

Kaiser-Francis Oil Company

PO BOX 21468
TULSA, OK 74121-1468
(918) 491-4232

May 6, 2026

**RE: Containment Liner Inspection & Closure Report
Red Hills Pad 5
Unit D, Section 31, Township 25 South, Range 33 East
Coordinates: 32.093948, -103.618446
Facility I.D: fAPP2205542755
Incident Number nAPP2606351801
Lea County, New Mexico**

Dear NMOCD designate,

Kaiser Francis Oil Company (KFOC), hereafter referred to as KFOC, is pleased to present the following letter report summarizing the response efforts, liner inspection, and closure of the associated crude oil release, incident: nAPP2606351801, which occurred at the Red Hills Pad 5 (hereafter referred to as the "site"). On March 3, 2026, the high-level alarms on the slop tank failed to activate as designed, elevating pressure in the water knockout vessel, which caused the pop-off valves to open and divert excessive fluid into the slop tank, ultimately overflowing into secondary containment. Approximately 23 barrels (bbls) of a crude oil and produced water mixture were released inside the secondary containment and 23 bbls were recovered with a vac truck.

On March 4, 2026; the liner was power washed and rinsate was recovered and hauled off-site for proper disposal. KFOC reported the release to the New Mexico Oil Conservation Division (NMOCD) on March 4, 2026. NMOCD accepted the submitted notification of release and subsequently assigned Incident Number nAPP2606351801 to this spill.

The first liner inspection occurred on March 13, 2026. KFOC personnel determined a thorough inspection could not be completed due to residual fluids in the containment. Therefore, a second liner inspection occurred on May 4, 2026. Please note that a precipitation event occurred on Friday May 1st. A vac truck was mobilized on May 3 to remove rainwater collected within the containment in preparation for the May 4th liner inspection.

C-141 approvals are provided in Appendix A.

The May 4th liner inspection was conducted in coordination with Vertex Resource Services, competent in conducting inspections of on-site equipment and facilities

Visual observation of the liner was completed on all sides and the base of the containment, around equipment, and of all seams in the liner. During the inspection, KFOC personnel identified multiple patches of varying ages. All patches were confirmed to be fully adhered and sound. The liner integrity was confirmed to be intact and had the ability to contain the subject release. The Daily Field Log for the liner inspection that includes photographic documentation is presented in Attachment B.

If you have any questions or comments, please do not hesitate to contact myself at 918-491-4615 or huttona@fkoc.net.

Sincerely,

Hutton Andrew, EHS Lead, Kaiser Francis Oil Company

REFERENCE MATERIALS

ATTACHMENTS

ATTACHMENT A. C-141 Approval Correspondence

ATTACHMENT B. Liner Inspection Daily Field Report

ATTACHMENT C. Maps and Research Data

ATTACHMENT A

C-141 Approval Correspondence

OCD Permitting



Home / Operator Data / Action Status / Action Search Results / Action Status Item Details

[C-141] Initial C-141 (C-141-V-INITIAL) Application

Submission Information

Submission ID:	561512	Districts:	Hobbs
Operator:	[12361] KAISER-FRANCIS OIL CO	Counties:	Lea
Description:	KAISER-FRANCIS OIL CO [12361] , Red Hills Pad 5 , nAPP2606351801		
Status:	Approved		
Status Date:	03/16/2026		
References (0):			

Forms

Attachments: [Volume Calculation](#)

Questions

Prerequisites

Incident ID (n#)	nAPP2606351801
Incident Name	NAPP2606351801 RED HILLS PAD 5 @ D-31-25S-33E
Incident Type	Oil Release
Incident Status	Initial C-141 Received

Location of Release Source

Please answer all the questions in this group.

Site Name	Red Hills Pad 5
Date Release Discovered	03/03/2026
Surface Owner	Federal

Incident Details

Please answer all the questions in this group.

Incident Type	Oil Release
---------------	-------------

OCD Permitting

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 Production Tank Crude Oil Released: 23 BBL Recovered: 23 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.

Nature and Volume of Release (continued)

Is this a gas only submission (i.e. only significant Mcf values reported)	No, according to supplied volumes this does not appear to be a "gas only" report.
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	No
Reasons why this would be considered a submission for a notification of a major release	Unavailable.

With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e. gas only) are to be submitted on the C-129 form.

Initial Response

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

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

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

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

OCD Permitting

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	NM OSE iWaters Database Search
Did this release impact groundwater or surface water	No

What is the minimum distance, between the closest lateral extents of the release and the following surface areas:

A continuously flowing watercourse or any other significant watercourse	Between ½ and 1 (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 ½ and 1 (mi.)
Any other fresh water well or spring	Between ½ and 1 (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	Between ½ and 1 (mi.)
Categorize the risk of this well / site being in a karst geology	Medium
A 100-year floodplain	Greater than 5 (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
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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.

Acknowledgments

This submission type does not have acknowledgments, at this time.

Comments

No comments found for this submission.

OCD Permitting

remediation closure is due to the OCD no later than 90-days after the date of discovery, not to exceed 06/02/2026.

Reasons

No reasons found for this submission.

[Go Back](#)

From: OCDOnline@emnrd.nm.gov
To: [Andrew Parker](#)
Subject: The Oil Conservation Division (OCD) has accepted the application, Application ID: 580141
Date: Wednesday, April 29, 2026 9:18:24 AM

Caution: This email is from an external sender. Please take care when clicking links or opening attachments. When in doubt, contact your IT Department

To whom it may concern (c/o Andrew Parker for KAISER-FRANCIS OIL CO),

The OCD has received the submitted *Notification for Liner Inspection for a Release (C-141L)*, for incident ID (n#) nAPP2606351801.

The liner inspection is expected to take place:

When: 05/04/2026 @ 09:00

Where: D-31-25S-33E Lot: L 0 FNL 0 FEL (32.09409,-103.61831)

Additional Information: Lakin Pullman. Cell: 701-495-1722

Additional Instructions: Latitude, Longitude: 32.093948, -103.618446

An OCD representative may be available onsite at the date and time reported. In the absence or presence of an OCD representative, liner inspection pursuant to 19.15.29.11.A(5)(a) NMAC is required. Should there be a change in the scheduled date and time of the sampling event, then another notification should be resubmitted through OCD permitting as soon as possible.

- **Failure to notify the OCD of liner inspections including any changes in date/time per the requirements of 19.15.29.11.A(5)(a)(ii) NMAC, may result in the inspection not being accepted.**

If you have any questions regarding this application, or don't know why you have received this email, please contact us.

New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

ATTACHMENT B

Liner Inspection Report



Daily Field Log
Site: Red Hills Pad 5

05/04/2026

Location: Default Site Location

By: Lakin Pullman

Table with 4 columns: Field Name, Value, Field Name, Value. Includes Weather, Staff On-site, Staff From Time, Tailgate meeting conducted, Contractor, Contractor Crew, Equipment On Site, Incident ID Number.

Work Summary:

On site to complete liner inspection for release inside tank battery containment.

Time Observations

Table with 2 columns: Time, Observations. Contains 5 rows of inspection notes with timestamps from 10:19:34 to 11:33:55.

Inspector: Lakin Pullman



Daily Field Log
Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:04
 Notes: Northwest corner of release area facing east.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: W



Date: 5/4/2026
 Time: 12:04
 Notes: North edge of release area facing southeast.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: W





Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:04
 Notes: Northwest corner of release area facing south.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: W



Date: 5/4/2026
 Time: 12:04
 Notes: Northeast corner of release area facing west.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: W





Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:04
 Notes: Northeast corner of release area facing southwest.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: W



Date: 5/4/2026
 Time: 12:04
 Notes: Northeast corner of release area facing south-southwest.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: W





Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:04
 Notes: Northeast corner of release area facing south.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: W



Date: 5/4/2026
 Time: 12:05
 Notes: East edge of release area facing north.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N







Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

<p>Date: 5/4/2026 Time: 12:05 Notes: East edge of release area facing west Latitude: -6.8597 Longitude: 79.0201 Direction: N</p>	 <p>Date & Time: Mon May 4 11:05:41 MDT 2026 Position: -032.09400° / -103.61826° Altitude: 1050m Datum: WGS-84 Azimuth/Bearing: 260° S80W 4622mils (True) Zoom: 1X</p>
<p>Date: 5/4/2026 Time: 12:05 Notes: East edge of release area facing south. Latitude: -6.8597 Longitude: 79.0201 Direction: N</p>	 <p>Date & Time: Mon May 4 11:05:49 MDT 2026 Position: -032.09402° / -103.61831° Altitude: 1050m Datum: WGS-84 Azimuth/Bearing: 180° S00E 2200mils (True) Zoom: 1X</p>



Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:05
 Notes: Southeast corner of release area facing south.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:05
 Notes: Southeast corner of release area facing northwest.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N





Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:05
 Notes: Southeast corner of release area facing west.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:05
 Notes: Inside containment facing northeast.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N





Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:05
 Notes: Southwest corner of release area facing north.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:05
 Notes: Southwest corner of release area facing northwest.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N





Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:06
 Notes: Inside containment facing north.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:06
 Notes: Inside containment facing north.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



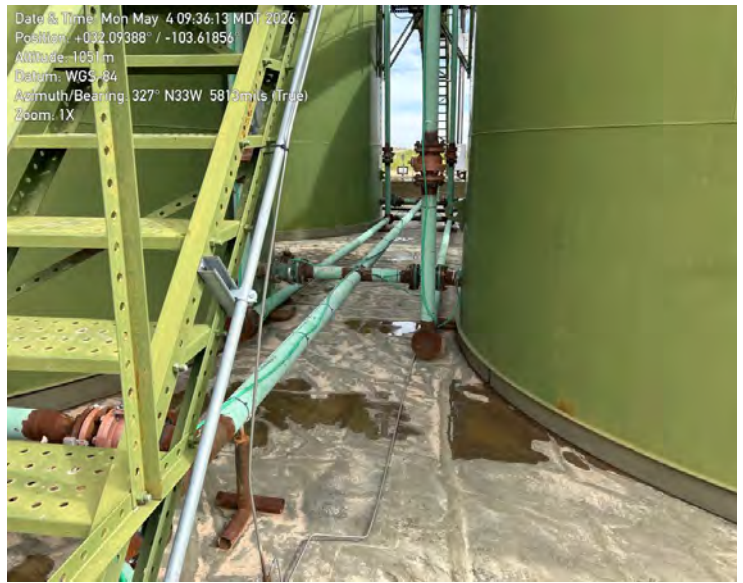


Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:06
 Notes: Inside containment facing northwest.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:06
 Notes: West end of containment facing north.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N





Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:06
 Notes: Southwest corner of containment facing east.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:06
 Notes: Southwest corner of containment facing northeast.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N





Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:06
 Notes: Southwest corner of containment facing north.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:06
 Notes: South edge of containment facing west.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N





Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

<p>Date: 5/4/2026 Time: 12:06 Notes: South edge of containment facing east. Latitude: -6.8597 Longitude: 79.0201 Direction: N</p>	<p>Date & Time: Mon May 4 09:35:23 MDT 2026 Position: +032.09384° / -103.61849° Altitude: 1050m Datum: WGS-84 Azimuth/Bearing: 078° N78E 1387mils (True) Zoom: 1X</p> 
<p>Date: 5/4/2026 Time: 12:06 Notes: Inside containment facing east. Latitude: -6.8597 Longitude: 79.0201 Direction: N</p>	<p>Date & Time: Mon May 4 09:34:02 MDT 2026 Position: +032.09396° / -103.61867° Altitude: 1053m Datum: WGS-84 Azimuth/Bearing: 106° S74E 1884mils (True) Zoom: 1X</p> 



Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:08
 Notes: Northwest corner of containment facing south.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:08
 Notes: Northwest corner of containment facing southeast.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N





Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:08
 Notes: Northwest corner of containment facing east.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:08
 Notes: Between tanks facing south.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



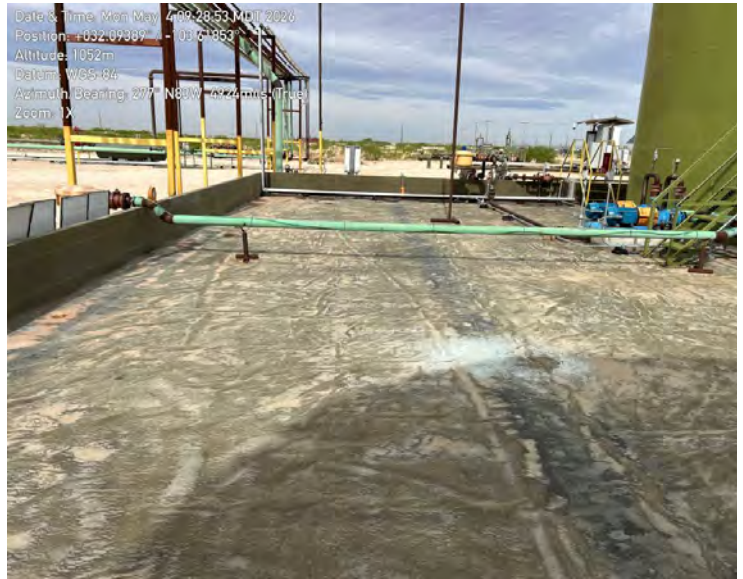


Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:08
 Notes: Inside containment facing west.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:08
 Notes: Inside containment facing west.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N







Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

<p>Date: 5/4/2026 Time: 12:08 Notes: Inside containment facing east. Latitude: -6.8597 Longitude: 79.0201 Direction: N</p>	<p>Date & Time: Mon May 4 09:28:39 MDT 2026 Position: +032.09396 / -103.61847 Altitude: 1050m Datum: WGS-84 Azimuth/Bearing: 086° N86E 1529mils (True) Zoom: 1X</p> 
<p>Date: 5/4/2026 Time: 12:08 Notes: Inside containment facing east. Latitude: -6.8597 Longitude: 79.0201 Direction: N</p>	<p>Date & Time: Mon May 4 09:28:32 MDT 2026 Position: +032.09391 / -103.61849 Altitude: 1049m Datum: WGS-84 Azimuth/Bearing: 098° S82E 1742mils (True) Zoom: 1X</p> 



Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:08
 Notes: Inside containment facing north.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:08
 Notes: Inside containment facing south.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N





Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:09
 Notes: Inside containment facing west.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:09
 Notes: East containment facing west.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N

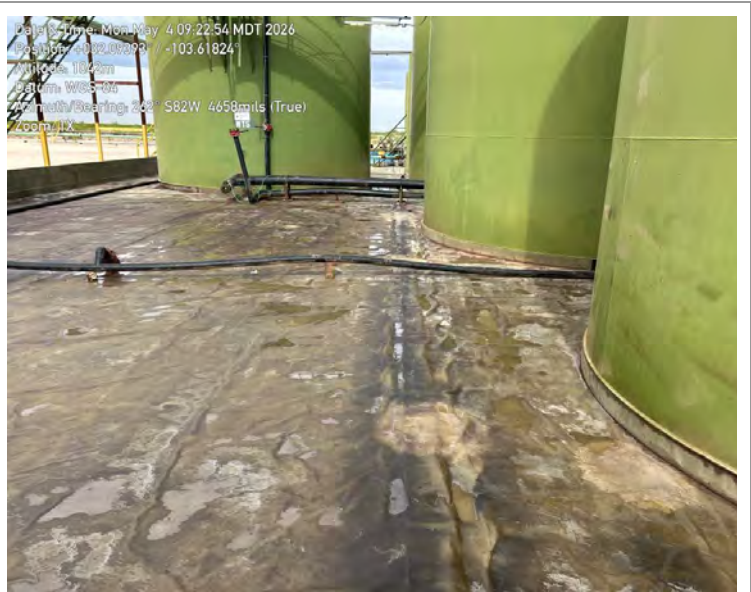




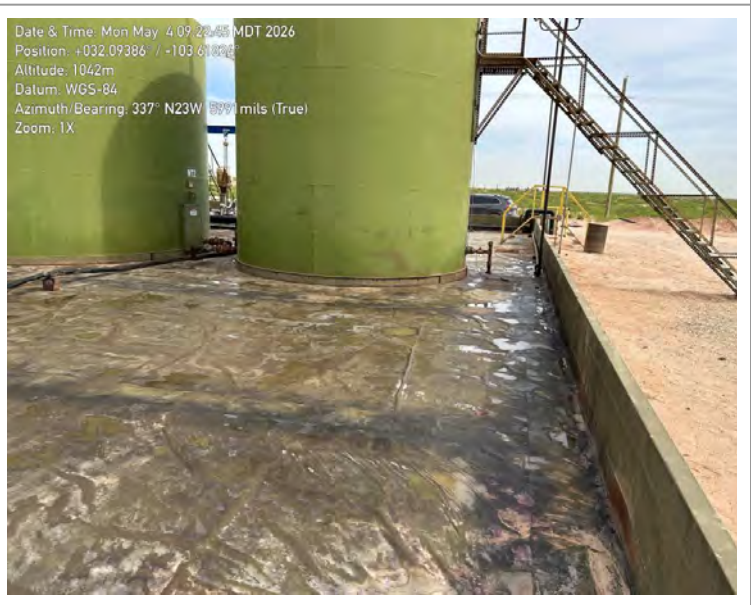
Daily Field Log
Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:09
 Notes: East end of containment facing west.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:09
 Notes: Southeast corner of containment facing north.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



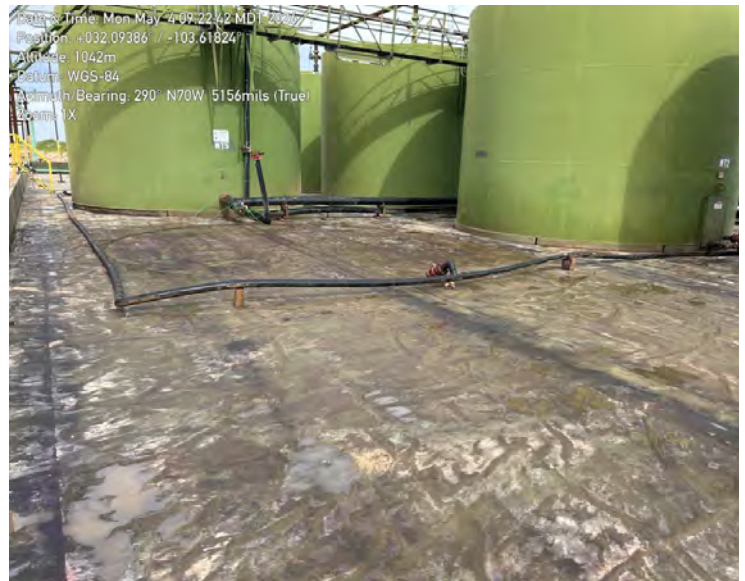


Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:09
 Notes: Southeast corner of containment facing northwest.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:09
 Notes: Southeast corner of containment facing west.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N





Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:09
 Notes: Northeast corner of containment facing south.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:09
 Notes: Northeast corner of containment facing northwest.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N





Daily Field Log

Site: Red Hills Pad 5

Pictures/Attachments

Date: 5/4/2026
 Time: 12:09
 Notes: Northeast corner of containment facing west.
 Latitude: -6.8597
 Longitude: 79.0201
 Direction: N



Date: 5/4/2026
 Time: 12:18
 Notes: South of containment facing north-northeast.
 Latitude: 32.09406666666667
 Longitude: -103.61858333333333
 Direction: NE






ATTACHMENT C

Maps and Research Data

Location: Red Hills Pad 5
 Incident ID: nAPP2606351801
 32.09409, -103.61830
 UL D; Sec. 31. T25S.R33E.
 Facility ID: fAPP2205542755

Site Characterization	
What is the shallowest depth to groundwater (ft bgs) Plate 2	C-4537 POD1 - DTW 280 ft (6/16/2021)- ~1.24 miles SE of location.
What measure was used to determine this?	OSE Well Log
Did this release impact ground or surface water?	No
What is the minimum distance, between the closest lateral extents of the release and the following surface areas:	
<ul style="list-style-type: none"> A continuously flowing watercourse or any other significant watercourse. Plate 4 	Intermittent stream 4,233 ft to WSW of location
<ul style="list-style-type: none"> Any lakebed, sinkhole or playa lake (measured from the ordinary high-water mark). Plate 4 	Lake/Pond 1,098 ft west of location (dry depression).
<ul style="list-style-type: none"> An occupied permanent residence, school, hospital, institution or church. 	>5 miles. Deserted ranch at location of nearest well ~1.24 miles SE of location.
<ul style="list-style-type: none"> A spring or private domestic fresh water well used by less than five households for domestic or stock watering purposes. Plate 3/4 	Stock tank 4,497 ft East of location (Misc-123)
<ul style="list-style-type: none"> Any other fresh water well or spring. Plate 3 	Stock tank 4,497 ft East of location
<ul style="list-style-type: none"> Incorporated municipal boundaries or a defined municipal fresh water well field. 	>5 miles
<ul style="list-style-type: none"> A wetland. 	Freshwater Emergent Wetland 1,098 ft west of location (dry depression).
<ul style="list-style-type: none"> A subsurface mine. 	>5 miles
<ul style="list-style-type: none"> A (non-karst) unstable area. 	
<ul style="list-style-type: none"> Categorize the risk of this well/site being in a karst geology. 	Overlies area of Medium Karst Occurrence; >10 miles to area of High Karst Occurrence
<ul style="list-style-type: none"> A 100-year floodplain. 	>5 miles
Did the release impact areas not on an exploration, development, production, or storage site?	No



	Source
	Tank Battery Release Extent
	Containment Liner Inspection Area



Map Center:
 Lat/Long: 32.093953°N, 103.618376°W
 Date: May 06/26
 NAD 1983 StatePlane New Mexico East FIPS 3001 Feet



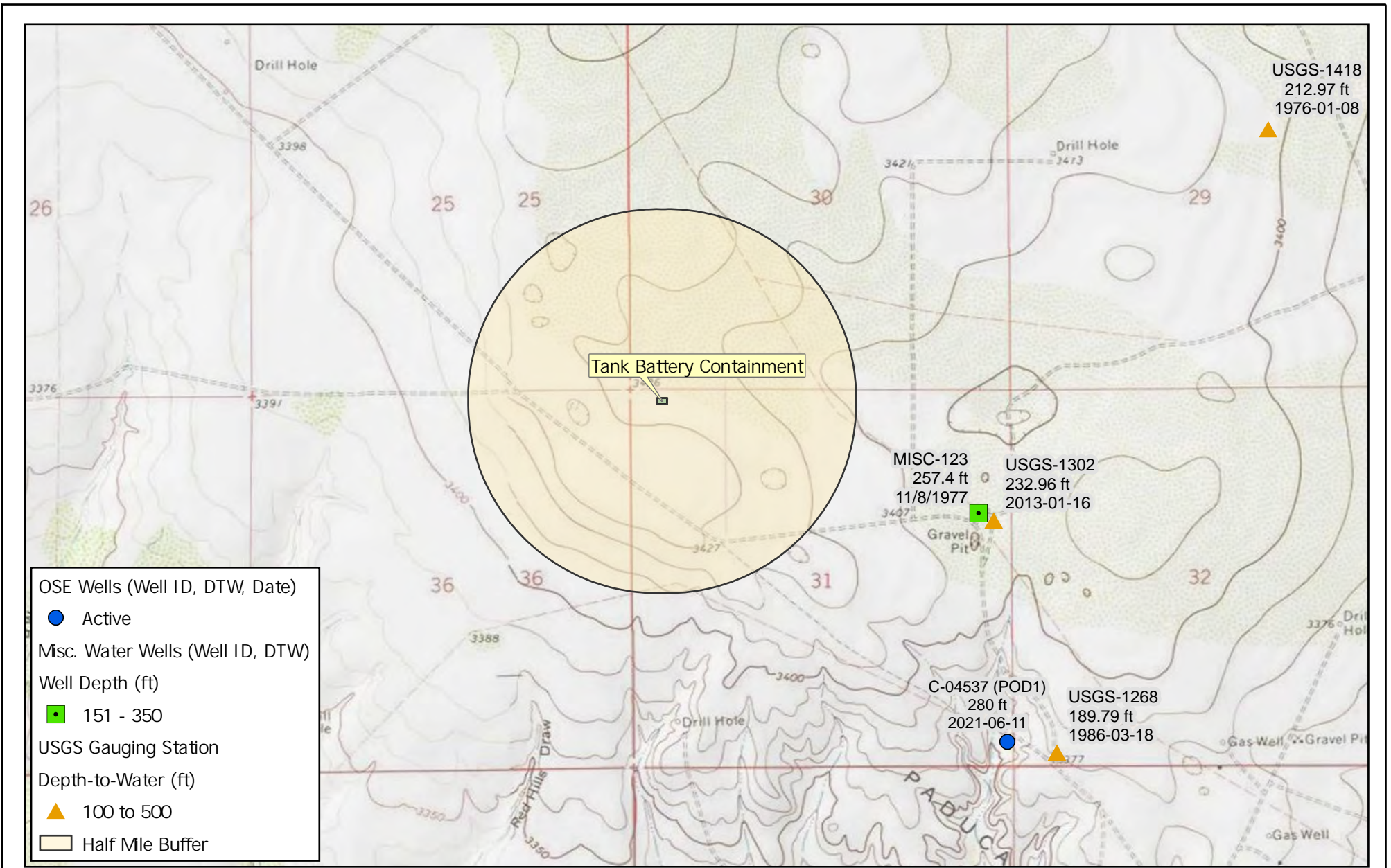
Site Map
 Red Hills Pad 5

PLATE: 1	Kaiser-Francis Oil Company
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Geospatial data presented in this figure may be derived from external sources and Vertex does not assume any liability for inaccuracies. This figure is intended for reference use only and is not certified for legal, survey, or engineering purposes.

Note: Georeferenced image from Esri, 2025. Site features from GPS, Vertex, 2025.

VERSATILITY. EXPERTISE.

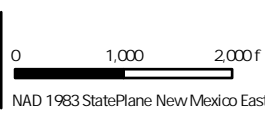
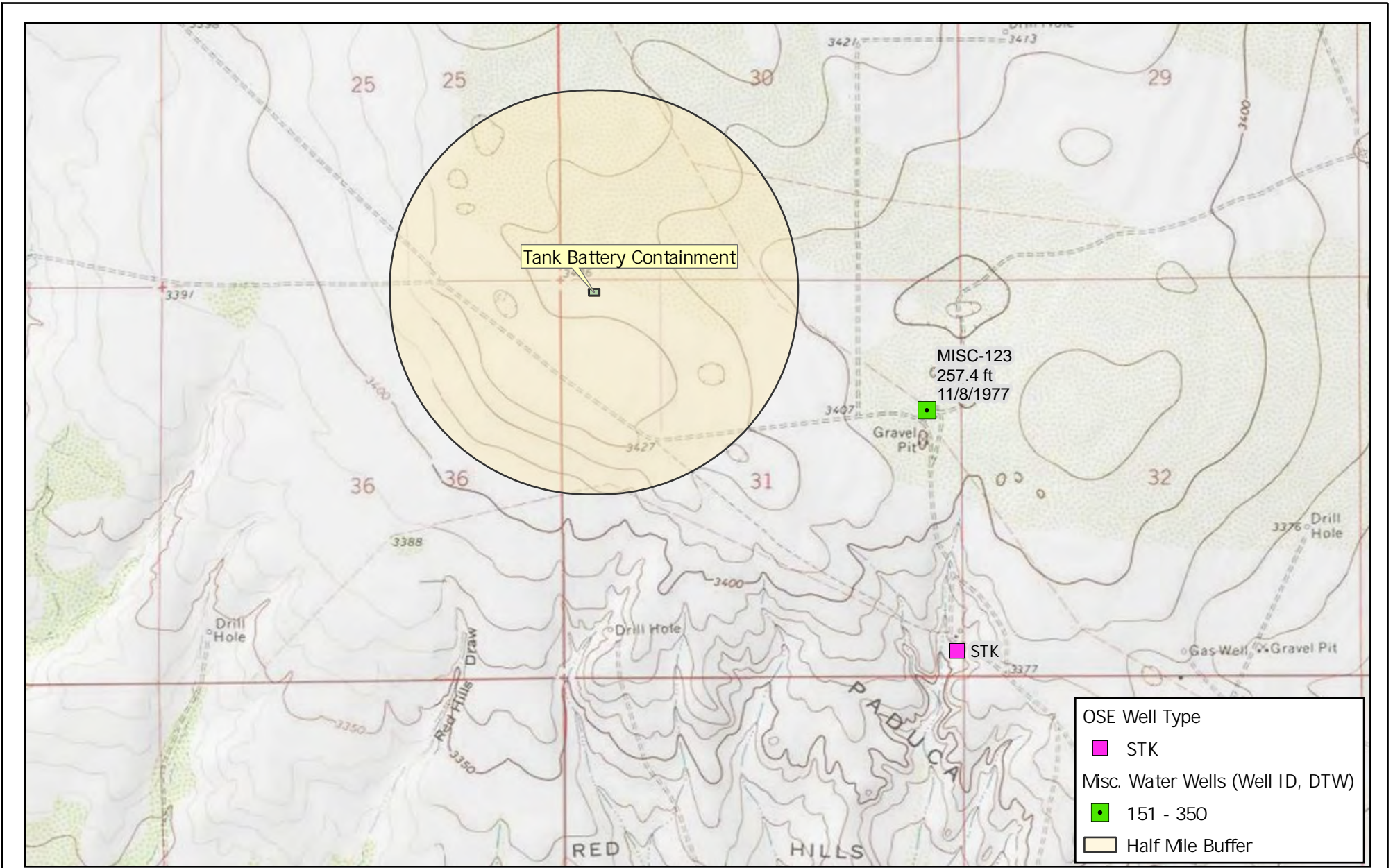


	Map Center: Lat/Long: 32.09224°N, 103.616892°W		DTW Red Hills Pad 5	PLATE: 2	Kaiser-Francis Oil Company
	Date: May 06/26 NAD 1983 StatePlane New Mexico East FIPS 3001 Feet				

Geospatial data presented in this figure may be derived from external sources and Vertex does not assume any liability for inaccuracies. This figure is intended for reference use only and is not certified for legal, survey, or engineering purposes.

Note: Georeferenced image from Esri, 2025. Site features from GPS, Vertex, 2025.

VERSATILITY. EXPERTISE.



Map Center:
 Lat/Long: 32.088361°N, 103.614033°W
 Date: May 05/26
 NAD 1983 StatePlane New Mexico East FIPS 3001 Feet



Wellhead Protect on
 Red Hills Pad 5

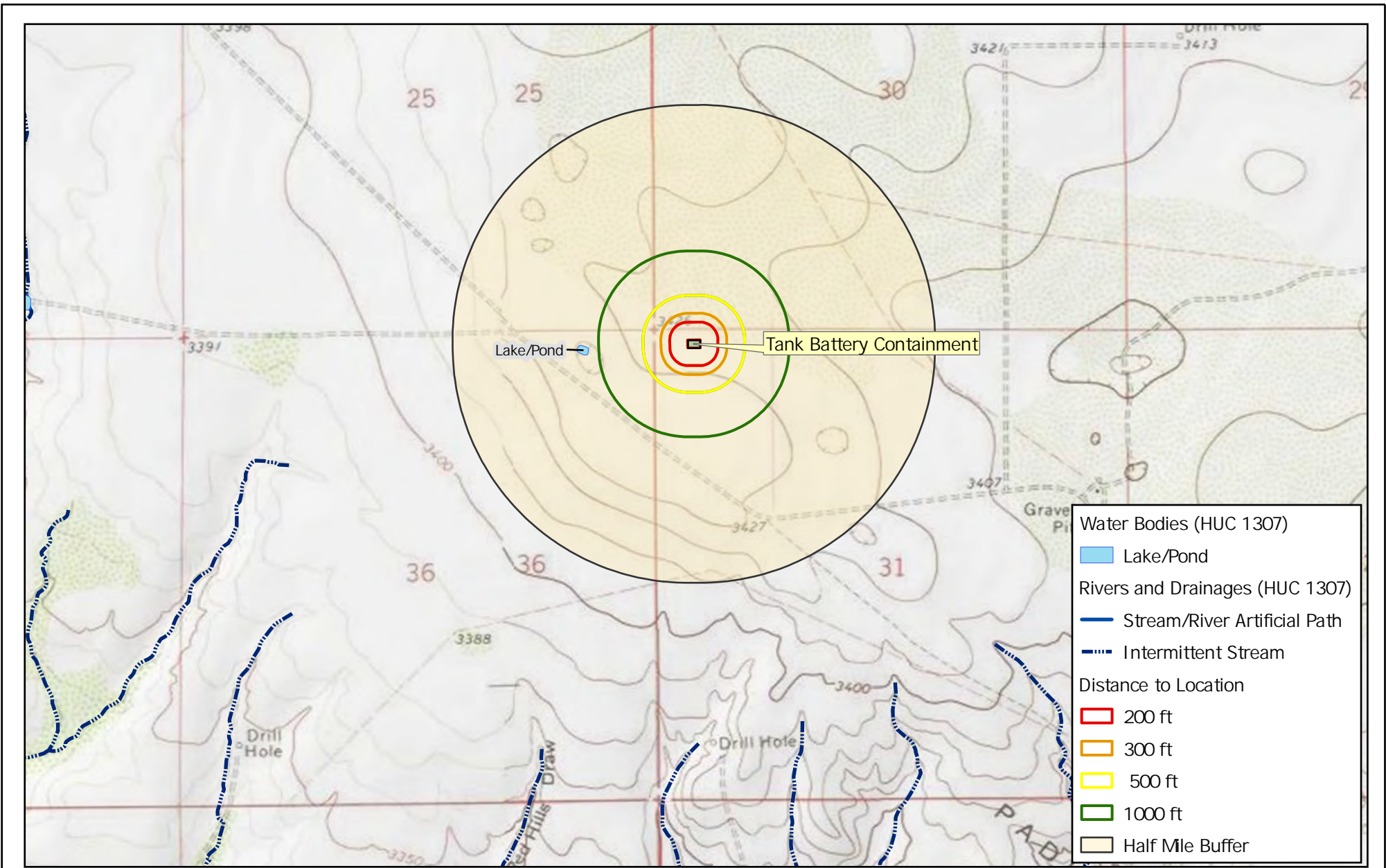
PLATE:
 3

Kaiser-Francis Oil Company


Geospatial data presented in this figure may be derived from external sources and Vertex does not assume any liability for inaccuracies. This figure is intended for reference use only and is not certified for legal, survey, or engineering purposes.

Note: Georeferenced image from Esri, 2025. Site features from GPS, Vertex, 2025.

VERSATILITY. EXPERTISE.




 Map Center: Lat/Long: 32.090816°N, 103.618372°W
 Date: May 06/26
 Scale: 0 to 2,000 feet
 NAD 1983 StatePlane New Mexico East FIPS 3001 Feet

 Significant Watercourses
 Red Hills Pad 5
 PLATE: 4


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WELL RECORD & LOG

OFFICE OF THE STATE ENGINEER

www.ose.state.nm.us

OSE 07 JUN 21 2021 #10113

1. GENERAL AND WELL LOCATION	OSE POD NO. (WELL NO.) C-4537 POD1		WELL TAG ID NO. 20E6C		OSE FILE NO(S). C-4537	
	WELL OWNER NAME(S) BASIN PROPERTIES RANCHES LLC				PHONE (OPTIONAL)	
	WELL OWNER MAILING ADDRESS 3300 N A STREET, BLDG 1, STE 220				CITY MIDLAND	STATE TX
					ZIP 79705	
WELL LOCATION (FROM GPS)		DEGREES LATITUDE 32	MINUTES 04	SECONDS 50.8	* ACCURACY REQUIRED: ONE TENTH OF A SECOND	
		LONGITUDE 103	36	10.7	* DATUM REQUIRED: WGS 84	
DESCRIPTION RELATING WELL LOCATION TO STREET ADDRESS AND COMMON LANDMARKS - PLSS (SECTION, TOWNSHIP, RANGE) WHERE AVAILABLE						

2. DRILLING & CASING INFORMATION	LICENSE NO. WD1706		NAME OF LICENSED DRILLER Bryce Wallace			NAME OF WELL DRILLING COMPANY Elite Drillers Corporation		
	DRILLING STARTED 06/11/21		DRILLING ENDED 06/12/21	DEPTH OF COMPLETED WELL (FT) 500		BORE HOLE DEPTH (FT) 500	DEPTH WATER FIRST ENCOUNTERED (FT) 280	
	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) 280		
	DRILLING FLUID: <input checked="" type="checkbox"/> AIR <input type="checkbox"/> MUD ADDITIVES - SPECIFY:							
	DRILLING METHOD: <input checked="" type="checkbox"/> ROTARY <input type="checkbox"/> HAMMER <input type="checkbox"/> CABLE TOOL <input type="checkbox"/> OTHER - SPECIFY:							
	DEPTH (feet bgl)		BORE HOLE DIAM (inches)	CASING MATERIAL AND/OR GRADE (include each casing string, and note sections of screen)	CASING CONNECTION TYPE (add coupling diameter)	CASING INSIDE DIAM. (inches)	CASING WALL THICKNESS (inches)	SLOT SIZE (inches)
	FROM	TO						
	0	20	12 3/4	STEEL	N/A	8.28	.337	
	0	300	7 7/8	SDR17 PVC	SPLINE	4.3	SDR17	
	300	500	7 7/8	SDR17 PVC	SPLINE	4.3	SDR17	.032

3. ANNULAR MATERIAL	DEPTH (feet bgl)		BORE HOLE DIAM. (inches)	LIST ANNULAR SEAL MATERIAL AND GRAVEL PACK SIZE-RANGE BY INTERVAL	AMOUNT (cubic feet)	METHOD OF PLACEMENT
	FROM	TO				
	0	20	12 3/4	CEMENT	10	TOP FILL
	0	20	7 7/8	CEMENT	6	TOP FILL
	300	500	7 7/8	8/16 SILICA SAND	46	TOP FILL

FOR OSE INTERNAL USE

WR-20 WELL RECORD & LOG (Version 06/30/17)

FILE NO.	C-4537	POD NO.		TRN NO.	CA5385
LOCATION	SHK	25S.33E.31.444	WELL TAG ID NO.	20E6C	PAGE 1 OF 2

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Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
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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 582106

QUESTIONS

Operator: KAISER-FRANCIS OIL CO PO Box 21468 Tulsa, OK 741211468	OGRID: 12361
	Action Number: 582106
	Action Type: [C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2606351801
Incident Name	NAPP2606351801 RED HILLS PAD 5 @ D-31-25S-33E
Incident Type	Oil Release
Incident Status	Remediation Closure Report Received

Location of Release Source	
<i>Please answer all the questions in this group.</i>	
Site Name	RED HILLS PAD 5
Date Release Discovered	03/03/2026
Surface Owner	Federal

Incident Details	
<i>Please answer all the questions in this group.</i>	
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	
<i>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.</i>	
Crude Oil Released (bbls) Details	Cause: Equipment Failure Production Tank Crude Oil Released: 23 BBL Recovered: 23 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 582106

QUESTIONS (continued)

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QUESTIONS

Nature and Volume of Release (continued)	
Is this a gas only submission (i.e. only significant Mcf values reported)	No, according to supplied volumes this does not appear to be a "gas only" report.
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	No
Reasons why this would be considered a submission for a notification of a major release	<i>Unavailable.</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.

Initial Response

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

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

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

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

I hereby agree and sign off to the above statement	Name: Hutton Andrew Email: huttona@kfoc.net Date: 05/07/2026
--	--

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QUESTIONS, Page 3

Action 582106

QUESTIONS (continued)

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	Action Number: 582106
	Action Type: [C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Site Characterization	
<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 100 and 500 (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
What is the minimum distance, between the closest lateral extents of the release and the following surface areas:	
A continuously flowing watercourse or any other significant watercourse	Between ½ and 1 (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 ½ and 1 (mi.)
Any other fresh water well or spring	Between ½ and 1 (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	Between ½ and 1 (mi.)
Categorize the risk of this well / site being in a karst geology	Medium
A 100-year floodplain	Greater than 5 (mi.)
Did the release impact areas not on an exploration, development, production, or storage site	No

Remediation Plan	
<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	03/04/2026
On what date will (or did) the final sampling or liner inspection occur	05/04/2026
On what date will (or was) the remediation complete(d)	05/03/2026
What is the estimated surface area (in square feet) that will be remediated	0
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 582106

QUESTIONS (continued)

Operator: KAISER-FRANCIS OIL CO PO Box 21468 Tulsa, OK 741211468	OGRID: 12361
	Action Number: 582106
	Action Type: [C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Remediation Plan (continued)

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.

This remediation will (or is expected to) utilize the following processes to remediate / reduce contaminants:

(Select all answers below that apply.)

Is (or was) there affected material present needing to be removed	Not answered.
Is (or was) there a power wash of the lined containment area (to be) performed	Yes
OTHER (Non-listed remedial process)	Yes
Other Non-listed Remedial Process. Please specify	Removed 23 barrels of free-fluid for proper off-site disposal.

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 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: Hutton Andrew Email: huttona@kfoc.net Date: 05/07/2026
--	--

The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.

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QUESTIONS, Page 6

Action 582106

QUESTIONS (continued)

Operator: KAISER-FRANCIS OIL CO PO Box 21468 Tulsa, OK 741211468	OGRID: 12361
	Action Number: 582106
	Action Type: [C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Liner Inspection Information	
Last liner inspection notification (C-141L) recorded	580141
Liner inspection date pursuant to Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC	05/04/2026
Was all the impacted materials removed from the liner	Yes
What was the liner inspection surface area in square feet	12221

Remediation Closure Request	
<i>Only answer the questions in this group if seeking remediation closure for this release because all remediation steps have been completed.</i>	
Requesting a remediation closure approval with this submission	Yes
Have the lateral and vertical extents of contamination been fully delineated	Yes
Was this release entirely contained within a lined containment area	Yes
What was the total surface area (in square feet) remediated	0
What was the total volume (cubic yards) remediated	0
Summarize any additional remediation activities not included by answers (above)	Release remained within lined containment that showed to have structural integrity.

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: Hutton Andrew Email: huttona@kfoc.net Date: 05/07/2026
--	--

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CONDITIONS

Action 582106

CONDITIONS

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	Action Number: 582106
	Action Type: [C-141] Remediation Closure Request C-141 (C-141-v-Closure)

CONDITIONS

Created By	Condition	Condition Date
michael.buchanan	Liner inspection and closure report approved.	5/14/2026