

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	nAPP2401533040
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party: Caza Operating, LLC	OGRID: 249099
Contact Name: Kevin Garrett	Contact Telephone: (432) 556-8508
Contact email: kgarrett@cazapetro.com	Incident # (assigned by OCD) nAPP2401533040
Contact mailing address: 200 N. Loraine, Suite 1550 Midland, TX 79701	

Location of Release Source

Latitude 32.56644167 Longitude -103.4865139
(NAD 83 in decimal degrees to 5 decimal places)

Site Name: Desert Rose 17 8 Federal Com #001H	Site Type: Production
Date Release Discovered: 1/14/2024	API# (if applicable) 30-025-42972

Unit Letter	Section	Township	Range	County
M	17	20S	35E	Lea

Surface Owner: State Federal Tribal Private (Name: Pearl Valley Limited Partnership)

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) 540 BBLs	Volume Recovered (bbls) 0 BBLs
<input checked="" type="checkbox"/> Produced Water	Volume Released (bbls) 540 BBLs	Volume Recovered (bbls) 0 BBLs
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input 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 (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)

Cause of Release: **Frozen Gas Supply Line**

State of New Mexico
Oil Conservation Division

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Incident ID	nAPP2401533040
District RP	
Facility ID	
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Was this a major release as defined by 19.15.29.7(A) NMAC? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, for what reason(s) does the responsible party consider this a major release?
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? Yes, by NOR submission.	

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

<input checked="" type="checkbox"/> The source of the release has been stopped. <input checked="" type="checkbox"/> The impacted area has been secured to protect human health and the environment. <input checked="" type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices. <input checked="" type="checkbox"/> All free liquids and recoverable materials have been removed and managed appropriately.
If all the actions described above have <u>not</u> 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: <u> Kellan Smith </u> Title: <u> Project Scientist </u> Signature: <u> <i>Kellan Smith</i> </u> Date: <u> 1/14/24 </u> email: <u> ksmith@ntglobal.com </u> Telephone: <u> (580) 682-1889 </u>
<u>OCD Only</u> Received by: _____ Date: _____

******* LIQUID SPILLS - VOLUME CALCULATIONS *******

Location of spill: Desert Rose 17 8 Federal Com #001H

Date of Spill: 14-Jan-2024

If the leak/spill is associated with production equipment, i.e. - wellhead, stuffing box, flowline, tank battery, production vessel, transfer pump, or storage tank place an "X" here:

Input Data:

If spill volumes from measurement, i.e. metering, tank volumes, etc. are known enter the volumes here: OIL: 540.0 BBL WATER: 540.0 BBL

If "known" spill volumes are given, input data for the following "Area Calculations" is optional. The above will override the calculated volumes.

Total Area Calculations							Standing Liquid Calculations						
Total Surface Area	width	length		wet soil depth	oil (%)		Standing Liquid Area	width	length	liquid depth	oil (%)		
Rectangle Area #1	500 ft	173 ft	X	6.00 in	50%		Rectangle Area #1	0 ft	X	0 ft	X	0 in	0%
Rectangle Area #2	0 ft	X	0 ft	X	0 in	0%	Rectangle Area #2	0 ft	X	0 ft	X	0 in	0%
Rectangle Area #3	0 ft	X	0 ft	X	0 in	0%	Rectangle Area #3	0 ft	X	0 ft	X	0 in	0%
Rectangle Area #4	0 ft	X	0 ft	X	0 in	0%	Rectangle Area #4	0 ft	X	0 ft	X	0 in	0%
Rectangle Area #5	0 ft	X	0 ft	X	0 in	0%	Rectangle Area #5	0 ft	X	0 ft	X	0 in	0%
Rectangle Area #6	0 ft	X	0 ft	X	0 in	0%	Rectangle Area #6	0 ft	X	0 ft	X	0 in	0%
Rectangle Area #7	0 ft	X	0 ft	X	0 in	0%	Rectangle Area #7	0 ft	X	0 ft	X	0 in	0%
Rectangle Area #8	0 ft	X	0 ft	X	0 in	0%	Rectangle Area #8	0 ft	X	0 ft	X	0 in	0%

okay

production system leak - DAILY PRODUCTION DATA REQUIRED

Average Daily Production: Oil 0 BBL Water 0 BBL 0 Gas (MCFD)

Total Hydrocarbon Content in gas: 0% (percentage)

Did leak occur before the separator?: YES N/A (place an "X")

H2S Content in Produced Gas: 0 PPM

H2S Content in Tank Vapors: 0 PPM

Amount of Free Liquid Recovered: 0 BBL okay

Percentage of Oil in Free Liquid Recovered: 0% (percentage)

Liquid holding factor *: 0.14 gal per gal

Use the following when the spill wets the grains of the soil.

Use the following when the liquid completely fills the pore space of the soil:

- * Sand = 0.08 gallon (gal.) liquid per gal. volume of soil.
- * Gravelly (caliche) loam = 0.14 gal. liquid per gal. volume of soil.
- * Sandy clay loam soil = 0.14 gal liquid per gal. volume of soil.
- * Clay loam = 0.16 gal. liquid per gal. volume of soil.

- Occurs when the spill soaked soil is contained by barriers, natural (or not).
- * Clay loam = 0.20 gal. liquid per gal. volume of soil.
- * Gravelly (caliche) loam = 0.25 gal. liquid per gal. volume of soil.
- * Sandy loam = 0.5 gal. liquid per gal. volume of soil.

Total Solid/Liquid Volume: **86,500 sq. ft.** **21,625 cu. ft.** **21,625 cu. ft.** Total Free Liquid Volume: **sq. ft.** **cu. ft.** **cu. ft.**

Estimated Volumes Spilled

Liquid in Soil: **H2O** 539.2 BBL **OIL** 539.2 BBL
 Free Liquid: **0.0** BBL **0.0** BBL
 Totals: **539.2** BBL **539.2** BBL

Estimated Production Volumes Lost

Estimated Production Spilled: **H2O** 540.0 BBL **OIL** 540.0 BBL

Estimated Surface Damage

Surface Area: **86,500** sq. ft.
 Surface Area: **1.9858** acre

Recovered Volumes

Estimated oil recovered: **BBL** check - okay
 Estimated water recovered: **BBL** check - okay

Estimated Weights, and Volumes

Saturated Soil = **4,844,000** lbs **43,250** cu. ft. **1,602** cu. yds.
 Total Liquid = **1,080** BBL **45,360** gallon **377,395** lbs

Air Emission from flowline leaks:

Volume of oil spill: - BBL
 Separator gas calculated: - MCF
 Separator gas released: - MCF
 Gas released from oil: - lb
 H2S released: - lb
 Total HC gas released: - lb
 Total HC gas released: - MCF

Air Emission of Reporting Requirements:

New Mexico Texas
 HC gas release reportable? **NO** **NO**
 H2S release reportable? **NO** **NO**

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

QUESTIONS

Action 303849

QUESTIONS

Operator: CAZA OPERATING, LLC 200 N Loraine St Midland, TX 79701	OGRID: 249099
	Action Number: 303849
	Action Type: [C-141] Initial C-141 (C-141-v-Initial)

QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2401533040
Incident Name	NAPP2401533040 DESERT ROSE 17 8 FEDERAL COM #001H @ 0
Incident Type	Produced Water Release
Incident Status	Initial C-141 Received

Location of Release Source

Please answer all the questions in this group.

Site Name	DESERT ROSE 17 8 FEDERAL COM #001H
Date Release Discovered	01/14/2023
Surface Owner	Private

Incident Details

Please answer all the questions in this group.

Incident Type	Produced Water Release
Did this release result in a fire or is the result of a fire	No
Did this release result in any injuries	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

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.

Crude Oil Released (bbls) Details	Cause: Freeze Other (Specify) Crude Oil Released: 540 BBL Recovered: 0 BBL Lost: 540 BBL.
Produced Water Released (bbls) Details	Cause: Freeze Other (Specify) Produced Water Released: 540 BBL Recovered: 0 BBL Lost: 540 BBL.
Is the concentration of chloride in the produced water >10,000 mg/l	No
Condensate Released (bbls) Details	Not answered.
Natural Gas Vented (Mcf) Details	Not answered.
Natural Gas Flared (Mcf) Details	Not answered.
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)	The cause of this release is a frozen gas supply line.

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QUESTIONS, Page 2

Action 303849

QUESTIONS (continued)

Operator: CAZA OPERATING, LLC 200 N Loraine St Midland, TX 79701	OGRID: 249099
	Action Number: 303849
	Action Type: [C-141] Initial C-141 (C-141-v-Initial)

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 Subsection A of 19.15.29.7 NMAC	Yes
Reasons why this would be considered a submission for a notification of a major release	From paragraph A. "Major release" determine using: (1) an unauthorized release of a volume, excluding gases, of 25 barrels or more.
<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	<i>Not answered.</i>

Per Paragraph (4) of Subsection B of 19.15.29.8 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 Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC), please prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.

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.

I hereby agree and sign off to the above statement	Name: Kelly Arrendondo Title: Production Reporting Manager Email: karredondo@ntglobal.com Date: 01/16/2024
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QUESTIONS, Page 3

Action 303849

QUESTIONS (continued)

Operator: CAZA OPERATING, LLC 200 N Loraine St Midland, TX 79701	OGRID: 249099
	Action Number: 303849
	Action Type: [C-141] Initial C-141 (C-141-v-Initial)

QUESTIONS

Site Characterization
 Please answer all the questions in this group (only required when seeking remediation plan approval and beyond). This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

What is the shallowest depth to groundwater beneath the area affected by the release in feet below ground surface (ft bgs)	Not answered.
What method was used to determine the depth to ground water	Not answered.
Did this release impact groundwater or surface water	Not answered.
What is the minimum distance, between the closest lateral extents of the release and the following surface areas:	
A continuously flowing watercourse or any other significant watercourse	Not answered.
Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)	Not answered.
An occupied permanent residence, school, hospital, institution, or church	Not answered.
A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes	Not answered.
Any other fresh water well or spring	Not answered.
Incorporated municipal boundaries or a defined municipal fresh water well field	Not answered.
A wetland	Not answered.
A subsurface mine	Not answered.
An (non-karst) unstable area	Not answered.
Categorize the risk of this well / site being in a karst geology	Not answered.
A 100-year floodplain	Not answered.
Did the release impact areas not on an exploration, development, production, or storage site	Not answered.

Remediation Plan	
Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.	
Requesting a remediation plan approval with this submission	No
The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.	

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CONDITIONS
 Action 303849

CONDITIONS

Operator: CAZA OPERATING, LLC 200 N Loraine St Midland, TX 79701	OGRID: 249099
	Action Number: 303849
	Action Type: [C-141] Initial C-141 (C-141-v-Initial)

CONDITIONS

Created By	Condition	Condition Date
scwells	None	1/16/2024