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 | NAB1904458067 |
|----------------|---------------|
| District RP | 2RP-5237 |
| Facility ID | fAB1833440915 |
| Application ID | pAB1904457657 |

Release Notification

Responsible Party

| | | | | • | | |
|--|--------------|---|--------------------------|---------------------------------------|------------------------------|--|
| Responsible Party Vanguard Operating, LLC O | | | OGRID : | ID 258350 | | |
| Contact Name Jason Fisher | | | Contact T | elephone 505-9 | 18-0523 | |
| Contact email jfisher@vnrenergy.com | | | Incident # | ‡ (assigned by OCD) | NAB1904458067 | |
| Contact mail 79762 | ing address | 4001 Penbrook Sι | ite 201 Odessa, T | ГХ | | |
| | | | Location | of Release S | Source | |
| Latitude 32.8 | 04490 | | (NAD 83 in de | Longitude ecimal degrees to 5 deci | -104.186193 imal places) | |
| Site Name Tigner State Battery Site Type 7 | | Tank Battery | | | | |
| Date Release Discovered 1-21-2019 | | API# Plea | API# Please see attached | | | |
| Unit Letter | Section | Township | Range | Cou | nty | |
| L | 28 | 17S | 28E | Eddy | | |
| Surface Owne | | Federal Ti | Nature an | d Volume of | | |
| Crude Oil | Materia | Volume Release | | n calculations or specifi | Volume Reco | volumes provided below) vered (bbls) 0 |
| Produced Water Volume Released (bbls) | | | Volume Reco | vered (bbls) | | |
| Is the concentration of dissolved chloride in produced water >10,000 mg/l? | | chloride in the | Yes No | | | |
| Condensa | ite | Volume Released (bbls) | | Volume Recovered (bbls) | | |
| Natural G | as | Volume Released (Mcf) 700 | | Volume Recovered (Mcf) 0 | | |
| Other (de | scribe) | e) Volume/Weight Released (provide units) | | Volume/Weig | ht Recovered (provide units) | |
| The gas purc | haser had an | l emergency shut o | lown to make rep | airs to their plant. | The gas was sent | to flare for 74 hours. |

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State of New Mexico Oil Conservation Division

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| Was this a major release as defined by 19.15.29.7(A) NMAC? Yes ⊠ No ** YES AB | If YES, for what reason(s) does the responsible party consider this a major release? **UNAUTHORIZED RELEASE OF GASES EXCEEDING 500 MCF. ################################### | | |
|---|---|--|--|
| If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? | | | |
| ** EMAIL TO AMALIA BUSTAMANTE, OCD DIST. II: 1/22/2019 FROM CHUCK JOHNSTON, JASON FISHER @ VANGUARD. "ALL BATTERIES ON FLARE 3PM. WILL INFORM ON WHEN EMERGENCY FLARE IS OVER. ### AB | | | |

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. ☐ The impacted area has been secured to protect human health and the environment. ☐ Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices. ☐ All free liquids and recoverable materials have been removed and managed appropriately. If all the actions described above have not been undertaken, explain why: | | | |
|--|---|--|--|
| Per 19.15.29.8 B. (4) NMAC the responsible party may commence r has begun, please attach a narrative of actions to date. If remedial within a lined containment area (see 19.15.29.11(A)(5)(a) 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. | | | |
| Printed Name:Chuck Johnston Signature:cjohnston@vnrenergy.com | Title:EHS Operations Specialist Date:1-31-2019 _ Telephone:432-202-4771 | | |
| OCD Only Received by: Mala Satamante | Date:2/13/2019 | | |

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State of New Mexico Oil Conservation Division

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Closure

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 (electronic submittals in .pdf format are preferred) 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.

| Closure Report Attachment Checklist: Each of the following it | tems must be included in the closure report. |
|--|---|
| ☐ A scaled site and sampling diagram as described in 19.15.29.1 | 1 NMAC N/A |
| Photographs of the remediated site prior to backfill or photos must be notified 2 days prior to liner inspection) | of the liner integrity if applicable (Note: appropriate OCD District office |
| ☐ Laboratory analyses of final sampling (Note: appropriate ODC | District office must be notified 2 days prior to final sampling) |
| ☐ Description of remediation activities | |
| | |
| and regulations all operators are required to report and/or file certain may endanger public health or the environment. The acceptance of | nediate contamination that pose a threat to groundwater, surface water, a C-141 report does not relieve the operator of responsibility for tions. The responsible party acknowledges they must substantially additions that existed prior to the release or their final land use in CD when reclamation and re-vegetation are complete. |
| Signature: | |
| email: cjohnston@vnrenergy.com | Telephone:432-202-4771 |
| OCD Only / | |
| Received by: Analas Intamante | Date: 02/13/2019 |
| | of liability should their operations have failed to adequately investigate and water, human health, or the environment nor does not relieve the responsible or regulations. |
| Closure Approved by: Amalan Intamante | Date: 02/13/2019 |
| Printed Name: Amalia Bustamante | Title: Business Operations Spec O |
| | |

| <u>API</u> | <u>Well Name</u> | <u>Well Number</u> |
|--------------|------------------|--------------------|
| 30-015-31387 | TIGNER STATE | #001 |
| 30-015-34994 | TIGNER STATE | #002 |
| 30-015-40067 | TIGNER STATE | #003 |
| 30-015-40086 | TIGNER STATE | #004 |