

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
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District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS

Action 181633

QUESTIONS

Operator: Contango Resources, LLC 111 E. 5TH STREET FORT WORTH, TX 76102	OGRID: 330447
	Action Number: 181633
	Action Type: [NOTIFY] Notification Of Release (NOR)

QUESTIONS

Location of Release Source	
<i>Please answer all the questions in this group.</i>	
Site Name	Colgazer-Stovall CTB
Date Release Discovered	08/22/2022
Surface Owner	Private

Incident Details	
<i>Please answer all the questions in this group.</i>	
Incident Type	Release Other
Did this release result in a fire or is the result of a fire	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	Cause: Other Unknown Crude Oil Released: 0 BBL (Unknown Released Amount) Recovered: 0 BBL Lost: 0 BBL.
Produced Water Released (bbls) Details	Cause: Other Other (Specify) Produced Water Released: 0 BBL (Unknown Released Amount) Recovered: 0 BBL Lost: 0 BBL.
Is the concentration of dissolved chloride in the produced water >10,000 mg/l	No
Condensate Released (bbls) Details	Cause: Other Other (Specify) Condensate Released: 0 BBL (Unknown Released Amount) Recovered: 0 BBL Lost: 0 BBL.
Natural Gas Vented (Mcf) Details	Cause: Other Other (Specify) Natural Gas Vented Released: 0 Mcf Recovered: 0 Mcf Lost: 0 Mcf.
Natural Gas Flared (Mcf) Details	Cause: Other Other (Specify) Natural Gas Flared Released: 0 Mcf Recovered: 0 Mcf Lost: 0 Mcf.
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)	While drilling a water well, the land owner reported he encountered crude oil in the subsurface soil. The source, composition, volume, and date of the original release are unknown. There have been no spills on site since the assets were acquired in February of 2022, so the sub-surface contamination predates ownership by Contango. Contango has completed two rounds of data gathering (geo-boring delineation and soil sample analysis) to develop a remediation plan for the site. We are completing this form at the request of Mike Bratcher to generate an incident number within OCD to document the remediation efforts and site closure.

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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 19.15.29.7(A) NMAC	Yes, major release.
Reasons why this would be considered a submission for a notification of a major release	<ul style="list-style-type: none"> Unauthorized release of an unknown volume (TBD), excluding gases, of 25 barrels or more
If YES, was immediate notice given to the OCD, by whom	Chet Stuart notified OCD of voluntary clean-up efforts at site
If YES, was immediate notice given to the OCD, to whom	Mike Bratcher
If YES, was immediate notice given to the OCD, when	09/21/2022
If YES, was immediate notice given to the OCD, by what means (phone, email, etc.)	initially by phone (8/22/2022), email and letter on 09/21/2022
<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	This is a legacy release, the subsurface contamination was discovered during the process of the landowner drilling a water well. We have no historical details regarding the nature, volume, dates or composition of the release. We have delineated the site with geo-borings, sampling and analytical assessment of the residual subsurface contamination present at site, and developed a plan to excavate and dispose of the contaminated material.

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 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 19.15.29.11(A)(5)(a) NMAC), please prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.

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ACKNOWLEDGMENTS

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ACKNOWLEDGMENTS

<input checked="" type="checkbox"/>	I acknowledge that I am authorized to submit notification of a releases on behalf of my operator.
<input checked="" type="checkbox"/>	I acknowledge that upon submitting this application, I will be creating a new incident file (assigned to my operator) to track the notification(s) and corrective action(s) for a release, pursuant to NMAC 19.15.29.
<input checked="" type="checkbox"/>	I acknowledge that creating a new incident file will require my operator to file subsequent submission(s) of form "C-141, Application for administrative approval of a release notification and corrective action", pursuant to NMAC 19.15.29.
<input checked="" type="checkbox"/>	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.
<input checked="" type="checkbox"/>	I acknowledge the fact that 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.
<input checked="" type="checkbox"/>	I acknowledge the fact that, 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.

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CONDITIONS

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CONDITIONS

Created By	Condition	Condition Date
cstuart	When submitting future reports regarding this release, please submit the calculations used or specific justification for the volumes reported on the initial C-141.	2/2/2023