 1001 West Wilshire Blvd., Suite 206 Oklahoma City, OK 73116	

Location of Release Source

Latitude 32.308641

Longitude -104.052567
(NAD 83 in decimal degrees to 5 decimal places)

Site Name: Ovation Pad - O	Site Type: Well Pad
Date Release Discovered: 12/13/2022	API# (if applicable)

Unit Letter	Section	Township	Range	County
A	14	T23S	R28E	Eddy

Surface Owner: ☐ State ☒ Federal ☐ Tribal ☒ Private (Name: Lionel Onsurez)

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

<input checked="" type="checkbox"/> Crude Oil	Volume Released (bbls): Estimated 352	Volume Recovered (bbls): Estimated 295
<input checked="" type="checkbox"/> Produced Water	Volume Released (bbls): Estimated 1,078	Volume Recovered (bbls): Estimated 1,020
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input checked="" 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	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)

Oil Conservation Division

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Cause of Release

At 12:07am on 12/13/2022, during a workover of the Ovation 242H well, the well started flowing and BOP equipment could not shut off the flow of the well. While fishing for stuck tubing, Novo was tripping in the hole with wash pipe and tubing. Well was sufficiently killed with 14.8 ppg fluid. When 200 feet in the well with the wash pipe, the well started flowing. Attempts were made to install a FOSV (full opening safety valve) but were not successful. Shear rams in BOP could not sever the tubing so well began flowing kill fluid and then crude oil to the surface and on the location area. Well flowed from 12:07am to 10:35am and then the BOP rams activated and shut off the flow. Well was secured.

Volume of the release was calculated by the estimated flow rate during the duration of the release.

Estimated Flow: See attached pages

Was this a major release as defined by 19.15.29.7(A) NMAC?

☒ Yes ☐ No

If YES, for what reason(s) does the responsible party consider this a major release?

Estimated volume of crude oil and produced water exceeded 25 bbls

If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?

Yes – Kurt Shipley (Novo Oil and Gas) and Bryan Haney (Altamira)

12/13/2022 at 2:20pm NMOCD spill hotline (Mike Bratcher) - left voice message

12/13/2022 at 3:09pm NMOCD – Rosa Romero – left voice message

12/13/2022 at 2:33pm BLM – Jim Amos (discussion on release and actions)

12/13/2022 – Bryan Haney with Altamira provided email notification to Mike Bratcher and Robert Hamlet at NMOCD

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.
- ☒ 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:

All initial response actions above have been completed.

Remediation efforts (excavated affected soil) will be confirmed with sampling.

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.

State of New Mexico
Oil Conservation Division

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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: Kurt A. Shipley Title: Chief Operating OfficerSignature:  Date: December 17, 2022email: kshipley@novoog.com Telephone: 405-286-3916**OCD Only**Received by: Jocelyn Harimon Date: 12/23/2022

OVATION 24/2H RELEASE

WELL RELEASE FOR 10.63 HRS on 10/13/22

OVATION 221H: COMPASION WELL

2-MILE 2ND BONE SPRING

11/12/22 PEAK RATE	3828 BBL H ₂ O	72.6%
	+ 1445 BBL OIL	27.4%

TOTAL FLUID 5273 BBLs

CHOKE 128/128 100% OPEN

GAS LIFT

FLOW RATE ESTIMATES

WATER

3828 BBLs/DAY

159.5 BBLs/HR

+10% 175.5 BBLs/HR

OIL

1445 BBLs/DAY

60.2 BBLs/HR

66.2 BBLs/HR

VOLUME ESTIMATES FOR OVATION 24/2H
 = (HOURLY RATE * 10%) * 10.63 HRS

WATER

1866 BBLs

OIL

704 BBLs

PLUS ADDITIONAL 289 BBLs BRINE WATER
 KILL FLUID IN WELLBORE

TOTALWATER

1866 BBLs

+ 289 BBLs

2155 BBS

OIL

704 BBLs

OVATION 242H

FLUID RECOVERED

TOTAL VOLUME FROM VAC TRUCKS

WATER
2040 BBLsOIL
590 BBLs

APPROXIMATELY 50% OF RELEASE
FROM WELL WAS CAPTURED AND
HAULED OFF OF LOCATION PRIOR
TO BEING RELEASED ON GROUND.

RELEASED ON GROUND

WATER
2155 BBLsOIL
704 BBLs

50%

1078 BBLs

352 BBLs

RECOVERED FROM GROUND

WATER
2040 BBLsOIL
590 BBLs

50%

1020 BBLs

295 BBLs

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CONDITIONS

Action 169461

CONDITIONS

Operator: NOVO OIL & GAS NORTHERN DELAWARE, LLC 1001 West Wilshire Blvd Oklahoma City, OK 73116	OGRID: 372920
	Action Number: 169461
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
jharimon	None	12/23/2022