



13212 N MacArthur Blvd  
Oklahoma City, Oklahoma 73142  
Tel. 832.374.0004  
ntgenvironmental.com

January 16, 2025

Mike Bratcher  
District Supervisor  
Oil Conservation District  
811 S. First Street  
Artesia, New Mexico 88210

**Re: Incident Closure Report  
Caza Operating, LLC  
Forehand Ranch 22 Federal Com #006H  
Unit I, Section 22, Township 23S, Range 27E  
Site Coordinates: 32.28934451, -104.1704182  
Eddy County, New Mexico  
Incident ID: nAPP2431129652**

### **Introduction**

NTG Environmental, LLC (NTGE), on behalf of Caza Operating, LLC (Caza), submits this Incident Closure Report to the New Mexico Oil Conservation Division (NMOCD). This report provides documentation of liner inspection activities conducted to date in the affected areas at the Forehand Ranch 22 Federal Com #006H (Site). The Site is in Unit Letter I, Section 22, of Township 23 South and Range 27 East in Eddy County, New Mexico. The GPS coordinates for the release site are 32.28934451° N Latitude and -104.1704182° W Longitude. The Site location with respect to the nearest town is shown on Figure 1 and the topography of the area is shown on Figure 2.

### **Background**

Based on the initial C-141 submitted by Caza and obtained by the New Mexico Oil Conservation District (NMOCD), the release was discovered on November 05, 2024. The release was the result of an equipment failure (separator), resulting in the release of ten (10) barrels (bbls) of crude oil, of which ten (10) were recovered for a net loss of zero (0) bbls of crude oil. Upon discovery the well was shut-in, and the area was secured. The liner area is shown in Figure 3.

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**Creating a Better Environment  
For Oil & Gas Operations**

## **Groundwater and Site Characterization**

Based on a review of the New Mexico Office of State Engineers and USGS databases, there are 7 known water sources within a ½-mile radius of the Site. The closest to the Site is Point of Diversion: C-00518-POD2, drilled in 2006 to a depth of 220 feet (ft) below ground surface (bgs) with groundwater encountered at 98 ft bgs. No other receptors (playas, wetlands, waterways, lakebeds, or ordinance boundaries) are located within each specific boundary or distance from the Site. According to the Karst Potential Map, the Site is located within a High Karst area. The Site characterization documentation (Points of Diversion, Karst Potential, Significant Watercourse Map, Wetlands Map, and FEMA Map) is attached to the report.

NTGE characterized the Site according to Table I, Closure Criteria for Soils Impacted by a Release, from the New Mexico Administrative Code (NMCA) Title 19, Chapter 15, Part 29, Section 12 (NMAC 19.15.29.12).

### ***General Site Characterization and Groundwater:***

| Site Characterization | Average Groundwater Depth (ft) |
|-----------------------|--------------------------------|
| High Karst            | 98                             |

**Table 3.1 Closure Criteria for Soils Impacted by a Release (NMAC 19.15.29.12 & 19.15.29.13)**

| Regulatory Standard                                                       | Chloride  | TPH<br>(GRO+DRO+MRO) | TPH<br>(GRO+MRO) | BTEX     | Benzene  |
|---------------------------------------------------------------------------|-----------|----------------------|------------------|----------|----------|
| 19.15.29.12 NMAC Table I Closure Criteria for Soils Impacted by a Release | 600 mg/kg | 100 mg/kg            | ---              | 50 mg/kg | 10 mg/kg |
| Notes:<br>--- = not defined                                               |           |                      |                  |          |          |

## **Liner Inspection Activities**

On January 14, 2025, NTGE conducted a liner inspection to assess the integrity and state of the tank battery's secondary containment liner. Upon inspection it was noted that the liner was intact with no visible holes or breaches, and free of any standing fluids. A photographic log documenting the condition of the liner at the time of the inspection is attached.

## **Closure Request**

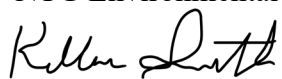
Based on the liner inspection, the Site is compliant with NMOCD's regulatory requirements, and no further actions are required at the Site. Caza formally requests closure for the Site (**nAPP2431129652**). If you have any questions regarding this report or need additional information, please contact us at (832) 374-0004.

Sincerely,

NTGE Project No: 226349



NTG Environmental



Kellan Smith  
Project Manager

Attachments:

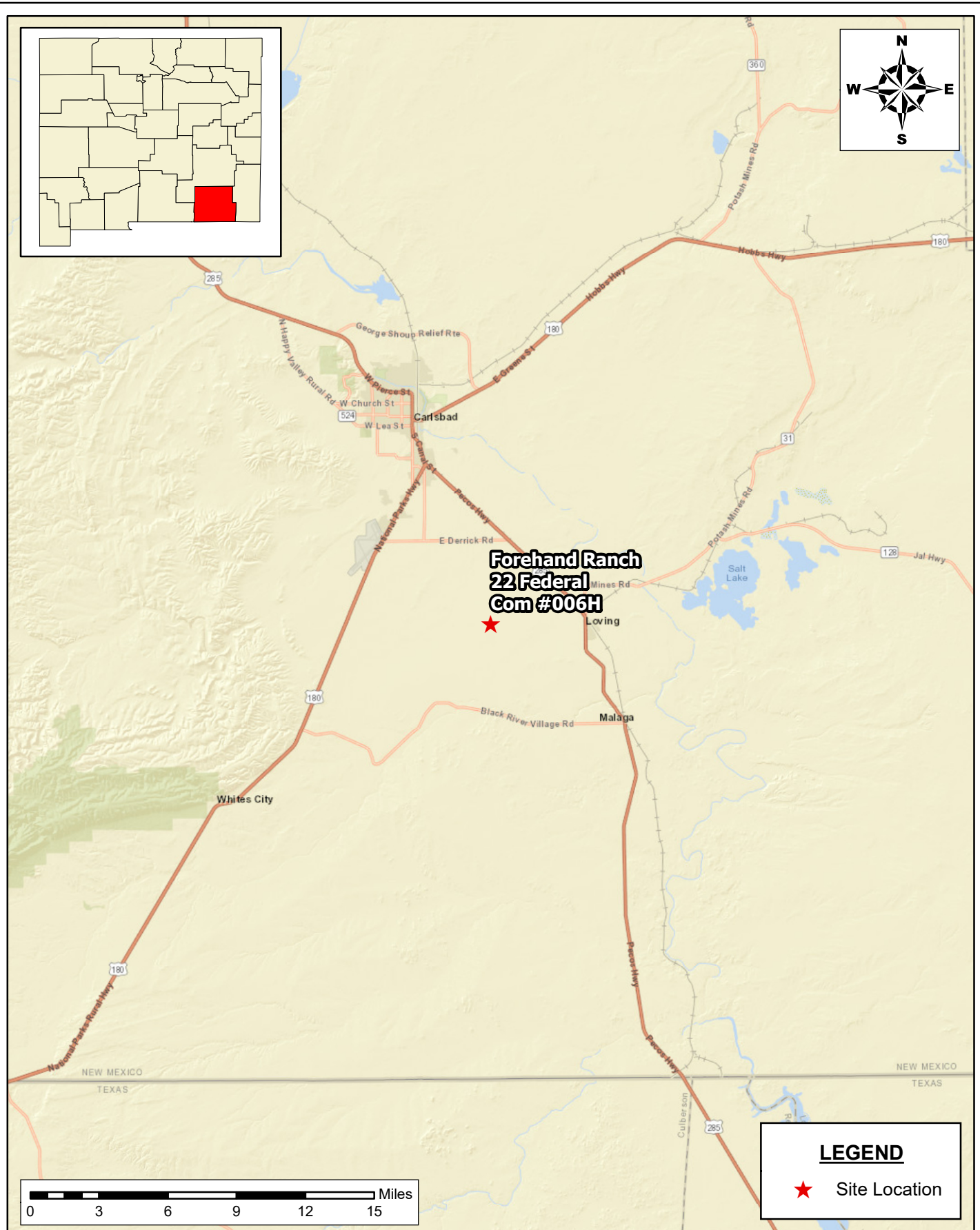
Figures  
Site Characterization  
Photographic Log

NTGE Project No: 226349



## **Figures**

Document Path: C:\Users\ntgegis\New Tech Global\NTGE - Documents\NTGE - Projects\2024 PROJECTS\CAZA\RSC\248980 - Sioux 25-36 CTB\7 - Figures\GIS\Figure\_1\_SL.mxd



**SITE LOCATION MAP**  
**INCIDENT CLOSURE REPORT**  
CAZA OPERATING, LLC  
FOREHAND RANCH 22 FEDERAL COM #006H  
EDDY COUNTY, NEW MEXICO

SCALE: As Shown    Date: 1/16/2025    PROJECT #: 226349



**New Tech Global Environmental, LLC**  
911 Regional Park Drive  
Houston, Texas 77060  
T - 281.872.9300  
F - 281.872.4521  
Web: www.ntgenviroinmental.com

**NOTES:**

- 1. Base Image: ESRI Maps & Data 2013
- 2. Map Projection: NAD 1983

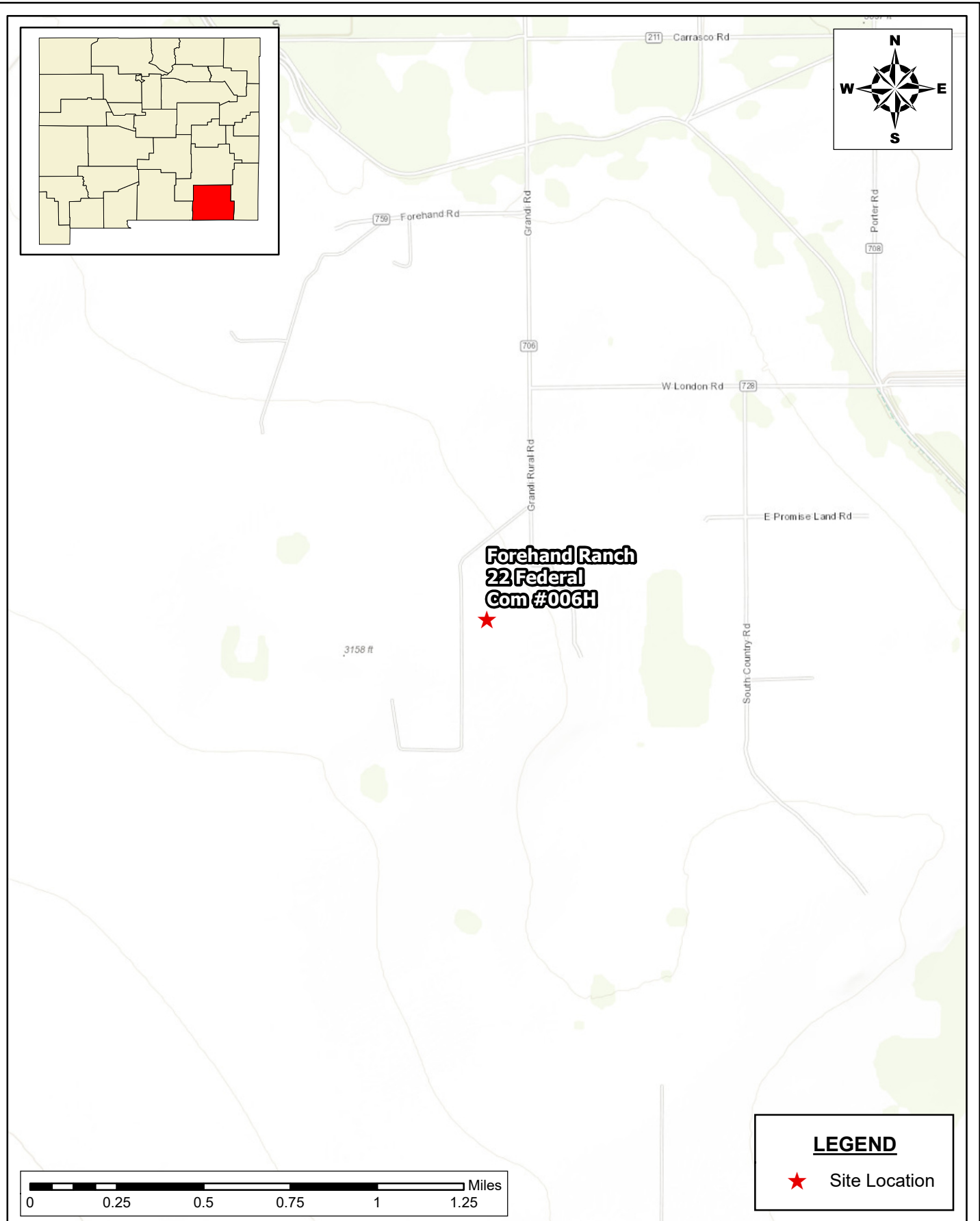
DRAWING NUMBER:

**FIGURE 1**

SHEET NUMBER:

**1 of 1**

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**TOPOGRAPHIC MAP  
INCIDENT CLOSURE REPORT**  
CAZA OPERATING, LLC  
FOREHAND RANCH 22 FEDERAL COM #006H  
EDDY COUNTY, NEW MEXICO

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**NOTES:**

1. Base Image: ESRI Maps & Data 2013
2. Map Projection: NAD 1983

DRAWING NUMBER:

**FIGURE 2**

SHEET NUMBER:

**1 of 1**

Document Path: C:\Users\ntgegis\New Tech Global\NTGE - Documents\NTGE - Projects\2024 PROJECTS\CAZA\RSC\248980 - Sioux 25-36 CTB\7- Figures\GIS\Figure\_3\_SC.mxd



**SECONDARY CONTAINMENT MAP  
INCIDENT CLOSURE REPORT**  
CAZA OPERATING, LLC  
FOREHAND RANCH 22 FEDERAL COM #006H  
EDDY COUNTY, NEW MEXICO

SCALE: As Shown    Date: 1/15/2025    PROJECT #: 226349



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**NOTES:**

- 1. Base Image: ESRI Maps & Data 2013
- 2. Map Projection: NAD 1983

DRAWING NUMBER:

**FIGURE 3**

SHEET NUMBER:

**1 of 1**

**Site Characterization**

# National Flood Hazard Layer FIRMette



104°10'32"W 32°17'37"N



0 250 500 1,000 1,500 2,000 Feet

1:6,000

104°9'55"W 32°17'6"N

Released to Imaging: 1/22/2025 2:49:40 PM

Basemap Imagery Source: USGS National Map 2023

## Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

|                             |                                                                                       |                                                                                                                                                                   |
|-----------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SPECIAL FLOOD HAZARD AREAS  |    | Without Base Flood Elevation (BFE)<br>Zone A, V, A99                                                                                                              |
|                             |    | With BFE or Depth Zone AE, AO, AH, VE, AR                                                                                                                         |
|                             |    | Regulatory Floodway                                                                                                                                               |
| OTHER AREAS OF FLOOD HAZARD |    | 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X |
|                             |    | Future Conditions 1% Annual Chance Flood Hazard Zone X                                                                                                            |
|                             |    | Area with Reduced Flood Risk due to Levee. See Notes. Zone X                                                                                                      |
|                             |    | Area with Flood Risk due to Levee Zone D                                                                                                                          |
| OTHER AREAS                 |    | NO SCREEN Area of Minimal Flood Hazard Zone X                                                                                                                     |
|                             |    | Effective LOMRs                                                                                                                                                   |
|                             |    | Area of Undetermined Flood Hazard Zone D                                                                                                                          |
| GENERAL STRUCTURES          |    | Channel, Culvert, or Storm Sewer                                                                                                                                  |
|                             |    | Levee, Dike, or Floodwall                                                                                                                                         |
| OTHER FEATURES              |    | 20.2 Cross Sections with 1% Annual Chance Water Surface Elevation                                                                                                 |
|                             |    | 17.5 Coastal Transect                                                                                                                                             |
|                             |    | Base Flood Elevation Line (BFE)                                                                                                                                   |
|                             |    | Limit of Study                                                                                                                                                    |
|                             |    | Jurisdiction Boundary                                                                                                                                             |
|                             |    | Coastal Transect Baseline                                                                                                                                         |
|                             |   | Profile Baseline                                                                                                                                                  |
|                             |  | Hydrographic Feature                                                                                                                                              |
| MAP PANELS                  |   | Digital Data Available                                                                                                                                            |
|                             |  | No Digital Data Available                                                                                                                                         |
|                             |  | Unmapped                                                                                                                                                          |



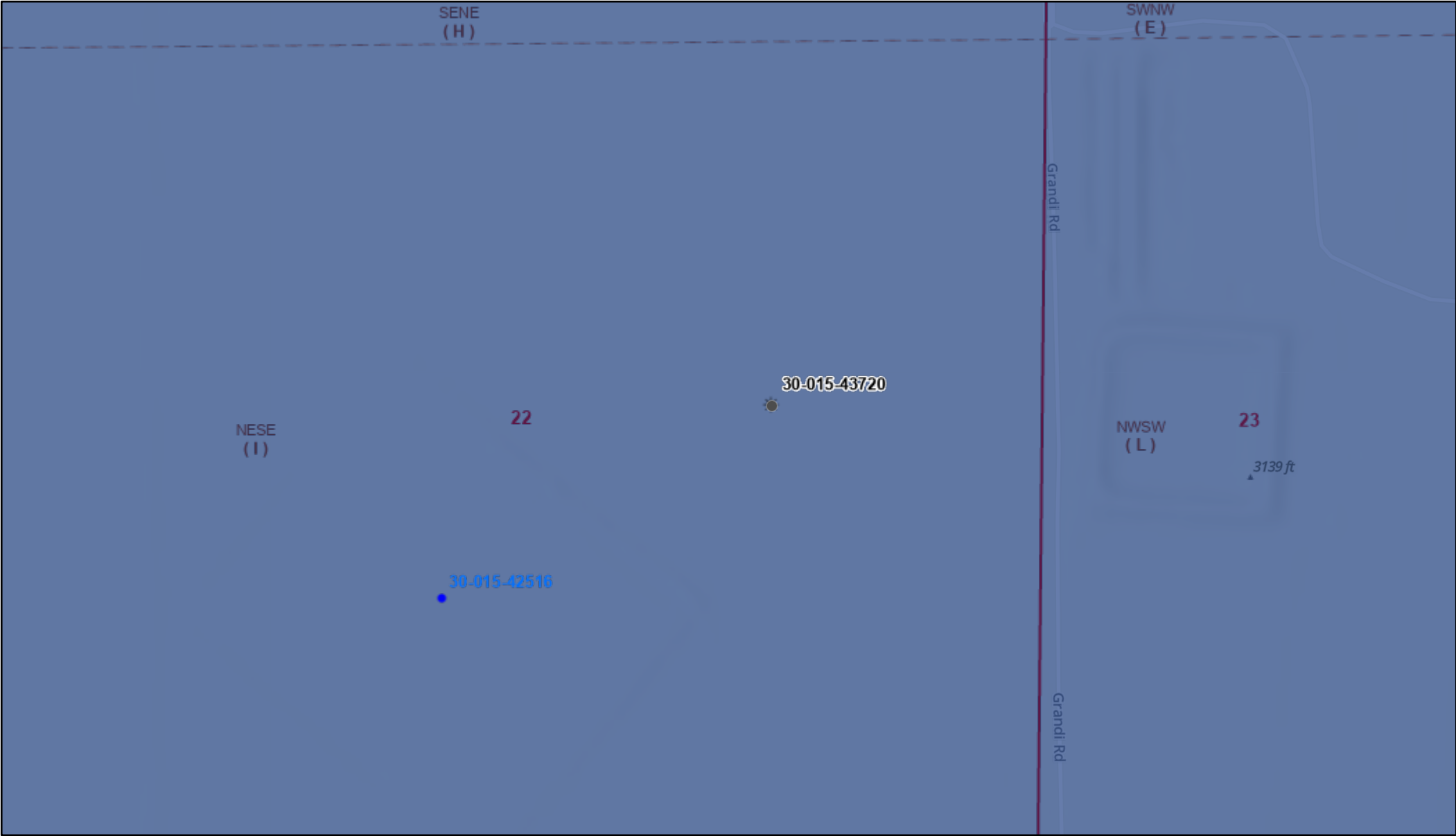
The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 7/30/2024 at 2:24 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

# Karst Potential Map



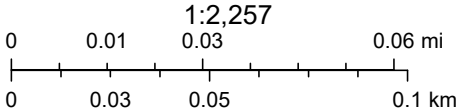
7/30/2024, 12:25:30 PM

Wells - Large Scale Karst Occurrence Potential

 PLSS First Division

 Gas, Active  High

 Oil, New  PLSS Second Division



BLM, OCD, New Mexico Tech, Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department., Sources: Esri, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap and the GIS

# Forehand 22 Federal CTB

Caza Operating, LLC

## Legend

-  .5 Mile Radius
-  300ft Radius
-  Forehand 22 Federal CTB

T23S R27E

W LONDON RD

E PROMISE LAND RD

22

23

GRANDI RD

S COUNTRY RD

Forehand 22 Federal CTB

3150

Google Earth

27

26 4000 ft

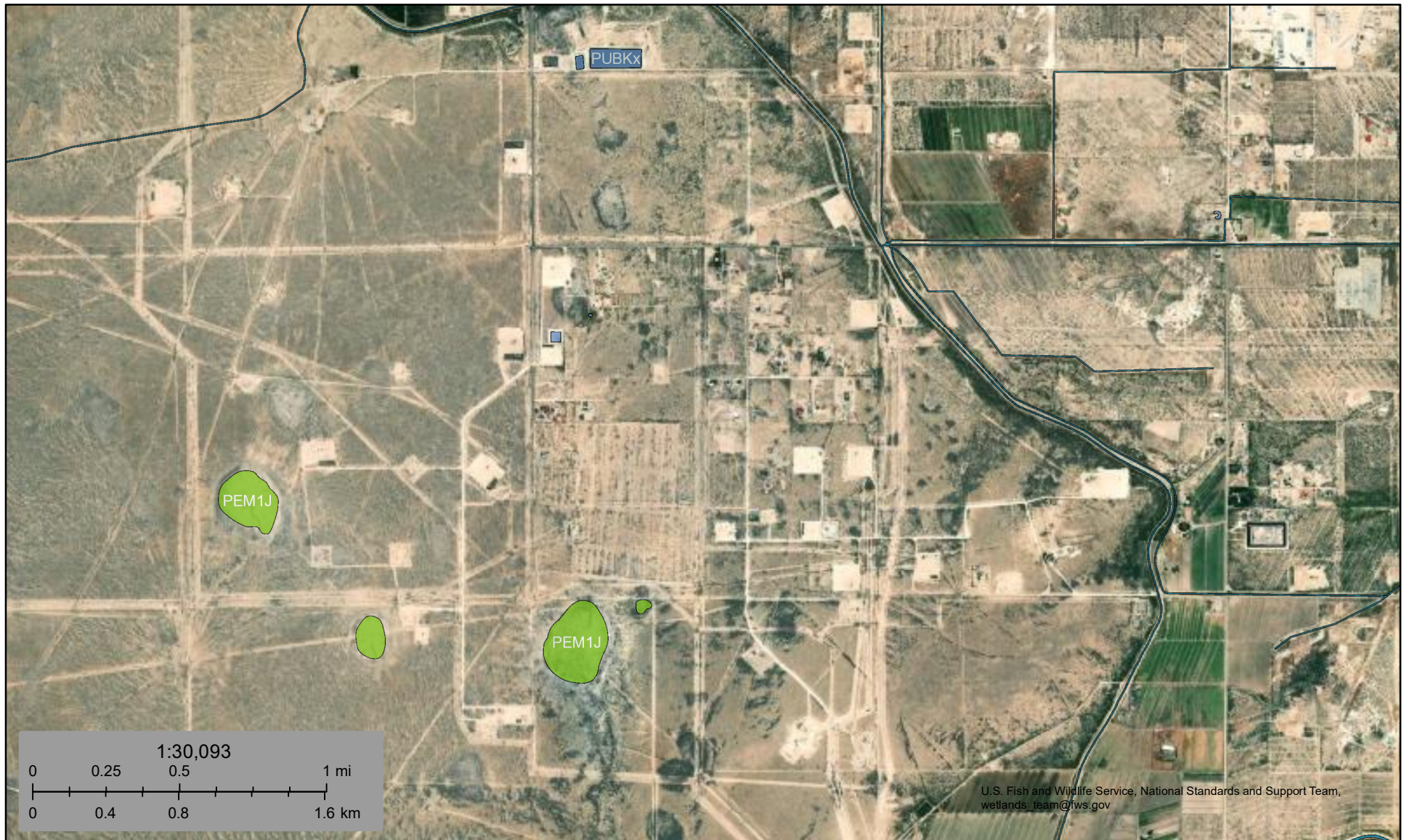




U.S. Fish and Wildlife Service

## National Wetlands Inventory

## Wetlands Map



September 4, 2024

## Wetlands

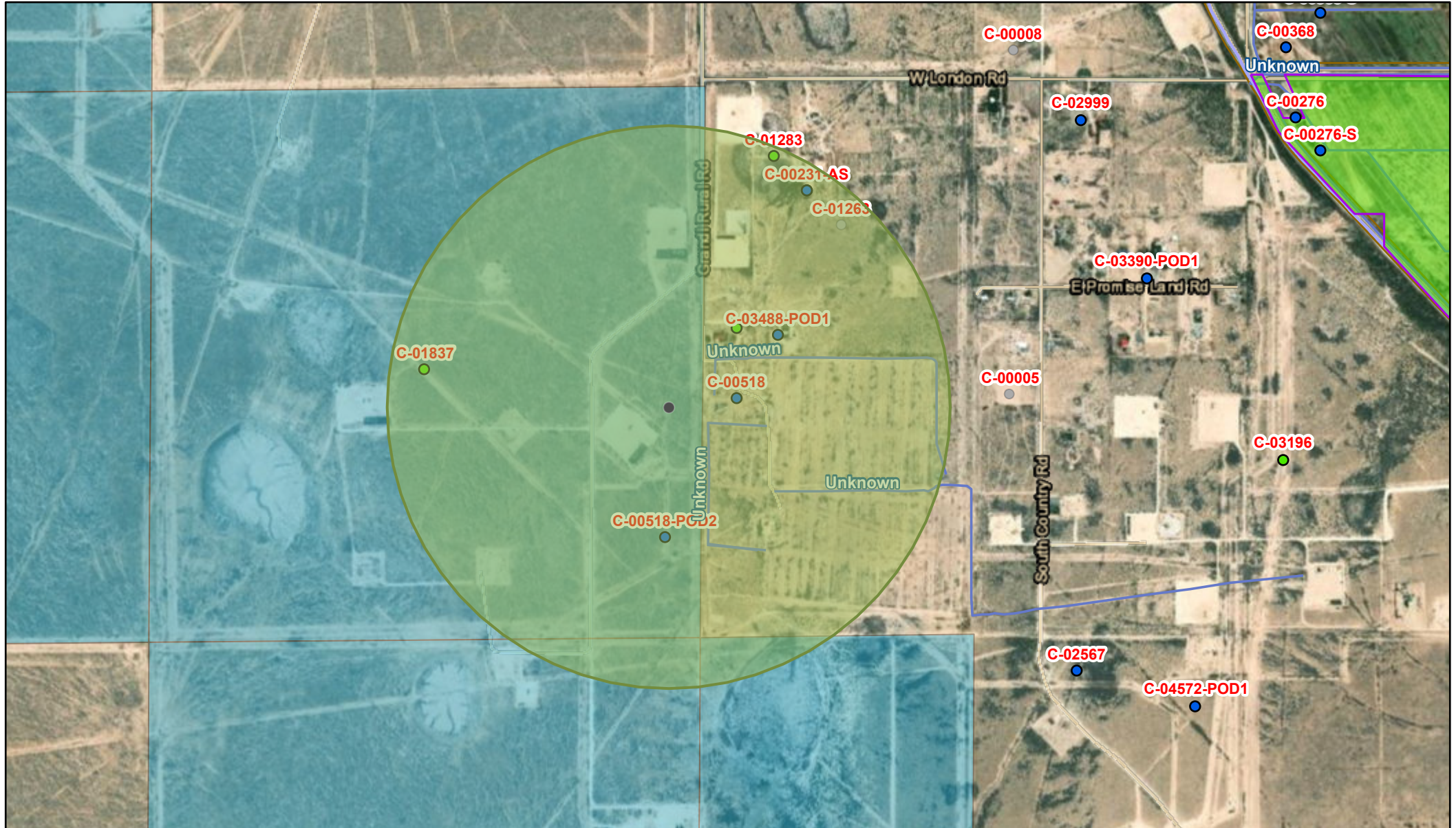
- Estuarine and Marine Deepwater
- Estuarine and Marine Wetland

- Freshwater Emergent Wetland
- Freshwater Forested/Shrub Wetland
- Freshwater Pond

- Lake
- Other
- Riverine

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

# OSE POD Location Map

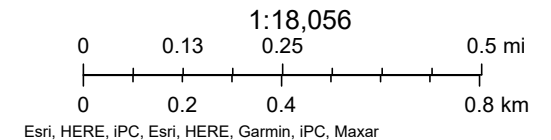


7/30/2024, 12:19:03 PM

- Override 1
- GIS WATERS PODs
- Active
- Pending
- Water Right Regulations
- Negative Easement Area
- OSE District Boundary

- New Mexico State Trust Lands
- Both Estates
- Conveyances
- Canal

- Ditch
- NHD Flowlines
- Canal Ditch



# Point of Diversion Summary

quarters are 1=NW 2=NE 3=SW 4=SE  
quarters are smallest to largest

NAD83 UTM in meters

| Well Tag | POD Nbr      | Q64 | Q16 | Q4 | Sec | Tw  | Rng | X        | Y           | Map                                                                                 |
|----------|--------------|-----|-----|----|-----|-----|-----|----------|-------------|-------------------------------------------------------------------------------------|
|          | C 00518 POD2 | NE  | SE  | SE | 22  | 23S | 27E | 578105.0 | 3572431.0 * |  |

\* UTM location was derived from PLSS - see Help

|                  |    |                  |                   |
|------------------|----|------------------|-------------------|
| Driller License: | 24 | Driller Company: | BRININSTOOL, M.D. |
|------------------|----|------------------|-------------------|

|               |                   |
|---------------|-------------------|
| Driller Name: | BRININSTOOL, M.D. |
|---------------|-------------------|

|                   |            |                    |            |            |  |
|-------------------|------------|--------------------|------------|------------|--|
| Drill Start Date: | 2006-03-15 | Drill Finish Date: | 2006-06-14 | Plug Date: |  |
|-------------------|------------|--------------------|------------|------------|--|

|                |            |               |            |         |         |
|----------------|------------|---------------|------------|---------|---------|
| Log File Date: | 2008-08-31 | PCW Rcv Date: | 2008-08-31 | Source: | Shallow |
|----------------|------------|---------------|------------|---------|---------|

|            |  |                      |  |                  |     |
|------------|--|----------------------|--|------------------|-----|
| Pump Type: |  | Pipe Discharge Size: |  | Estimated Yield: | 500 |
|------------|--|----------------------|--|------------------|-----|

|              |       |             |     |              |    |
|--------------|-------|-------------|-----|--------------|----|
| Casing Size: | 12.00 | Depth Well: | 220 | Depth Water: | 98 |
|--------------|-------|-------------|-----|--------------|----|

## Water Bearing Stratifications:

| Top | Bottom | Description                   |
|-----|--------|-------------------------------|
| 210 | 220    | Sandstone/Gravel/Conglomerate |



## NEW MEXICO OFFICE OF THE STATE ENGINEER

CHANGE OF OWNERSHIP OF WATER RIGHT (NON-72-12-1) FOR (check one):



Important: Acceptance of the form for filing by the State Engineer does not constitute verification of the right conveyed.

☐ Individual☒ Corporation

## 1. OWNER OF RECORD (Seller)

|                                                                                                  |                                                                                     |               |
|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------|
| Name:<br>Otis-Walterscheid, a Limited Partnership                                                | Name:<br>2-37925                                                                    |               |
| Phone: <input type="checkbox"/> Home <input type="checkbox"/> Cell<br>Phone (Work): 575-236-6370 | Phone: <input type="checkbox"/> Home <input type="checkbox"/> Cell<br>Phone (Work): |               |
| a. Owner of Record File No:<br>C-518                                                             | b. Sub-file No.:                                                                    | c. Cause No.: |

2. NEW OWNER (Buyer) Note: If more owners need to be listed, attach a separate sheet. Attached? ☐ Yes

|                                                                                                          |                                                                                     |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Name:<br>Otis Mutual Domestic Water Consumers and Sewage Works Assoc.                                    | Name:                                                                               |
| Contact or Agent: <input checked="" type="checkbox"/> check here if Agent<br>Cutter Rogers or Jim Wilcox | Contact or Agent: <input type="checkbox"/> check here if Agent                      |
| Mailing Address:<br>P.O. Box 5069                                                                        | Mailing Address:                                                                    |
| City:<br>Carlsbad                                                                                        | City:                                                                               |
| State: <input type="checkbox"/> Home <input checked="" type="checkbox"/> Cell<br>New Mexico              | State: <input type="checkbox"/> Home <input type="checkbox"/> Cell                  |
| Zip Code:<br>88220                                                                                       | Zip Code:                                                                           |
| Phone: 575-361-5501<br>Phone (Work): 575-236-6351                                                        | Phone: <input type="checkbox"/> Home <input type="checkbox"/> Cell<br>Phone (Work): |
| E-mail (optional):                                                                                       | E-mail (optional):                                                                  |

Required: Submit warranty deed(s) or other instrument(s) of conveyance properly recorded with the county clerk's office.

## 3. PURPOSE OF USE &amp; AMOUNT CONVEYED

|                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Domestic<br><input type="checkbox"/> Livestock<br><input type="checkbox"/> Irrigation<br><input checked="" type="checkbox"/> Municipal<br><input checked="" type="checkbox"/> Industrial<br><input type="checkbox"/> Commercial<br><input type="checkbox"/> Other Uses (specify): _____ | Amount of Water (acre-feet per annum): If more details are needed, type "See Comments" in "Other" field below, and explain in Additional Statements Section.<br><br>Diversion: 199.5<br>Consumptive Use: 199.5<br>Other (include units): _____ |
| Owner of record has conveyed all or part of said right (please check one) <input checked="" type="checkbox"/> All <input checked="" type="checkbox"/> Part                                                                                                                                                                  |                                                                                                                                                                                                                                                |

FOR USE INTERNAL USE

Change of Ownership, Form wr-02, Rev 8/30/12

|                               |                  |                      |
|-------------------------------|------------------|----------------------|
| File No.: C-518               | Trn. No.: 602690 | Receipt No.: 2-37925 |
| Trans Desc. (optional): COWNF |                  | Sub-Basin:           |

Page 1 of 3

**4. LIST ALL KNOWN POINT(S) OF DIVERSION (POD) FOR THE WATER RIGHT CONVEYED**

| OSE POD No. | Subdivision / River Course / Ditch Name / Etc. | Section | Township | Range |
|-------------|------------------------------------------------|---------|----------|-------|
| C-518       | NW1/4, NW1/4, SW1/4                            | 23      | 23S      | 27E   |
|             |                                                |         |          |       |
|             |                                                |         |          |       |

**5. PLACE(S) OF USE (list each individually)**

a. \_\_\_\_\_ Acres of Irrigated Land Described as Follows (applicable to irrigation use only):

| b. Legally Described By:                                                                                                                                                                                                            | c.                                                                      | d.                                                                                                                    | e.            | f.    | g.       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------|-------|----------|
| <input type="checkbox"/> Public Land Survey System (PLSS)<br><input type="checkbox"/> Hydrographic Survey Report or Map<br><input type="checkbox"/> Irrigation or Conservation District Map<br><input type="checkbox"/> Subdivision | PLSS<br>Section<br><u>and/or</u><br>Map No.<br><u>and/or</u><br>Lot No. | PLSS<br>Township<br><u>and/or</u><br>Tract No.<br>(Please list each tract individually)<br><u>and/or</u><br>Block No. | PLSS<br>Range | Acres | Priority |
| PLSS Quarters or Halves,<br><u>and/or</u><br>Name of Hydrographic Survey or District,<br><u>and/or</u><br>Name and County of Subdivision                                                                                            |                                                                         |                                                                                                                       |               |       |          |
| OTIS WATER CO-OP SERVICE AREA                                                                                                                                                                                                       |                                                                         |                                                                                                                       |               |       |          |
|                                                                                                                                                                                                                                     |                                                                         |                                                                                                                       |               |       |          |
|                                                                                                                                                                                                                                     |                                                                         |                                                                                                                       |               |       |          |
|                                                                                                                                                                                                                                     |                                                                         |                                                                                                                       |               |       |          |
|                                                                                                                                                                                                                                     |                                                                         |                                                                                                                       |               |       |          |
|                                                                                                                                                                                                                                     |                                                                         |                                                                                                                       |               |       |          |

h. Other description relating place of use to common landmarks, streets, or other:

i. Place of use is on land owned by:

j. Are there other sources of water for these lands? No ☐ Yes ☐ If yes, describe by OSE file number:

**Note: If on Federal or State Land, please provide copy of lease**

**6. ADDITIONAL STATEMENTS OR EXPLANATIONS**

This transfer results from the dissolution of the Otis-Walterscheid Limited Partnership. The Statement of Termination/Dissolution and the Special Warranty Deed transferring the property and water rights are attached. This Application is executed by Jim Wilcox, as President of OMDWC&SWA, both in its individual capacity and as the General Partner of Otis-Walterscheid Limited Partnership.

|                               |                  |                                              |  |
|-------------------------------|------------------|----------------------------------------------|--|
| FOR OSE INTERNAL USE          |                  | Change of Ownership, Form wr-02, Rev 8/30/12 |  |
| File No.: C-518               | Trn. No.: 602690 | Receipt No.: 2-37925                         |  |
| Trans Desc. (optional): COWNF |                  | Sub-Basin:                                   |  |

**7. CONSENT TO LAWFUL CHANGE IN PLACE AND/OR PURPOSE OF USE**

(to be completed only if it is an irrigation water right and has been conveyed separate from the land to which it was appurtenant.)

(I, We) the above owner(s) of record, hereby consent to a lawful change in the place and/or purpose of use of the above-described water right:

Signature

Signature

**ACKNOWLEDGEMENT FOR INDIVIDUAL**I, We (name of owner(s)), \_\_\_\_\_  
Print Name(s)

affirm that the foregoing statements are true to the best of (my, our) knowledge and belief.

Signature

Signature

State of \_\_\_\_\_ )

ss.

County of \_\_\_\_\_ )

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ A.D., 20 \_\_\_\_\_, by (name of owner(s)):

Notary Public: \_\_\_\_\_

My commission expires: \_\_\_\_\_

**ACKNOWLEDGEMENT FOR CORPORATION**I, We (name of owner(s)), Jim Wilcox, on behalf of OMDWC&SWA, individually and as G.P. of Otis-Walterscheid Limited Partnership.  
Print Name(s)

affirm that the foregoing statements are true to the best of (my, our) knowledge and belief.

Officer Signature

Officer Signature

State of New Mexico )

ss.

County of Eddy )This instrument was acknowledged before me this 1 day of February A.D., 20 17, by the following on behalf of said corporation.

Name of Officer: \_\_\_\_\_

Jim Wilcox and Cutter Rogers

Title of Officer: \_\_\_\_\_

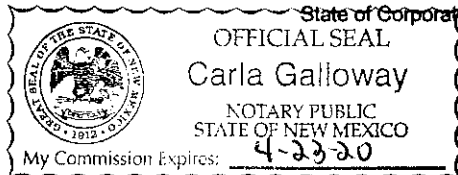
President

Name of Corporation Acknowledging: \_\_\_\_\_

Otis Mutual Domestic Water Consumers and Sewage Work Association

State of Corporation: \_\_\_\_\_

New Mexico



Notary Public: \_\_\_\_\_

My commission expires: \_\_\_\_\_

Carla Galloway  
4-23-20**FOR USE INTERNAL USE**

Change of Ownership, Form wr-02, Rev 8/30/12

|                                      |                        |                             |
|--------------------------------------|------------------------|-----------------------------|
| File No.: <u>C-518</u>               | Tm. No.: <u>602690</u> | Receipt No.: <u>2-37925</u> |
| Trans Desc. (optional): <u>COWNF</u> | Sub-Basin: _____       |                             |

## SPECIAL WARRANTY DEED

Otis-Walterscheid, Limited Partnership, a New Mexico Limited Partnership ("Grantor"), by and through its General Partner, Otis Mutual Domestic Water Consumers and Sewage Works Association, a New Mexico Sanitary Projects corporation, and its Limited Partner, Walterscheid Heifers, Inc., a New Mexico corporation, for consideration paid, grants to Otis Mutual Domestic Water Consumers and Sewage Works Association, a New Mexico Sanitary Projects corporation, which has an address of 2501 Bannister Road, Carlsbad, New Mexico 88220 ("Grantee") the following described real estate in Eddy County, New Mexico:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO,  
SECTION 23: SW1/4

TOGETHER WITH ALL WATER AND WATER RIGHTS ATTACHED AND/OR  
APPURTENANT THERETO, INCLUDING BUT NOT LIMITED TO THE WELL C-518 AND  
ALL WATER RIGHTS IN STATE ENGINEER FILE NUMBERS C-518 AND/OR C-518(T)

with special warranty covenants.

WITNESS the Grantor's hand and seal this 8<sup>th</sup> day of September, 2015.

OTIS-WALTERSCHEID, LIMITED PARTNERSHIP

By: ITS GENERAL PARTNER:

Otis Mutual Domestic Water Consumers and Sewage Works  
Association f/k/a Otis Water Users Co-operative

BY: Jim Wilcox  
Jim Wilcox, President

Attest: Curtis Rogers/Manager

2017 SEP - 9 11 1:01

STATE OF NEW MEXICO  
COUNTY OF EDDY



By: ITS LIMITED PARTNER

Walterscheid Heifers, Inc., a New Mexico Corporation

BY: [Signature]  
Ronald Walterscheid, President

Attest: [Signature]  
Secretary

STATE OF NEW MEXICO

}  
} ss  
}

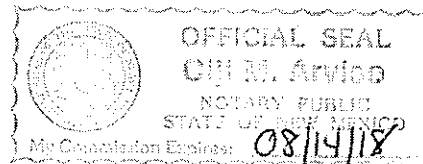
COUNTY OF EDDY

This foregoing instrument was acknowledged before me on 8th day of September 2015,  
by Jim Wilcox, President of **Otis Mutual Domestic Water Consumers and Sewage Works  
Association**, a New Mexico Sanitary Projects corporation, on behalf of said corporation in the  
represented capacity.

[Signature]  
Notary Public

My Commission Expires:

08/14/18



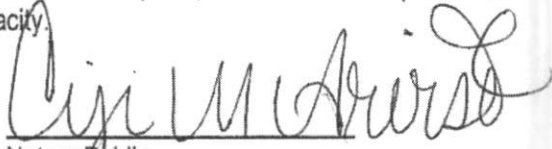
2017 FEB - 9 11:01

STATE OF NEW MEXICO  
ROSWELL, NEW MEXICO

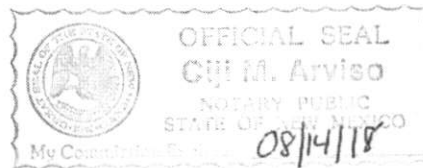
STATE OF NEW MEXICO \_\_\_\_\_

}  
} ss  
}COUNTY OF EDDY

This foregoing instrument was acknowledged before me on 9th day of September 2015,  
by **Ronald Walterscheid**, President of **Walterscheid Heifers, Inc.**, a New Mexico corporation, on  
behalf of said corporation in the represented capacity.

  
Notary Public

My Commission Expires:

08/14/18

2017 FEB -9 PM 1:03

STATE ENGINEER OFFICE  
ROSWELL, NEW MEXICO

**STATEMENT OF TERMINATION/DISSOLUTION**

**OTIS-WALTERSCHEID, a Limited Partnership**, incorrectly identified in the Secretary of State's database as "Otis-Walterscheild" (with an extra "l"), in accordance with N.M.S.A. § 54-2A-203 and any other applicable law, hereby files its Statement of Termination/Dissolution, and provides notice as follows:

1. Otis-Walterscheid, a Limited Partnership ("*O-W*") was formed in 2004.
2. O-W filed its Certificate of Registration with the New Mexico Secretary of State on or about May 20, 2004.
3. The Secretary of State registered OW on May 20, 2004, providing it File Number LPD2004052001.
4. The Secretary of State, however, inadvertently named O-W, "Otis-Walterscheild" instead of "Otis-Walterscheid," adding an extra "l" into the name.
5. There is no entity entitled "Otis-Walterscheild," and "Otis-Walterscheid, a Limited Partnership" is the legally registered limited partnership under File Number LPD2004052001.
6. O-W has operated continuously since 2004.
7. O-W has decided, however, to dissolve and to terminate its registration.
8. All debts of the O-W partnership have been paid or released.
9. O-W is comprised of one general partner, Otis Mutual Domestic Water Consumers and Sewage Works Association f/k/a ("*Otis Water*") and one limited partner, Walterscheid Heifers, Inc. ("*WHI*").
10. Otis Water Users Co-operative was the initial general partner that signed the Certificate for O-W. Otis Water Users Co-operative has subsequently changed its name to Otis Mutual Domestic Water Consumers and Sewage Works Association. Accordingly, Otis Mutual Domestic Water Consumers and Sewage Works Association formerly/known/as Otis Water Users Co-operative is the sole general partner of O-W.
11. Otis Water, general partner, and WHI, limited partner, have agreed to dissolve O-W pursuant to a written agreement. Pursuant to that agreement, WHI received an agreed monetary payment and certain water rights, and released any claim to the assets of O-W, and Otis Water acquired all assets of O-W including any land, water rights, wells and other real and personal property belonging to O-W.
12. Accordingly, O-W limited partnership hereby serves notice that Otis-Walterscheid, a Limited Partnership, inadvertently registered by the New Mexico

2017 FEB - 9 PM 1:03

STATE ENGINEER OFFICE  
ROSSELL, NEW MEXICO**EXHIBIT**

B

cables

Secretary of State as Otis-Walterscheid, is HEREBY TERMINATED AND  
DISSOLVED.

Executed this 8<sup>th</sup> day of September, 2015:

**GENERAL PARTNER**

Otis Mutual Domestic Water Consumers and Sewage  
Works Association f/k/a Otis Water Users Co-operative

BY: Jim Wilcox  
Jim Wilcox, President

**LIMITED PARTNER**

Walterscheid Heifers, Inc., a New Mexico Corporation

BY: Ronald Walterscheid  
Ronald Walterscheid, President

2017 FEB -9 PM 1:03

STATE ENGINEER OFFICE  
ROSWELL, NEW MEXICO

Tom Blaine, P.E.  
State Engineer



Roswell Office  
1900 WEST SECOND STREET  
ROSWELL, NM 88201

**STATE OF NEW MEXICO  
OFFICE OF THE STATE ENGINEER**

Trn Nbr: 602690  
File Nbr: C 00518

Feb. 16, 2017

JIM WILCOX  
OTIS MUTUAL DOMESTIC WTR CONSUMERS & SEWER WORKS ASSOC  
PO BOX 5069  
CARLSBAD, NM 88220

Greetings:

Enclosed is one original copy of a Change of Ownership of a Water Right submitted to this office for filing. This Change of Ownership is accepted for filing in accordance with Section 72-1-2.1, NMSA 1978 (1996 Supp.), effective May 15, 1996. The acceptance by the State Engineer Office does not constitute validation of the right claimed.

According to Section 72-1-2.1, NMSA 1978 (1996 Supp.), you must record this Change of Ownership with the clerk of the county in which the water is located. The filing shall be public notice of the existence and contents of the instruments so recorded.

The Conditions of Approval of your permit require that your well(s) be metered and that meter readings be submitted to this office in writing.

A form(s) have been enclosed for your convenience for submittal of meter readings. Please make copies of this form(s) for your use. If you have any questions, please feel free to contact us.

Sincerely,

  
Deborah Dunaway  
(575) 622-6521

Enclosure

mtrown\_req

APPLICATION TO APPROPRIATE UNDERGROUND WATERS  
IN ACCORDANCE WITH SECTION 75-11-1 NEW MEXICO STATUTES

(Three Acre Feet Per Annum)

1965 MAY -5 AM 8:39

462966

STATE ENGINEER OFFICE

SANTA FE, N.M.

1. Name and Address of Applicant:

File No. C-1283

Ygnacio Lopez

P. O. Box 143

Loving, New Mexico

2. Describe well location under one of the following subheadings:

a.  $\frac{1}{4}$  NW  $\frac{1}{4}$  NW  $\frac{1}{4}$  of Sec. 23 Twp. 23 S. Rge. 27 E. N. M. P. M., in  
Eddy County.

b. Tract No. of Map No. of the District.

c. Lot No. of Block No. of the Subdivision, of record in  
County.

d. (Describe location by direction and distance from known land marks.)

4 miles west of Loving

3. Give street address or route and box No. of property upon which well is to be located, if possible:

P. O. Box 143, Loving, New Mexico

4. Name of driller, if known: Sam Smith

5. Approximate depth of well (if known) 200 feet; outside diameter of casing 7 inches.

6. Use of water (check appropriate box or boxes):

☒ Household, trees, lawn and non-commercial garden not to exceed 1 acre.☐ Livestock watering.☐ Drinking and sanitary purposes or the irrigation of non-commercial trees, shrubs and lawns in conjunction with a commercial operation.☐ Prospecting, mining or drilling operations to discover or develop natural resources.☐ Construction of public works, highways and roads.

If any of the last three were marked, give name and nature of business under Remarks. (Item 7)

7. Remarks:

1965 MAY -4 AM 11:10

STATE ENGINEER OFFICE

Ygnacio Lopez

affirm that the foregoing statements are true to the best of my knowledge and belief and that development shall not commence until approval of the permit has been obtained.

By: Ygnacio Lopez, Applicant

Date: 5-3-65

## ACTION OF STATE ENGINEER

This application is approved for the use indicated, subject to all general conditions and to the specific conditions numbered 1 &amp; 4 on the reverse side hereof. This permit will automatically expire unless this well is drilled or driven and the well record filed on or before May 4, 1966.

S. E. Reynolds, State Engineer

By:

Delbert W. Nelson

Assistant District Supervisor

Date: May 4, 1965

C-1283

## GENERAL CONDITIONS OF APPROVAL

- A. The maximum amount of water that may be appropriated under this permit is 3 acre feet in any period of one year.
- B. Well shall be drilled only by a driller licensed in the State of New Mexico in accordance with Section 75-11-13 New Mexico Statutes. A licensed driller shall not be required for the construction of a driven well; provided, that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter (Section 75-11-13).
- C. Driller's log must be filed in office of the State Engineer within 10 days after well is drilled or driven. Failure to file log within that time shall result in automatic cancellation of the permit. Upon request of the permittee, log forms will be provided by the State Engineer.
- D. Diameter of casing limited to 7 inch outside diameter except under specific conditions in which reasons satisfactory to the State Engineer are shown.
- E. Any use of water from the well other than as indicated shall automatically cancel this permit unless prior approval is obtained from the State Engineer.

## SPECIFIC CONDITIONS OF APPROVAL (Applicable only when so indicated on the other side of this form)

1. Depth of well in no event to exceed the thickness of the valley fill or Ogallala formation.
2. Well to be constructed to artesian well specifications and State Engineer Office to be notified before casing is landed or cemented.
3. Appropriation and use of water under this permit limited for a definite period of not to exceed one year from the date of approval.
4. Limited to household, trees, lawn and non-commercial garden not to exceed one acre.
5. A totalizing meter approved by the State Engineer shall be installed on the discharge line before the first branch line prior to the appropriation of water and pumping records shall be submitted to the District Supervisor (a) for each calendar month, on or before the 30th day of the following month (b) on the 10th of January, April, July and October of each year for the three preceding calendar months (c) for each calendar year on or before the 30th day of January of the following year.
6. Well to be plugged upon completion of permitted use and plugging report filed within 10 days.
7. Final approval for the use of said well dependent upon a leakage test to be made by the State Engineer Office.

## GENERAL INSTRUCTIONS

Application shall be executed in triplicate and forwarded with a \$1.00 filing fee to the appropriate office of the State Engineer.

A separate application must be filed for each well to be drilled or used.

If well to be used is an existing well to be retained for uses as indicated, an explanation (and file number, if possible) should be given under Remarks. (Item 7).

Applications for appropriation, well logs and request for information in the following basins should be addressed to the State Engineer at the office indicated:

Rio Grande, Bluewater and Estancia Basins  
District No. 1, 1841 Lomas Blvd., N.E., Albuquerque, New Mexico

Roswell, Lea, Portales, Carlsbad, Hondo, Penasco and Jal Basins  
District No. 2, Box 1717, Roswell, New Mexico

Mimbres, Hot Springs, Virden Valley, Animas, Playas, Gila-San Francisco, San Simon, Lordsburg and Nutt-Hockett Basins  
District No. 3, Box 844, Deming, New Mexico

File Number: \_\_\_\_\_

**NEW MEXICO OFFICE OF THE STATE ENGINEER**  
**APPLICATION FOR PERMIT TO USE UNDERGROUND WATERS**  
**IN ACCORDANCE WITH SECTION 72-12-1 NEW MEXICO STATUTES**

2-17620  
500**1. APPLICANT**

Name: Bob Raines Work Phone: 234-3829  
 Contact: \_\_\_\_\_ Home Phone: 236-6072  
 Address: 19 E Promised Land Rd  
 City: Carlsbad State: NM Zip: 88220

**2. LOCATION OF WELL (A and/or B or G Required) 23**

☒ A. SW 1/4 SW 1/4 NW 1/4 Section: 24 Township: 23S Range: 27E N.M.P.M.  
 in Eddy County.

B. X = \_\_\_\_\_ feet, Y = \_\_\_\_\_ feet, N.M. Coordinate System  
 \_\_\_\_\_ Zone in the \_\_\_\_\_ Grant.  
 U.S.G.S. Quad Map \_\_\_\_\_

C. Give State Engineer File Number if existing well: \_\_\_\_\_

☒ D. On land owned by: Applicant

E. Tract No. \_\_\_\_\_, Map No. \_\_\_\_\_ of the \_\_\_\_\_ Hydrographic Survey

F. Lot No. \_\_\_\_\_, Block No. \_\_\_\_\_ of Unit/Tract \_\_\_\_\_ of the  
 \_\_\_\_\_ Subdivision recorded in \_\_\_\_\_ County.

G. Latitude: \_\_\_\_\_ Longitude: \_\_\_\_\_

H. Other: \_\_\_\_\_

**3. USE OF WATER (check use applied for)**

☒ One household, non-commercial trees, lawn and garden not to exceed a total of one acre.

\_\_\_\_ Livestock watering.

Note: If any of the following items are marked, give the name and nature of business or use under item 5 of the additional statements or explanations section.

\_\_\_\_ More than one household, non-commercial trees, lawns and gardens not to exceed a total of one acre.

\_\_\_\_ Drinking and sanitary purposes and the irrigation of non-commercial trees, shrubs and lawns not to exceed one acre in conjunction with a commercial operation.

\_\_\_\_ Prospecting, mining or drilling operations to discover or develop natural resources.

\_\_\_\_ Construction of public works, highways and roads.

Trn Desc: \_\_\_\_\_

Log Due Date: \_\_\_\_\_

Form: wr-01

File Number: C-3067

Trn Number: 302007

page 1 of 4

467425

File Number: \_\_\_\_\_

NEW MEXICO OFFICE OF THE STATE ENGINEER  
APPLICATION FOR PERMIT TO USE UNDERGROUND WATERS  
IN ACCORDANCE WITH SECTION 72-12-1 NEW MEXICO STATUTES

## 4. WELL INFORMATION (Change, Repair, Drill, Test, Supplement)

Name of well driller and driller license number:

✓ N.M. Licensed Driller

Approximate depth 200 feet; Outside diameter of casing 2 inches.☐ Change Location of existing well or replacement well☐ Repair or Deepen:☐ Clean out well to original depth☐ Deepen well from \_\_\_\_\_ to \_\_\_\_\_ feet☐ Other: \_\_\_\_\_☐ Drill and test a well for \_\_\_\_\_ use.☐ Supplemental well

## 5. ADDITIONAL STATEMENTS OR EXPLANATIONS:

## ACKNOWLEDGEMENT FOR NATURAL PERSONS

✓ I, Robert W. RAINES affirm that the foregoing statements are true to  
(Please Print)the best of my knowledge and belief, By: [Signature]

Signature

Signature

Trn Desc: \_\_\_\_\_

File Number: \_\_\_\_\_

Log Due Date: \_\_\_\_\_

Trn Number: \_\_\_\_\_

Form: wr-01

page 2 of 4

**NEW MEXICO STATE ENGINEER OFFICE  
APPLICATION FOR PERMIT TO USE UNDERGROUND WATERS  
IN ACCORDANCE WITH SECTION 72-12-1 NEW MEXICO STATUTES**

**GENERAL CONDITIONS OF APPROVAL (A thru I)**

- A The maximum amount of water that may be appropriated under this permit is 3.000 acre-feet in any year.
- B The well shall be drilled by a driller licensed in the State of New Mexico in accordance with Section 72-12-12 New Mexico Statutes Annotated. A licensed driller shall not be required for the construction of a driven well; provided, that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter (Section 72-12-12).
- C Driller's well record must be filed with the State Engineer within 10 days after the well is drilled or driven. Well record forms will be provided by the State Engineer upon request.
- D The casing shall not exceed 7 inches outside diameter except under specific conditions in which reasons satisfactory to the State Engineer are shown.
- E If the well under this permit is used at any time to serve more than one household or livestock in a commercial feed lot operation, or for drinking and sanitation purposes in conjunction with a commercial operation, the permittee shall notify the State Engineer Office in writing.
- F In the event this well is combined with other wells permitted under Section 72-12-1 New Mexico Statutes Annotated, the total outdoor use shall not exceed the irrigation of one acre of non-commercial trees, lawn, and garden, or the equivalent outside consumptive use, and the total appropriation for household and outdoor use from the entire water distribution system shall not exceed 3.000 acre-feet in any year.
- G If artesian water is encountered, all rules and regulations pertaining to the drilling and casing of artesian wells shall be complied with.
- H The amount and uses of water permitted under this Application are subject to such limitations as may be imposed by the courts or by lawful municipal and county ordinances which are more restrictive than applicable State Engineer Regulations and the conditions of this permit.

Trn Desc: C 03067  
Log Due Date: 04/30/2005  
Form: wr-01

File Number: C 03067  
Trn Number: 302007

page: 1

**NEW MEXICO STATE ENGINEER OFFICE  
APPLICATION FOR PERMIT TO USE UNDERGROUND WATERS  
IN ACCORDANCE WITH SECTION 72-12-1 NEW MEXICO STATUTES**

**GENERAL CONDITIONS OF APPROVAL (Continued)**

- I The permittee shall utilize the highest and best technology available to ensure conservation of water to the maximum extent practical.

**SPECIFIC CONDITIONS OF APPROVAL**

- 4 Use shall be limited to household, non-commercial trees, lawn and garden not to exceed one acre and/or stock use.
- 11 This permit is for a single household. The total diversion of water under this permit shall not exceed 3.000 acre-feet per year. Permit will be subject to cancellation if the conditions of approval are not met or if the actions of the permittee are not in accordance with the permit.

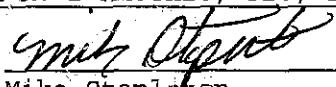
LOG This permit will automatically expire unless the well C 03067 is completed and the well record filed on or before 04/30/2005.

**ACTION OF STATE ENGINEER**

This application is approved for the use indicated, subject to all general conditions and to specific conditions listed above.

Witness my hand and seal this 19 day of Apr A.D., 2004

John R. D Antonio, Jr., P.E., State Engineer

By:   
Mike Stapleton

The amount, uses and locations of domestic water wells permitted under 72-12-1 (NMSA) are subject to such limitations as may be imposed by the courts or by lawful municipal and county ordinances which are more restrictive than applicable State Engineer Regulations and the conditions of this permit.

Trn Desc: C 03067  
Log Due Date: 04/30/2005  
Form: wr-01

File Number: C 03067  
Trn Number: 302007

page: 2

3/18/2004 16:00:04 COUNTY OF EDDY  
 1253093 Dist 100 NonRend% 0  
 JAINES, ROBERT & REBECCA Finco  
 5700 Land  
 90849 Impr  
 0 P.P.  
 0 M.H.  
 0 Livstk  
 27183 Net

1/9 E PROMISE LAND RD NM 88220

ARLSBAD

| Property Description    | Code | Value | Desc | Quantity | Rate    | Print=y |
|-------------------------|------|-------|------|----------|---------|---------|
| 161 136 416 232         | 102  | H/STE | C/L  | 1.00     | 3000.00 | Full    |
| 9, E PROMISE LAND       | 103  | EXCS  | RES  | 4.00     | 675.00  | 3000    |
| ILE 115 PG 492          | 201  | STRUC | RES  |          |         | 2700    |
| SECTION-23 TOWNSHIP-23S |      |       |      |          |         | 90849   |
| 1/25USENE               |      |       |      |          |         |         |
| AP#291-36.3             |      |       |      |          |         |         |
| 0C 19 E PROMISE LAND    |      |       |      | 32182    |         |         |

3=Cancel F4=Prompt() F5=Change Years F12=Return

Bottom

201 APR 14 AM 10:37

302007

2001 10 11 AM 10:37

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3=Cancel  F4=Prompt()  F6=Change Years  F12=Return
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M

M

John R. D Antonio, Jr., P.E.  
State Engineer

**STATE OF NEW MEXICO  
OFFICE OF THE STATE ENGINEER**

Roswell Office  
1900 WEST SECOND STREET  
ROSWELL, NM 88201

Trn Nbr: 302007  
File Nbr: C 03067  
Well File Nbr: C 03067

Apr. 04, 2005

BOB RAINES  
19 E. PROMISED LAND RD.  
CARLSBAD, NM 88220

Greetings:

This office has not received a well driller's record for the permit issued to you on 04/19/2004. A domestic well permit expires a year after issuance if the well has not been drilled and the well driller's log is not filed.

If a well has been drilled under this permit, please contact your driller and request a well log be submitted. If you have not drilled the well but plan to in the near future, please contact our office and we will forward forms to reapply. Filing fee is \$5.00 for each permit. Please include your file number on all communications.

Your permit will automatically expire on 04/30/2005.

Sincerely,

A handwritten signature in cursive script, appearing to read "Yolanda".

Yolanda Mendiola  
(505) 622-6467

cc: Santa Fe Office

wellrem

John R. D Antonio, Jr., P.E.  
State Engineer



Roswell Office  
1900 WEST SECOND STREET  
ROSWELL, NM 88201

**STATE OF NEW MEXICO  
OFFICE OF THE STATE ENGINEER**

Trn Nbr: 302007  
File Nbr: C 03067

Apr. 19, 2004

BOB RAINES  
19 E. PROMISED LAND RD.  
CARLSBAD, NM 88220

Greetings:

Enclosed is your copy of the 72-12-1 Permit which has been approved. Your attention is called to the Specific and the General Conditions of Approval of this permit.

In accordance with General Condition C, a well record shall be filed in this office within ten (10) days after completion of drilling. The well record is proof of completion of the well. IT IS YOUR RESPONSIBILITY TO ASSURE THAT THE WELL LOG BE FILED WITHIN 10 DAYS OF DRILLING THE WELL.

This permit will expire on or before 04/30/2005, unless the well has been drilled and the well log filed in this office.

Sincerely,

*for M. Chainey*  
Mike Stapleton  
(505) 622-6467

Enclosure

cc: Santa Fe Office

wr\_01app



# WELL RECORD & LOG

OFFICE OF THE STATE ENGINEER

[www.ose.state.nm.us](http://www.ose.state.nm.us)

|                                                                                                                                                                               |                                                                                                                                                                           |                                  |                                                      |                                                                                                            |                                            |                                                                   |                                                                                           |                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------------------------|------------------------------------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------------|
| 1. GENERAL AND WELL LOCATION                                                                                                                                                  | POD NUMBER (WELL NUMBER)<br><b>C-03488-POD1</b>                                                                                                                           |                                  |                                                      |                                                                                                            | OSE FILE NUMBER(S)<br><b>C-3488</b>        |                                                                   |                                                                                           |                |
|                                                                                                                                                                               | WELL OWNER NAME(S)<br><b>Raul Onsurez</b>                                                                                                                                 |                                  |                                                      |                                                                                                            | PHONE (OPTIONAL)                           |                                                                   |                                                                                           |                |
|                                                                                                                                                                               | WELL OWNER MAILING ADDRESS<br><b>Box 657</b>                                                                                                                              |                                  |                                                      |                                                                                                            | CITY<br><b>Loving</b>                      |                                                                   | STATE<br><b>NM</b>                                                                        |                |
|                                                                                                                                                                               |                                                                                                                                                                           |                                  |                                                      |                                                                                                            | ZIP<br><b>88256</b>                        |                                                                   |                                                                                           |                |
|                                                                                                                                                                               | WELL LOCATION (FROM GPS)                                                                                                                                                  | DEGREES<br>LATITUDE<br><b>32</b> | MINUTES<br><b>17</b>                                 | SECONDS<br><b>28.50</b> N                                                                                  | * ACCURACY REQUIRED: ONE TENTH OF A SECOND |                                                                   |                                                                                           |                |
|                                                                                                                                                                               |                                                                                                                                                                           | LONGITUDE<br><b>104</b>          | <b>10</b>                                            | <b>1.30</b> W                                                                                              | * DATUM REQUIRED: WGS 84                   |                                                                   |                                                                                           |                |
| DESCRIPTION RELATING WELL LOCATION TO STREET ADDRESS AND COMMON LANDMARKS<br><b>At the end of Grandi Road, east of existing home. Well Location: R. 712 Grandi Road Rural</b> |                                                                                                                                                                           |                                  |                                                      |                                                                                                            |                                            |                                                                   |                                                                                           |                |
| 2. OPTIONAL                                                                                                                                                                   | (2.5 ACRE)<br><b>SW 1/4</b>                                                                                                                                               | (10 ACRE)<br><b>SE 1/4</b>       | (40 ACRE)<br><b>SW 1/4</b>                           | (160 ACRE)<br><b>NW 1/4</b>                                                                                | SECTION<br><b>23</b>                       | TOWNSHIP<br><b>23</b>                                             | RANGE<br><b>27</b> <input checked="" type="checkbox"/> EAST <input type="checkbox"/> WEST |                |
|                                                                                                                                                                               | SUBDIVISION NAME                                                                                                                                                          |                                  |                                                      |                                                                                                            | LOT NUMBER                                 | BLOCK NUMBER                                                      | UNIT/TRACT                                                                                |                |
|                                                                                                                                                                               | HYDROGRAPHIC SURVEY                                                                                                                                                       |                                  |                                                      |                                                                                                            |                                            | MAP NUMBER                                                        | TRACT NUMBER                                                                              |                |
|                                                                                                                                                                               |                                                                                                                                                                           |                                  |                                                      |                                                                                                            |                                            |                                                                   |                                                                                           |                |
| 3. DRILLING INFORMATION                                                                                                                                                       | LICENSE NUMBER<br><b>WD-1348</b>                                                                                                                                          |                                  | NAME OF LICENSED DRILLER<br><b>Clinton E. Taylor</b> |                                                                                                            |                                            | NAME OF WELL DRILLING COMPANY<br><b>Taylor Water Well Service</b> |                                                                                           |                |
|                                                                                                                                                                               | DRILLING STARTED<br><b>5/8/11</b>                                                                                                                                         |                                  | DRILLING ENDED<br><b>5/10/11</b>                     |                                                                                                            | DEPTH OF COMPLETED WELL (FT)<br><b>217</b> | BORE HOLE DEPTH (FT)<br><b>220</b>                                | DEPTH WATER FIRST ENCOUNTERED (FT)<br><b>202</b>                                          |                |
|                                                                                                                                                                               | COMPLETED WELL IS: <input type="checkbox"/> ARTESIAN <input type="checkbox"/> DRY HOLE <input checked="" type="checkbox"/> SHALLOW (UNCONFINED)                           |                                  |                                                      |                                                                                                            |                                            | STATIC WATER LEVEL IN COMPLETED WELL (FT)<br><b>122</b>           |                                                                                           |                |
|                                                                                                                                                                               | DRILLING FLUID: <input type="checkbox"/> AIR <input checked="" type="checkbox"/> MUD <input type="checkbox"/> ADDITIVES - SPECIFY:                                        |                                  |                                                      |                                                                                                            |                                            |                                                                   |                                                                                           |                |
|                                                                                                                                                                               | DRILLING METHOD: <input checked="" type="checkbox"/> ROTARY <input type="checkbox"/> HAMMER <input type="checkbox"/> CABLE TOOL <input type="checkbox"/> OTHER - SPECIFY: |                                  |                                                      |                                                                                                            |                                            |                                                                   |                                                                                           |                |
|                                                                                                                                                                               | DEPTH (FT)                                                                                                                                                                |                                  | BORE HOLE DIA. (IN)                                  | CASING MATERIAL                                                                                            | CONNECTION TYPE (CASING)                   | INSIDE DIA. CASING (IN)                                           | CASING WALL THICKNESS (IN)                                                                | SLOT SIZE (IN) |
|                                                                                                                                                                               | FROM                                                                                                                                                                      | TO                               |                                                      |                                                                                                            |                                            |                                                                   |                                                                                           |                |
|                                                                                                                                                                               | 0                                                                                                                                                                         | 150                              | 8 3/4                                                | PVC                                                                                                        | Spline                                     | 4 1/2                                                             | SDR 17                                                                                    |                |
|                                                                                                                                                                               | 150                                                                                                                                                                       | 197                              | 7 7/8                                                | PVC                                                                                                        | Spline                                     | 4 1/2                                                             | SDR 17                                                                                    |                |
|                                                                                                                                                                               | 197                                                                                                                                                                       | 217                              | 7 7/8                                                | PVC                                                                                                        | Spline                                     | 4 1/2                                                             | SDR 17                                                                                    | .032           |
| 4. WATER BEARING STRATA                                                                                                                                                       | DEPTH (FT)                                                                                                                                                                |                                  | THICKNESS (FT)                                       | FORMATION DESCRIPTION OF PRINCIPAL WATER-BEARING STRATA (INCLUDE WATER-BEARING CAVITIES OR FRACTURE ZONES) |                                            |                                                                   |                                                                                           | YIELD (GPM)    |
|                                                                                                                                                                               | FROM                                                                                                                                                                      | TO                               |                                                      |                                                                                                            |                                            |                                                                   |                                                                                           |                |
|                                                                                                                                                                               | 202                                                                                                                                                                       | 207                              | 5                                                    | Limestone: yel brn, vfn xln, sucro ln prt                                                                  |                                            |                                                                   |                                                                                           | +100           |
|                                                                                                                                                                               | 210                                                                                                                                                                       | 217                              | 7                                                    | Conglomerate: brn, yell brn, gry, off wht, sme chrt, vry rough drilling                                    |                                            |                                                                   |                                                                                           | +100           |
|                                                                                                                                                                               |                                                                                                                                                                           |                                  |                                                      |                                                                                                            |                                            |                                                                   |                                                                                           |                |
|                                                                                                                                                                               |                                                                                                                                                                           |                                  |                                                      |                                                                                                            |                                            |                                                                   |                                                                                           |                |
| METHOD USED TO ESTIMATE YIELD OF WATER-BEARING STRATA<br><b>Air Lift</b>                                                                                                      |                                                                                                                                                                           |                                  |                                                      |                                                                                                            |                                            | TOTAL ESTIMATED WELL YIELD (GPM)<br><b>+100</b>                   |                                                                                           |                |

FOR OSE INTERNAL USE

WELL RECORD & LOG (Version 6/9/08)

|                                  |                                   |                             |
|----------------------------------|-----------------------------------|-----------------------------|
| FILE NUMBER<br><b>C-3488</b>     | POD NUMBER<br><b>C-03488-POD1</b> | TRN NUMBER<br><b>477387</b> |
| LOCATION<br><b>23.27.23-1343</b> |                                   | PAGE 1 OF 2                 |

|                         |                                                                                                                                                                                                                                                                 |            |     |                     |                        |                   |                     |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----|---------------------|------------------------|-------------------|---------------------|
| <b>5. SEAL AND PUMP</b> | TYPE OF PUMP: <input checked="" type="checkbox"/> SUBMERSIBLE <input type="checkbox"/> JET <input type="checkbox"/> NO PUMP - WELL NOT EQUIPPED<br><input type="checkbox"/> TURBINE <input type="checkbox"/> CYLINDER <input type="checkbox"/> OTHER - SPECIFY: |            |     |                     |                        |                   |                     |
|                         | <b>ANNULAR SEAL AND GRAVEL PACK</b>                                                                                                                                                                                                                             | DEPTH (FT) |     | BORE HOLE DIA. (IN) | MATERIAL TYPE AND SIZE | AMOUNT (CUBIC FT) | METHOD OF PLACEMENT |
|                         |                                                                                                                                                                                                                                                                 | FROM       | TO  |                     |                        |                   |                     |
|                         |                                                                                                                                                                                                                                                                 | 0          | 20  |                     |                        |                   |                     |
|                         |                                                                                                                                                                                                                                                                 | 20         | 150 | 8 3/4               | Pea Gravel             | 2 Yards           | Chute               |
|                         |                                                                                                                                                                                                                                                                 | 150        | 217 | 7 7/8               | Pea Gravel             | 1 Yard            | Chute               |

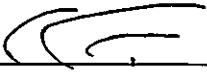
|                                |            |     |                |                                                                                              |                                                                     |
|--------------------------------|------------|-----|----------------|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>6. GEOLOGIC LOG OF WELL</b> | DEPTH (FT) |     | THICKNESS (FT) | COLOR AND TYPE OF MATERIAL ENCOUNTERED<br>(INCLUDE WATER-BEARING CAVITIES OR FRACTURE ZONES) | WATER BEARING?                                                      |
|                                | FROM       | TO  |                |                                                                                              |                                                                     |
|                                | 0          | 4   | 4              | Soil                                                                                         | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
|                                | 4          | 14  | 10             | Caliche                                                                                      | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
|                                | 14         | 82  | 68             | Clay:dl rd,smth,sme fn gravel                                                                | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
|                                | 82         | 90  | 8              | Clay:pl rd,smth,sky                                                                          | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
|                                | 90         | 96  | 6              | Clay:off wht,sme thin layers of gry conglomerate                                             | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
|                                | 96         | 118 | 22             | Clay:rd,sme sky                                                                              | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
|                                | 118        | 146 | 28             | Clay:rd,vry sndy                                                                             | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
|                                | 146        | 164 | 18             | Conglomerate:brn,dk gry,off wht,calc                                                         | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
|                                | 164        | 186 | 22             | Clay:rd,vry sky,smth                                                                         | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
|                                | 186        | 202 | 16             | Clay:dull rd,sme fn gravel                                                                   | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
|                                | 202        | 207 | 5              | Limestone:yel brn,vfn-fn xln,sme sucro                                                       | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
|                                | 207        | 210 | 3              | Clay:rd,smth                                                                                 | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
|                                | 210        | 217 | 7              | Conglomerate:brn,yel brn,gry,sme chrt,vry rough drilling                                     | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO |
|                                | 217        | 220 | 3              | Clay:rd,smth                                                                                 | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
|                                |            |     |                |                                                                                              | <input type="checkbox"/> YES <input type="checkbox"/> NO            |
|                                |            |     |                | <input type="checkbox"/> YES <input type="checkbox"/> NO                                     |                                                                     |
|                                |            |     |                | <input type="checkbox"/> YES <input type="checkbox"/> NO                                     |                                                                     |

ATTACH ADDITIONAL PAGES AS NEEDED TO FULLY DESCRIBE THE GEOLOGIC LOG OF THE WELL

|                                      |                                                                                                                                             |                                                                                                                                                                         |  |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>7. TEST &amp; ADDITIONAL INFO</b> | WELL TEST                                                                                                                                   | METHOD: <input type="checkbox"/> BAILER <input type="checkbox"/> PUMP <input checked="" type="checkbox"/> AIR LIFT <input type="checkbox"/> OTHER - SPECIFY:            |  |
|                                      |                                                                                                                                             | TEST RESULTS - ATTACH A COPY OF DATA COLLECTED DURING WELL TESTING, INCLUDING START TIME, END TIME, AND A TABLE SHOWING DISCHARGE AND DRAWDOWN OVER THE TESTING PERIOD. |  |
|                                      | ADDITIONAL STATEMENTS OR EXPLANATIONS:<br>During well development well made a large amount of water. Water was clear after only 30 minutes. |                                                                                                                                                                         |  |

|                     |                                                                                                                                                                                                                                                                                                             |                          |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <b>8. SIGNATURE</b> | THE UNDERSIGNED HEREBY CERTIFIES THAT, TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT RECORD OF THE ABOVE DESCRIBED HOLE AND THAT HE OR SHE WILL FILE THIS WELL RECORD WITH THE STATE ENGINEER AND THE PERMIT HOLDER WITHIN 20 DAYS AFTER COMPLETION OF WELL DRILLING: |                          |
|                     | <br>_____<br>SIGNATURE OF DRILLER                                                                                                                                                                                        | 5/25/11<br>_____<br>DATE |

FOR OSE INTERNAL USE

WELL RECORD &amp; LOG (Version 6/9/08)

|                               |                                |                          |             |
|-------------------------------|--------------------------------|--------------------------|-------------|
| FILE NUMBER <u>C-3488</u>     | POD NUMBER <u>C-03488-P001</u> | TRN NUMBER <u>477387</u> |             |
| LOCATION <u>23-27-23.1343</u> |                                |                          | PAGE 2 OF 2 |

## Locator Tool Report

### General Information:

Application ID: 29      Date: 05-03-2011      Time: 17:04:31

WR File Number: C-03488-POD1  
Purpose: POINT OF DIVERSION

Applicant First Name: ONSUREZ  
Applicant Last Name: RAUL AGUIRRE II (NEW DOMESTIC)

GW Basin: CARLSBAD  
County: EDDY

Critical Management Area Name(s): NONE  
Special Condition Area Name(s): NONE  
Land Grant Name: NON GRANT

### PLSS Description (New Mexico Principal Meridian):

SW 1/4 of SE 1/4 of SW 1/4 of NW 1/4 of Section 23, Township 23S, Range 27E.

### Coordinate System Details:

#### Geographic Coordinates:

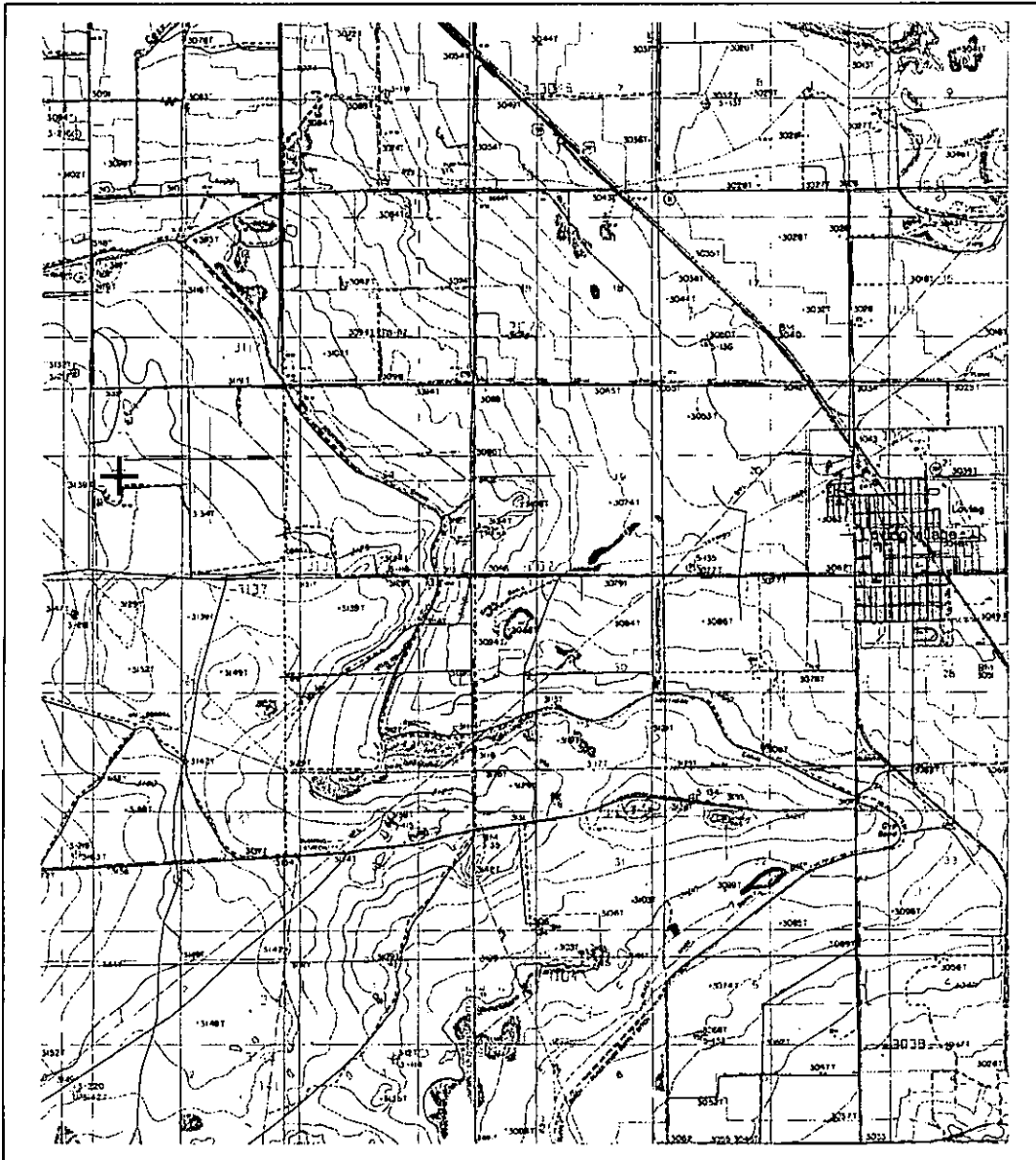
Latitude: 32 Degrees 17 Minutes 28.5 Seconds N  
Longitude: 104 Degrees 10 Minutes 1.3 Seconds W

#### Universal Transverse Mercator Zone: 13N

|                            |               |              |
|----------------------------|---------------|--------------|
| NAD 1983(92) (Meters)      | N: 3,573,024  | E: 578,430   |
| NAD 1983(92) (Survey Feet) | N: 11,722,496 | E: 1,897,733 |
| NAD 1927 (Meters)          | N: 3,572,822  | E: 578,479   |
| NAD 1927 (Survey Feet)     | N: 11,721,835 | E: 1,897,893 |

#### State Plane Coordinate System Zone: New Mexico East

|                            |            |            |
|----------------------------|------------|------------|
| NAD 1983(92) (Meters)      | N: 143,174 | E: 180,663 |
| NAD 1983(92) (Survey Feet) | N: 469,729 | E: 592,727 |
| NAD 1927 (Meters)          | N: 143,156 | E: 168,111 |
| NAD 1927 (Survey Feet)     | N: 469,670 | E: 551,544 |

**NEW MEXICO OFFICE OF STATE ENGINEER****Locator Tool Report**

WR File Number: C-03488-POD1 Scale: 1:62,233

Northing/Easting: UTM83(92) (Meter): N: 3,573,024 E: 578,430

Northing/Easting: SPCS83(92) (Feet): N: 469,729 E: 592,727

GW Basin: Carlsbad

Page 2 of 2

Print Date: 05/03/2011

**Photographic Log**

**PHOTOGRAPHIC LOG**  
**Caza Operating, LLC**  
**FOREHAND RANCH 22 FEDERAL COM #006H**

---

**Photograph No. 1**

**Facility:** Forehand Ranch 22 Federal Com #006H

**County:** Eddy County, New Mexico

**Description:**  
View of Liner



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**Photograph No. 2**

**Facility:** Forehand Ranch 22 Federal Com #006H

**County:** Eddy County, New Mexico

**Description:**  
View of Liner



---

**Photograph No. 3**

**Facility:** Forehand Ranch 22 Federal Com #006H

**County:** Eddy County, New Mexico

**Description:**  
View of Liner



**PHOTOGRAPHIC LOG**  
**Caza Operating, LLC**  
**FOREHAND RANCH 22 FEDERAL COM #006H**

---

**Photograph No. 4**

**Facility:** Forehand Ranch 22 Federal Com #006H

**County:** Eddy County, New Mexico

**Description:**  
View of Liner



---

**Photograph No. 5**

**Facility:** Forehand Ranch 22 Federal Com #006H

**County:** Eddy County, New Mexico

**Description:**  
View of Liner



---

**Photograph No. 6**

**Facility:** Forehand Ranch 22 Federal Com #006H

**County:** Eddy County, New Mexico

**Description:**  
View of Liner



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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 421747

**QUESTIONS**

|                                                                           |                                                                             |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Operator:<br>CAZA OPERATING, LLC<br>200 N Loraine St<br>Midland, TX 79701 | OGRID:<br>249099                                                            |
|                                                                           | Action Number:<br>421747                                                    |
|                                                                           | Action Type:<br>[C-141] Remediation Closure Request C-141 (C-141-v-Closure) |

**QUESTIONS**

|                      |                                                                     |
|----------------------|---------------------------------------------------------------------|
| <b>Prerequisites</b> |                                                                     |
| Incident ID (n#)     | nAPP2431129652                                                      |
| Incident Name        | NAPP2431129652 FOREHAND RANCH 22 FEDERAL COM #006H @ 30-015-43720   |
| Incident Type        | Oil Release                                                         |
| Incident Status      | Remediation Closure Report Received                                 |
| Incident Well        | [30-015-43720] FOREHAND RANCH 22 FEDERAL COM #006H                  |
| Incident Facility    | [fAPP2428848406] Forehand Ranch 22 Federal Com No.6H Production Fac |

**Location of Release Source***Please answer all the questions in this group.*

|                         |                                     |
|-------------------------|-------------------------------------|
| Site Name               | Forehand Ranch 22 Federal Com #006H |
| Date Release Discovered | 11/05/2024                          |
| Surface Owner           | State                               |

**Incident Details***Please answer all the questions in this group.*

|                                                                                                      |             |
|------------------------------------------------------------------------------------------------------|-------------|
| Incident Type                                                                                        | Oil 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: Equipment Failure   Separator   Crude Oil   Released: 10 BBL   Recovered: 10 BBL   Lost: 0 BBL. |
| Produced Water Released (bbls) Details                                                                                                               | Not answered.                                                                                          |
| 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) | Not answered.                                                                                          |

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QUESTIONS, Page 2

Action 421747

**QUESTIONS (continued)**

|                                                                           |                                                                             |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Operator:<br>CAZA OPERATING, LLC<br>200 N Loraine St<br>Midland, TX 79701 | OGRID:<br>249099                                                            |
|                                                                           | Action Number:<br>421747                                                    |
|                                                                           | Action Type:<br>[C-141] Remediation Closure Request C-141 (C-141-v-Closure) |

**QUESTIONS**

| <b>Nature and Volume of Release (continued)</b>                                                                                                                |                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Is this a gas only submission (i.e. only significant Mcf values reported)                                                                                      | <b>No, according to supplied volumes this does not appear to be a "gas only" report.</b> |
| Was this a major release as defined by Subsection A of 19.15.29.7 NMAC                                                                                         | <b>No</b>                                                                                |
| Reasons why this would be considered a submission for a notification of a major release                                                                        | <i>Unavailable.</i>                                                                      |
| <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                                                                         | <b>True</b>          |
| The impacted area has been secured to protect human health and the environment                                     | <b>True</b>          |
| Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices | <b>True</b>          |
| All free liquids and recoverable materials have been removed and managed appropriately                             | <b>True</b>          |
| 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<br>Title: Production Reporting Manager<br>Email: karredondo@ntglobal.com<br>Date: 11/06/2024 |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|

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QUESTIONS, Page 3

Action 421747

**QUESTIONS (continued)**

|                                                                           |                                                                             |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Operator:<br>CAZA OPERATING, LLC<br>200 N Loraine St<br>Midland, TX 79701 | OGRID:<br>249099                                                            |
|                                                                           | Action Number:<br>421747                                                    |
|                                                                           | Action Type:<br>[C-141] Remediation Closure Request C-141 (C-141-v-Closure) |

**QUESTIONS**

|                                                                                                                                                                                                                                                      |                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <b>Site Characterization</b>                                                                                                                                                                                                                         |                                |
| <i>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.</i> |                                |
| What is the shallowest depth to groundwater beneath the area affected by the release in feet below ground surface (ft bgs)                                                                                                                           | Between 75 and 100 (ft.)       |
| What method was used to determine the depth to ground water                                                                                                                                                                                          | NM OSE iWaters Database Search |
| Did this release impact groundwater or surface water                                                                                                                                                                                                 | No                             |
| <b>What is the minimum distance, between the closest lateral extents of the release and the following surface areas:</b>                                                                                                                             |                                |
| A continuously flowing watercourse or any other significant watercourse                                                                                                                                                                              | Between 1 and 5 (mi.)          |
| Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)                                                                                                                                                                    | Greater than 5 (mi.)           |
| An occupied permanent residence, school, hospital, institution, or church                                                                                                                                                                            | Between ½ and 1 (mi.)          |
| A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes                                                                                                                            | Between 1 and 5 (mi.)          |
| Any other fresh water well or spring                                                                                                                                                                                                                 | Between 1 and 5 (mi.)          |
| Incorporated municipal boundaries or a defined municipal fresh water well field                                                                                                                                                                      | Between 1 and 5 (mi.)          |
| A wetland                                                                                                                                                                                                                                            | Between 1 and 5 (mi.)          |
| A subsurface mine                                                                                                                                                                                                                                    | Greater than 5 (mi.)           |
| An (non-karst) unstable area                                                                                                                                                                                                                         | Greater than 5 (mi.)           |
| Categorize the risk of this well / site being in a karst geology                                                                                                                                                                                     | High                           |
| A 100-year floodplain                                                                                                                                                                                                                                | Between 1 and 5 (mi.)          |
| Did the release impact areas not on an exploration, development, production, or storage site                                                                                                                                                         | No                             |

|                                                                                                                                                                                                                                                                                                                                                                                       |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Remediation Plan</b>                                                                                                                                                                                                                                                                                                                                                               |            |
| <i>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.</i>                                                                                                                                                                                      |            |
| Requesting a remediation plan approval with this submission                                                                                                                                                                                                                                                                                                                           | Yes        |
| <i>Attach a comprehensive report demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined, pursuant to 19.15.29.11 NMAC and 19.15.29.13 NMAC.</i>                                                                                                                                                                        |            |
| Have the lateral and vertical extents of contamination been fully delineated                                                                                                                                                                                                                                                                                                          | Yes        |
| Was this release entirely contained within a lined containment area                                                                                                                                                                                                                                                                                                                   | Yes        |
| <i>Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC, which includes the anticipated timelines for beginning and completing the remediation.</i>                                                                        |            |
| On what estimated date will the remediation commence                                                                                                                                                                                                                                                                                                                                  | 01/10/2025 |
| On what date will (or did) the final sampling or liner inspection occur                                                                                                                                                                                                                                                                                                               | 01/14/2025 |
| On what date will (or was) the remediation complete(d)                                                                                                                                                                                                                                                                                                                                | 01/14/2025 |
| What is the estimated surface area (in square feet) that will be remediated                                                                                                                                                                                                                                                                                                           | 15000      |
| What is the estimated volume (in cubic yards) that will be remediated                                                                                                                                                                                                                                                                                                                 | 0          |
| <i>These estimated dates and measurements are recognized to be the best guess or calculation at the time of submission and may (be) change(d) over time as more remediation efforts are completed.</i>                                                                                                                                                                                |            |
| <i>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.</i> |            |

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QUESTIONS, Page 4

Action 421747

**QUESTIONS (continued)**

|                                                                           |                                                                             |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Operator:<br>CAZA OPERATING, LLC<br>200 N Loraine St<br>Midland, TX 79701 | OGRID:<br>249099                                                            |
|                                                                           | Action Number:<br>421747                                                    |
|                                                                           | Action Type:<br>[C-141] Remediation Closure Request C-141 (C-141-v-Closure) |

**QUESTIONS**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>Remediation Plan (continued)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                     |
| <i>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.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                     |
| <b>This remediation will (or is expected to) utilize the following processes to remediate / reduce contaminants:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                     |
| <i>(Select all answers below that apply.)</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                     |
| Is (or was) there affected material present needing to be removed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Yes                                                                                                                 |
| Is (or was) there a power wash of the lined containment area (to be) performed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Yes                                                                                                                 |
| OTHER (Non-listed remedial process)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | No                                                                                                                  |
| <i>Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC, which includes the anticipated timelines for beginning and completing the remediation.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                     |
| 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<br>Title: Production Reporting Manager<br>Email: karredondo@ntglobal.com<br>Date: 01/16/2025 |
| <i>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.</i>                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                     |

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/contact-us>

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

QUESTIONS, Page 6

Action 421747

**QUESTIONS (continued)**

|                                                                           |                                                                             |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Operator:<br>CAZA OPERATING, LLC<br>200 N Loraine St<br>Midland, TX 79701 | OGRID:<br>249099                                                            |
|                                                                           | Action Number:<br>421747                                                    |
|                                                                           | Action Type:<br>[C-141] Remediation Closure Request C-141 (C-141-v-Closure) |

**QUESTIONS**

| <b>Liner Inspection Information</b>                                                                     |                   |
|---------------------------------------------------------------------------------------------------------|-------------------|
| Last liner inspection notification (C-141L) recorded                                                    | <b>419193</b>     |
| Liner inspection date pursuant to Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC | <b>01/14/2025</b> |
| Was all the impacted materials removed from the liner                                                   | <b>Yes</b>        |
| What was the liner inspection surface area in square feet                                               | <b>15000</b>      |

**Remediation Closure Request**

*Only answer the questions in this group if seeking remediation closure for this release because all remediation steps have been completed.*

|                                                                                 |              |
|---------------------------------------------------------------------------------|--------------|
| Requesting a remediation closure approval with this submission                  | <b>Yes</b>   |
| Have the lateral and vertical extents of contamination been fully delineated    | <b>Yes</b>   |
| Was this release entirely contained within a lined containment area             | <b>Yes</b>   |
| What was the total surface area (in square feet) remediated                     | <b>15000</b> |
| What was the total volume (cubic yards) remediated                              | <b>0</b>     |
| Summarize any additional remediation activities not included by answers (above) | <b>n/a</b>   |

*The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (in .pdf format) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.*

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. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete.

|                                                    |                                                                                                                     |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| I hereby agree and sign off to the above statement | Name: Kelly Arrendondo<br>Title: Production Reporting Manager<br>Email: karredondo@ntglobal.com<br>Date: 01/16/2025 |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|

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1220 S. St Francis Dr.  
Santa Fe, NM 87505

CONDITIONS

Action 421747

CONDITIONS

|                                                                           |                                                                             |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Operator:<br>CAZA OPERATING, LLC<br>200 N Loraine St<br>Midland, TX 79701 | OGRID:<br>249099                                                            |
|                                                                           | Action Number:<br>421747                                                    |
|                                                                           | Action Type:<br>[C-141] Remediation Closure Request C-141 (C-141-v-Closure) |

CONDITIONS

|            |                                              |                |
|------------|----------------------------------------------|----------------|
| Created By | Condition                                    | Condition Date |
| nvez       | Liner inspection approved, release resolved. | 1/22/2025      |