

**Released Volume Calculation – Chem State #1 Wellhead**

Length 10 feet

Width 10 feet

Thickness 2 feet

200 gal = 5 Est. Total Bbls Released

Volume =  $L \times W \times T$

Total Released Volume = 200 gallons (US, dry)

5 Bbls

**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

QUESTIONS

Action 385267

QUESTIONS

|                                                                                        |                                                         |
|----------------------------------------------------------------------------------------|---------------------------------------------------------|
| Operator:<br>CAMBRIAN MANAGEMENT LTD<br>310 W Wall Street Ste 300<br>Midland, TX 79701 | OGRID:<br>198688                                        |
|                                                                                        | Action Number:<br>385267                                |
|                                                                                        | Action Type:<br>[C-141] Initial C-141 (C-141-v-Initial) |

QUESTIONS

|                  |                                             |
|------------------|---------------------------------------------|
| Prerequisites    |                                             |
| Incident ID (n#) | nAPP2426158921                              |
| Incident Name    | NAPP2426158921 CHEM STATE #1 @ 30-025-08012 |
| Incident Type    | Oil Release                                 |
| Incident Status  | Initial C-141 Received                      |
| Incident Well    | [30-025-08012] CHEM STATE #001              |

|                                                |               |
|------------------------------------------------|---------------|
| Location of Release Source                     |               |
| Please answer all the questions in this group. |               |
| Site Name                                      | Chem State #1 |
| Date Release Discovered                        | 03/28/2024    |
| 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: Normal Operations   Gasket   Crude Oil   Released: 20 BBL   Recovered: 16 BBL   Lost: 4 BBL.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Produced Water Released (bbls) Details                                                                                                                                               | Cause: Normal Operations   Gasket   Produced Water   Released: 5 BBL   Recovered: 3 BBL   Lost: 2 BBL.                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Is the concentration of chloride in the produced water >10,000 mg/l                                                                                                                  | No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Condensate Released (bbls) Details                                                                                                                                                   | Not answered.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Natural Gas Vented (Mcf) Details                                                                                                                                                     | Not answered.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Natural Gas Flared (Mcf) Details                                                                                                                                                     | Not answered.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Other Released Details                                                                                                                                                               | Not answered.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)                                 | The Chem State #1 well has been P&A'd and the site is being remediated/reclaimed according to State Land Office (SLO) specifications. Upon submitting a Reclamation and Remediation Workplan to the SLO, they requested an investigation of any stained areas at the wellhead. This NOR is being submitted a result of samples collected on the wellpad that reported TPH and chloride concentrations above the OCD Closure Criteria. This is a historical release and volume calculations are based on the dimensions of visibly impacted soil at the site. |

**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**

QUESTIONS, Page 2

Action 385267

QUESTIONS (continued)

|                                                                                        |                                                         |
|----------------------------------------------------------------------------------------|---------------------------------------------------------|
| Operator:<br>CAMBRIAN MANAGEMENT LTD<br>310 W Wall Street Ste 300<br>Midland, TX 79701 | OGRID:<br>198688                                        |
|                                                                                        | Action Number:<br>385267                                |
|                                                                                        | Action Type:<br>[C-141] Initial C-141 (C-141-v-Initial) |

QUESTIONS

| Nature and Volume of Release (continued)                                                                                                                |                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Is this a gas only submission (i.e. only significant Mcf values reported)                                                                               | No, according to supplied volumes this does not appear to be a "gas only" report.                                                      |
| Was this a major release as defined by Subsection A of 19.15.29.7 NMAC                                                                                  | Yes                                                                                                                                    |
| Reasons why this would be considered a submission for a notification of a major release                                                                 | From paragraph A. "Major release" determine using:<br>(1) an unauthorized release of a volume, excluding gases, of 25 barrels or more. |
| With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e. gas only) are to be submitted on the C-129 form. |                                                                                                                                        |

Initial Response

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

|                                                                                                                    |               |
|--------------------------------------------------------------------------------------------------------------------|---------------|
| The source of the release has been stopped                                                                         | True          |
| The impacted area has been secured to protect human health and the environment                                     | True          |
| Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices | True          |
| All free liquids and recoverable materials have been removed and managed appropriately                             | True          |
| If all the actions described above have not been undertaken, explain why                                           | Not answered. |

Per Paragraph (4) of Subsection B of 19.15.29.8 NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please prepare and attach a narrative of actions to date in the follow-up C-141 submission. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC), please prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

|                                                    |                                                                                                                  |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| I hereby agree and sign off to the above statement | Name: Socorro Hendry<br>Title: Regulatory Manager<br>Email: socorro.hendry@octane-energy.com<br>Date: 09/19/2024 |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------|

**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**

QUESTIONS, Page 3

Action 385267

**QUESTIONS (continued)**

|                                                                                        |                                                         |
|----------------------------------------------------------------------------------------|---------------------------------------------------------|
| Operator:<br>CAMBRIAN MANAGEMENT LTD<br>310 W Wall Street Ste 300<br>Midland, TX 79701 | OGRID:<br>198688                                        |
|                                                                                        | Action Number:<br>385267                                |
|                                                                                        | Action Type:<br>[C-141] Initial C-141 (C-141-v-Initial) |

**QUESTIONS****Site Characterization**

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

|                                                                                                                            |                                |
|----------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| What is the shallowest depth to groundwater beneath the area affected by the release in feet below ground surface (ft bgs) | Between 100 and 500 (ft.)      |
| What method was used to determine the depth to ground water                                                                | U.S. Geological Survey         |
| 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                                                    | Greater than 5 (mi.)           |
| Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)                                          | Between 1000 (ft.) and ½ (mi.) |
| An occupied permanent residence, school, hospital, institution, or church                                                  | Greater than 5 (mi.)           |
| A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes  | Between 1000 (ft.) and ½ (mi.) |
| Any other fresh water well or spring                                                                                       | Between 1000 (ft.) and ½ (mi.) |
| Incorporated municipal boundaries or a defined municipal fresh water well field                                            | Greater than 5 (mi.)           |
| A wetland                                                                                                                  | Between 1000 (ft.) and ½ (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                                                           | Low                            |
| A 100-year floodplain                                                                                                      | Between 1000 (ft.) and ½ (mi.) |
| Did the release impact areas not on an exploration, development, production, or storage site                               | No                             |

**Remediation Plan**

*Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.*

|                                                                                                                                                                                                                                                                                                                                                                                       |    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Requesting a remediation plan approval with this submission                                                                                                                                                                                                                                                                                                                           | No |
| <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> |    |

**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

CONDITIONS

Action 385267

CONDITIONS

|                                                                                        |                                                         |
|----------------------------------------------------------------------------------------|---------------------------------------------------------|
| Operator:<br>CAMBRIAN MANAGEMENT LTD<br>310 W Wall Street Ste 300<br>Midland, TX 79701 | OGRID:<br>198688                                        |
|                                                                                        | Action Number:<br>385267                                |
|                                                                                        | Action Type:<br>[C-141] Initial C-141 (C-141-v-Initial) |

CONDITIONS

|            |           |                |
|------------|-----------|----------------|
| Created By | Condition | Condition Date |
| scwells    | None      | 9/20/2024      |