

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural
Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised August 24, 2018
Submit to appropriate OCD District office

| | |
|----------------|-----------------|
| Incident ID | nAPP22011838002 |
| District RP | |
| Facility ID | |
| Application ID | |

Release Notification

Responsible Party

| | |
|---|---|
| Responsible Party: Matador Production Company | OGRID: 228937 |
| Contact Name: Arsenio T. Jones | Contact Telephone: 575-361-4333 |
| Contact email: arsenio.jones@matadorresources.com | Incident # (assigned by OCD): nAPP22011838002 |
| Contact mailing address: One Lincoln Centre Dallas, TX 75240 | |

Location of Release Source

Latitude 32.253532 Longitude -104.181126 (location of source)
(NAD 83 in decimal degrees to 5 decimal places)

| | |
|---|----------------------|
| Site Name: Tony La Russa State Tank Battery | Site Type: CTB |
| Date Release Discovered: 01/17/2022 | API# (if applicable) |

| Unit Letter | Section | Township | Range | County |
|-------------|---------|----------|-------|--------|
| E | 03 | 24S | 27E | Eddy |

Surface Owner: State Federal Tribal Private (Name: _____)

Nature and Volume of Release

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

| | | |
|--|--|---|
| <input type="checkbox"/> Crude Oil | Volume Released (bbls) | Volume Recovered (bbls) |
| <input checked="" type="checkbox"/> Produced Water | Volume Released (bbls) 20 bbls | Volume Recovered (bbls) 15bbls |
| | Is the concentration of dissolved chloride in the produced water >10,000 mg/l? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <input type="checkbox"/> Condensate | Volume Released (bbls) | Volume Recovered (bbls) |
| <input type="checkbox"/> Natural Gas | Volume Released (Mcf) | Volume Recovered (Mcf) |
| <input type="checkbox"/> Other (describe) | Volume/Weight Released (provide units) | Volume/Weight Recovered (provide units) |

Cause of Release:

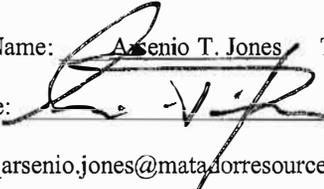
A produced water release occurred as a result of corrosion on the Nipple Valve located on the SWD filter pot.

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| | |
|--|--|
| Was this a major release as defined by 19.15.29.7(A) NMAC? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, for what reason(s) does the responsible party consider this a major release? |
| If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? Notification was provided to the NMOCD on 01/18/2022 by Arsenio Jones of Matador (online). | |

Initial Response

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

| |
|--|
| <input checked="" type="checkbox"/> The source of the release has been stopped. <input checked="" type="checkbox"/> The impacted area has been secured to protect human health and the environment. <input checked="" type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices. <input checked="" type="checkbox"/> All free liquids and recoverable materials have been removed and managed appropriately. |
| If all the actions described above have <u>not</u> been undertaken, explain why: |
| Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation. |
| I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations. |
| Printed Name: <u>Arsenio T. Jones</u> Title: <u>Regulatory, Environmental and Safety Specialist</u> Signature:  Date: <u>1/18/2022</u> email: <u>arsenio.jones@matadorresources.com</u> Telephone: <u>575-361-4333</u> |
| <u>OCD Only</u> Received by: <u>Ramona Marcus</u> Date: <u>2/4/2022</u> |

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Site Assessment/Characterization

This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

| | |
|---|---|
| What is the shallowest depth to groundwater beneath the area affected by the release? | 67 (ft bgs) |
| Did this release impact groundwater or surface water? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 1000 feet of any other fresh water well or spring? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 300 feet of a wetland? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release overlying a subsurface mine? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release overlying an unstable area such as karst geology? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within a 100-year floodplain? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Did the release impact areas not on an exploration, development, production, or storage site? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined. Refer to 19.15.29.11 NMAC for specifics.

Characterization Report Checklist: *Each of the following items must be included in the report.*

- Scaled site map showing impacted area, surface features, subsurface features, delineation points, and monitoring wells.
- Field data
- Data table of soil contaminant concentration data
- Depth to water determination
- Determination of water sources and significant watercourses within 1/2-mile of the lateral extents of the release
- Boring or excavation logs
- Photographs including date and GIS information
- Topographic/Aerial maps
- Laboratory data including chain of custody

If the site characterization report does not include completed efforts at remediation of the release, the report must include a proposed remediation plan. That plan must include the estimated volume of material to be remediated, the proposed remediation technique, proposed sampling plan and methods, anticipated timelines for beginning and completing the remediation. The closure criteria for a release are contained in Table 1 of 19.15.29.12 NMAC, however, use of the table is modified by site- and release-specific parameters.

Form C-141

State of New Mexico

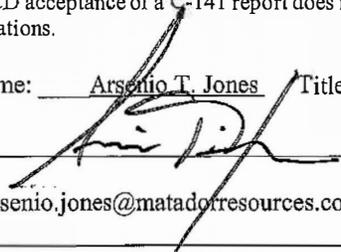
Page 4

Oil Conservation Division

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Printed Name: Arsenio T. Jones Title: Regulatory, Environmental and Safety Specialist

Signature:  Date: 1/13/2022

email: arsenio.jones@matadorresources.com Telephone: 575-361-4333

OCD Only

Received by: Ramona Marcus Date: 2/4/2022

NAPP2201838002

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

Location of spill: 32.253519, -104.181100

Date of Spill: 1/17/2022

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

Input Data:

If spill volumes from measurement, i.e. metering, tank volumes, etc. are known enter the volumes here: OIL: 0.0 BBL WATER: 20.0 BBL
 If "known" spill volumes are given, input data for the following "Area Calculations" is optional. The above will override the calculated volumes.

Standing Liquid Calculations

| Total Area Calculations | | | | | Standing Liquid Area | | | | | |
|-------------------------|---------|----------|----------|---------|----------------------|-------------------|--------|--------------|--------------|-----------|
| Total Surface Area | width | length | wet soil | | oil (%) | width | length | liquid depth | | % oil (%) |
| | | | depth | oil (%) | | | | width | liquid depth | |
| Rectangle Area #1 | 56 ft X | 197 ft X | 5 in | 0 | 0% | Rectangle Area #1 | ft | 0 ft X | 0 in | 0% |
| Rectangle Area #2 | 0 ft X | 0 ft X | 0 in | 0 | 0% | Rectangle Area #3 | 0 ft X | 0 ft X | 0 in | 0% |
| Rectangle Area #3 | 0 ft X | 0 ft X | 0 in | 0 | 0% | Rectangle Area #4 | 0 ft X | 0 ft X | 0 in | 0% |
| Rectangle Area #4 | 0 ft X | 0 ft X | 0 in | 0 | 0% | Rectangle Area #5 | 0 ft X | 0 ft X | 0 in | 0% |
| Rectangle Area #5 | 0 ft X | 0 ft X | 0 in | 0 | 0% | Rectangle Area #6 | 0 ft X | 0 ft X | 0 in | 0% |
| Rectangle Area #6 | 0 ft X | 0 ft X | 0 in | 0 | 0% | Rectangle Area #7 | 0 ft X | 0 ft X | 0 in | 0% |
| Rectangle Area #7 | 0 ft X | 0 ft X | 0 in | 0 | 0% | Rectangle Area #8 | 0 ft X | 0 ft X | 0 in | 0% |
| Rectangle Area #8 | 0 ft X | 0 ft X | 0 in | 0 | 0% | | | | | |

okay

production system leak - DAILY PRODUCTION DATA REQUIRED

Average Daily Production: Oil 0 BBL Water 0 BBL Gas (MCFD) 0
 Total Hydrocarbon Content in gas: 0% (percentage)
 H2S Content in Produced Gas: 0 PPM
 H2S Content in Tank Vapors: 0 PPM
 Percentage of Oil in Free Liquid Recovered: 0% (percentage)
 Did leak occur before the separator?: YES N/A (place an "X")
 Amount of Free Liquid Recovered: 15 BBL
 Liquid holding factor: 0.14 gal per gal
 Use the following when the spill wets the grains of the soil:
 * Sand = 0.08 gallon (gal.) liquid per gal. volume of soil.
 * Gravelly (caliche) loam = 0.14 gal. liquid per gal. volume of soil.
 * Sandy clay loam soil = 0.14 gal liquid per gal. volume of soil.
 * Clay loam = 0.16 gal. liquid per gal. volume of soil.
 Use the following when the liquid completely fills the pore space of the soil:
 Occurs when the spill soaked soil is contained by barriers, natural (or not).
 * Clay loam = 0.20 gal. liquid per gal. volume of soil.
 * Gravelly (caliche) loam = 0.25 gal. liquid per gal. volume of soil.
 * Sandy loam = 0.5 gal. liquid per gal. volume of soil.

Total Solid/Liquid Volume: 4,500 sq. ft. 784 cu. ft. cu. ft. Total Free Liquid Volume: sq. ft. cu. ft. cu. ft.

Estimated Volumes Spilled

Liquid in Soil: 15 BBL H2O 0.0 BBL OIL 0.0 BBL
 Free Liquid: 5 BBL H2O 0.0 BBL OIL 0.0 BBL
 Totals: 20 BBL H2O 0.0 BBL OIL 0.0 BBL

ft. Total Liquid Spill Liquid: 20 BBL 0.0 BBL

Recovered Volumes

Estimated oil recovered: BBL check - okay
 yds. Estimated water recovered: BBL check - okay

Estimated Production Volumes Lost

Estimated Production Spilled: H2O 20.0 BBL OIL 0.0 BBL

Estimated Surface Damage

Surface Area: 10,427 sq.
 Surface Area: 13 acre

Estimated Weights, and Volumes

Saturated Soil = 87,792 lbs 10,427 cu. ft. 386 cu.
 Total Liquid = 20 BBL 821 gallon 6,829 lbs

Air Emission from flowline leaks:

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

Air Emission of Reporting Requirements:

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

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

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

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

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

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

COMMENTS

Action 75589

COMMENTS

| | |
|---|---|
| Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240 | OGRID: 228937 |
| | Action Number: 75589 |
| | Action Type: [C-141] Release Corrective Action (C-141) |

COMMENTS

| Created By | Comment | Comment Date |
|------------|---|--------------|
| jharimon | C-141 PG. 3-4 submitted without supporting documents. | 4/14/2022 |

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State of New Mexico
Energy, Minerals and Natural Resources
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CONDITIONS
 Action 75589

CONDITIONS

| | |
|---|---|
| Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240 | OGRID: 228937 |
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CONDITIONS

| Created By | Condition | Condition Date |
|------------|--|----------------|
| jharimon | C-141 PG. 3-4 were submitted without supporting documents and therefore cannot be reviewed. Please resubmit with the appropriate supporting documents. | 4/14/2022 |