

Initial Information-Delineation may determine different volume.

Notification of Release Required Information

Site Name: Bermuda #001

API: 30-015-34628

Date Release Discovered: 6/24/24

Surface Owner: Fee

Incident Type:

Crude Oil (bbls): Less than 1/2 BBL

Produced Water (bbls): Est. 10 BBLs

Condensate Release (bbls): 0

Natural Gas vented (mcf): DO NOT KNOW

Other Details:

Result of fire: No

Result in injuries: No

Has release endangered or have the potential to damage public health: NO

Is release of a volume which may damage water resources: NO

Depth to groundwater: Est 100'

Has release stopped: yes

Has location been secured: yes

Initial actions: REPAIRED & intermediate casing valve
AND shut it in

Volume recovered: NONE

Area Impacted (? Ft x ? Ft):

Note: Additional information may be required based on answers provided above.

Please See Drilling Report.

6-24-2024 AND
6-25-2024

**Bermuda #1
API 30-015-34268
C-141 app 2424058732**

Initial Delineation

Background:

The release was the result of a malfunctioning valve at the surface casing. Duration of the release was < 72 hours from notification to repair of valve. The release involved gas and formation water with minimal entrained oil. H₂S was present at concentration >100 ppm at the wellhead.

Response:

Earth moving equipment, vacuum truck(s), and safety equipment were mobilized to the location on 6/24/24, following notification from a third party. Water flow on the pad was stopped and cellar fluid was vacuumed. Individual wearing safety equipment entered the cellar to identify malfunction. The valve was overhauled in place and closed to stop the release on 6/25/24.

Initial Delineation Activity:

On October 11, 2024, a contractor to Chi Operating Inc., eTech, visited the location and initiated delineation of impacted area. The attached test results and map provide indication of areal extent. BTEX and TPH don't appear to be a factor for remediation. The technicians on location noted that there may be a higher background level of chlorides naturally. Further investigation may be proposed following completion of plug and abandonment operations.

Table 1 Concentrations of BTEX, TPH, and Chloride in Soil Chi Energy, Inc. Bermuda 1 NMOCD Ref. #: 0											
NMOCD Closure Criteria				10	50	-	-	-	-	100	600
NMOCD Reclamation Standard				10	50	-	-	-	-	100	600
Sample ID	Date	Depth (Feet)	Soil Status	SW 846 8021B		SW 846 8015M Ext.					4500 Cl
				Benzene (mg/kg)	BTEX (mg/kg)	GRO C ₆ -C ₁₀ (mg/kg)	DRO C ₁₀ -C ₂₈ (mg/kg)	GRO + DRO C ₆ -C ₂₈ (mg/kg)	ORO C ₂₈ -C ₃₆ (mg/kg)	TPH C ₆ -C ₃₆ (mg/kg)	Chloride (mg/kg)
EH 1 @ Sur	10/4/2024	0		-	-	-	-	-	-	-	604
EH 1 @ 1'	10/4/2024	1		-	-	-	-	-	-	-	604
NH 1 @ Sur	10/4/2024	0		-	-	-	-	-	-	-	368
NH 1 @ 1'	10/4/2024	1		-	-	-	-	-	-	-	412
NH 2 @ Sur	10/4/2024	0		-	-	-	-	-	-	-	456
NH 2 @ 1'	10/4/2024	1		-	-	-	-	-	-	-	368
SH 1 @ Sur	10/4/2024	0		-	-	-	-	-	-	-	908
SH 1 @ 1'	10/4/2024	1		-	-	-	-	-	-	-	716
SH 2 @ Sur	10/4/2024	0		-	-	-	-	-	-	-	1,060
SH 2 @ 1'	10/4/2024	1		-	-	-	-	-	-	-	412
WH 1 @ Sur	10/4/2024	0		-	-	-	-	-	-	-	368
WH 1 @ 1'	10/4/2024	1		-	-	-	-	-	-	-	332
TT 1 @ Sur	10/4/2024	0		-	-	-	-	-	-	-	25,400
TT 1 @ 1'	10/4/2024	1		-	-	-	-	-	-	-	2,480
TT 1 @ 2'	10/4/2024	2		-	-	-	-	-	-	-	3,740
TT 1 @ 3'	10/4/2024	3		-	-	-	-	-	-	-	3,450
TT 1 @ 4'	10/4/2024	4		-	-	-	-	-	-	-	3,180
TT 1 @ 5'	10/4/2024	5		-	-	-	-	-	-	-	3,450
TT 1 @ 6'	10/4/2024	6		-	-	-	-	-	-	-	3,180
TT 1 @ 7'	10/4/2024	7		-	-	-	-	-	-	-	3,450
TT 1 @ 8'	10/4/2024	8		-	-	-	-	-	-	-	3,180
TT 1 @ 9'	10/4/2024	9		-	-	-	-	-	-	-	2,470
TT 1 @ 10'	10/4/2024	10		-	-	-	-	-	-	-	2,930
TT 1 @ 11'	10/4/2024	11		-	-	-	-	-	-	-	2,930
TT 1 @ 12'	10/4/2024	12		-	-	-	-	-	-	-	2,690
TT 1 @ 13'	10/4/2024	13		-	-	-	-	-	-	-	2,690
TT 2 @ Sur	10/4/2024	0		-	-	-	-	-	-	-	2,490
TT 2 @ 1'	10/4/2024	1		-	-	-	-	-	-	-	4,050
TT 2 @ 2'	10/4/2024	2		-	-	-	-	-	-	-	3,740
TT 2 @ 3'	10/4/2024	3		-	-	-	-	-	-	-	3,740
TT 2 @ 4'	10/4/2024	4		-	-	-	-	-	-	-	4,050
TT 2 @ 5'	10/4/2024	5		-	-	-	-	-	-	-	4,050
TT 2 @ 6'	10/4/2024	6		-	-	-	-	-	-	-	3,180
TT 2 @ 7'	10/4/2024	7		-	-	-	-	-	-	-	3,450
TT 2 @ 8'	10/4/2024	8		-	-	-	-	-	-	-	3,450
TT 2 @ 9'	10/4/2024	9		-	-	-	-	-	-	-	3,740
TT 2 @ 10'	10/4/2024	10		-	-	-	-	-	-	-	2,690
TT 2 @ 11'	10/4/2024	11		-	-	-	-	-	-	-	3,450
TT 2 @ 12'	10/4/2024	12		-	-	-	-	-	-	-	4,050
TT 2 @ 13'	10/4/2024	13		-	-	-	-	-	-	-	4,050
TT 3 @ Sur	10/4/2024	0		-	-	-	-	-	-	-	2,690

Dash (-): Sample not analyzed for that constituent.

Bold: NMOCD Closure Criteria exceedance.

Red: NMOCD Reclamation Standard exceedance.

Red Border with Shading: Highest observed concentration.

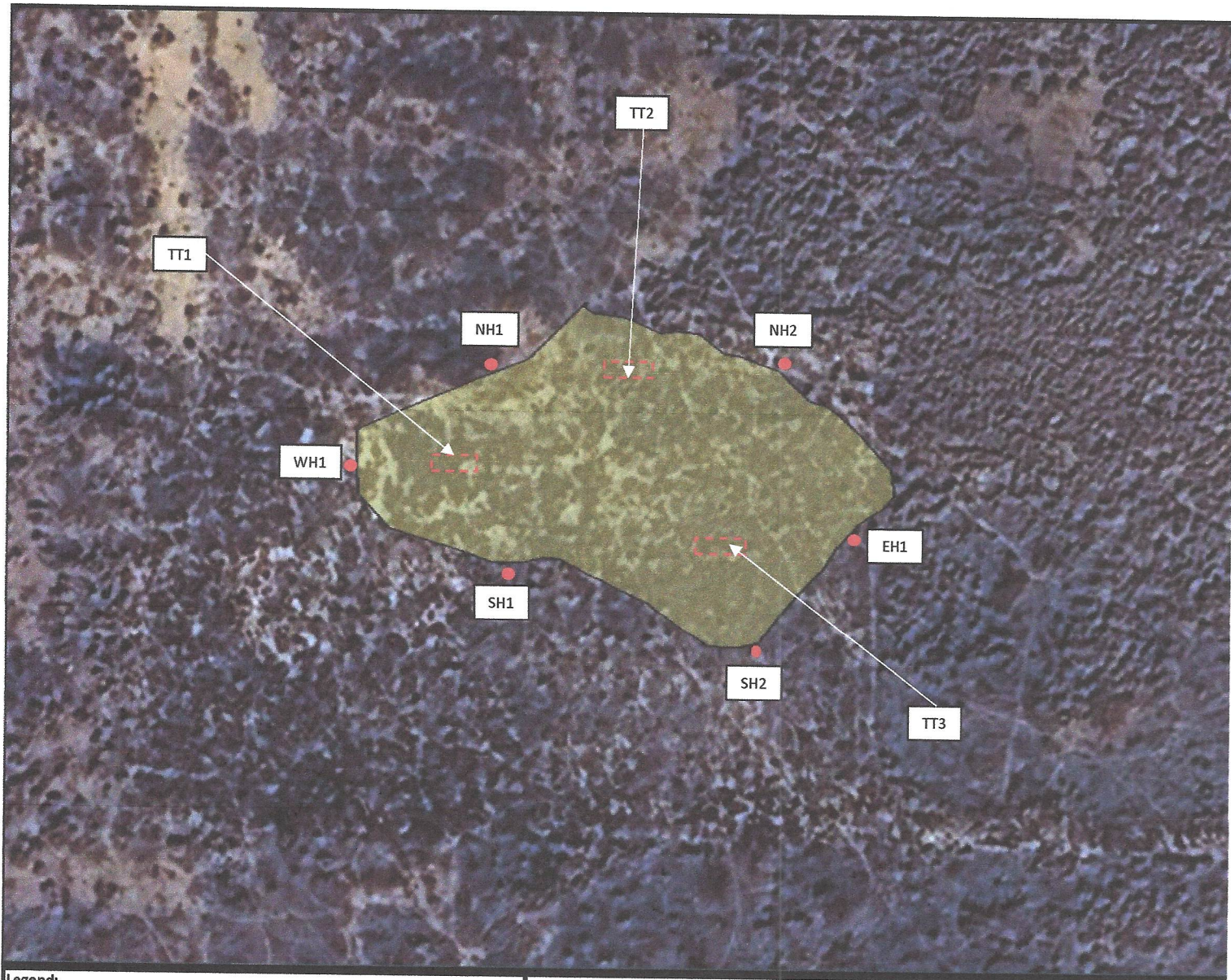
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				Benzene (mg/kg)	BTEX (mg/kg)	GRO C ₆ -C ₁₀ (mg/kg)	DRO C ₁₀ -C ₂₈ (mg/kg)	GRO + DRO C ₆ -C ₂₈ (mg/kg)	ORO C ₂₈ -C ₃₆ (mg/kg)	TPH C ₆ -C ₃₆ (mg/kg)	Chloride (mg/kg)
TT 3 @ 1'	10/4/2024	1		-	-	-	-	-	-	-	4,050
TT 3 @ 2'	10/4/2024	2		-	-	-	-	-	-	-	4,050
TT 3 @ 3'	10/4/2024	3		-	-	-	-	-	-	-	4,050
TT 3 @ 4'	10/4/2024	4		-	-	-	-	-	-	-	2,690
TT 3 @ 5'	10/4/2024	5		-	-	-	-	-	-	-	2,690
TT 3 @ 6'	10/4/2024	6		-	-	-	-	-	-	-	3,180
TT 3 @ 7'	10/4/2024	7		-	-	-	-	-	-	-	2,690
TT 3 @ 8'	10/4/2024	8		-	-	-	-	-	-	-	3,180
TT 3 @ 9'	10/4/2024	9		-	-	-	-	-	-	-	2,930
TT 3 @ 10'	10/4/2024	10		-	-	-	-	-	-	-	2,690
TT 3 @ 11'	10/4/2024	11		-	-	-	-	-	-	-	2,470
TT 3 @ 12'	10/4/2024	12		-	-	-	-	-	-	-	2,690
TT 3 @ 13'	10/4/2024	13		-	-	-	-	-	-	-	3,180

Dash (-): Sample not analyzed for that constituent.

Bold: NMOCD Closure Criteria exceedance.

Red: NMOCD Reclamation Standard exceedance.

Red Border with Shading: Highest observed concentration.



Legend:

- Horizontal Sample Points
- ▭ Test Trench

Figure 1

Site Diagram
Bermuda 1
Chi Energy, Inc.
GPS: 32.680683, -104.414709

eTECH
Environmental & S

Drafted: lc Checked: jv

District I
1625 N. French Dr., Hobbs, NM 88240
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District IV
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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 398053

QUESTIONS

Operator: CHI OPERATING INC P.O. Box 1799 Midland, TX 79702	OGRID: 4378
	Action Number: 398053
	Action Type: [C-141] Initial C-141 (C-141-v-Initial)

QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2424058732
Incident Name	NAPP2424058732 BERMUDA #001 @ 30-015-34268
Incident Type	Other
Incident Status	Initial C-141 Received
Incident Well	[30-015-34268] BERMUDA #001

Location of Release Source	
Please answer all the questions in this group.	
Site Name	Bermuda #001
Date Release Discovered	06/24/2024
Surface Owner	State

Incident Details	
Please answer all the questions in this group.	
Incident Type	Other
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: Other Valve Crude Oil Released: 1 BBL Recovered: 0 BBL Lost: 1 BBL.
Produced Water Released (bbls) Details	Cause: Other Valve Produced Water Released: 10 BBL Recovered: 0 BBL Lost: 10 BBL.
Is the concentration of chloride in the produced water >10,000 mg/l	No
Condensate Released (bbls) Details	Cause: Other Valve Condensate Released: 0 BBL Recovered: 0 BBL Lost: 0 BBL.
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)	Release resulted from a malfunctioning valve at the surface casing. Duration of release was < 72 hours from notification to repair of valve. The release involved formation gas and formation water with minimal entrained oil. H2S was present at concentration >100 ppm from the wellhead.

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QUESTIONS, Page 2

Action 398053

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 Subsection A of 19.15.29.7 NMAC	No
Reasons why this would be considered a submission for a notification of a major release	Unavailable.
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.	

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	Not answered.

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: Dana Welch Title: Administrative Assistant Email: danaw@chienergyinc.com Date: 10/31/2024
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QUESTIONS, Page 3

Action 398053

QUESTIONS (continued)

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	Action Number: 398053
	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 398053

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	Action Number: 398053
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CONDITIONS

Created By	Condition	Condition Date
scwells	None	11/5/2024