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

Responsible Party

Lucid Energy Delaware, LLC.

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 | NAB1927551697 |
|----------------|---------------|
| District RP | 2RP-5637 |
| Facility ID | fAB1922058078 |
| Application ID | pAB1927551443 |

Release Notification

OGRID 372422

RT37G-190906-C-1410

Responsible Party

| Contact Name Michael Gant | | | | Contact Telephone 575 748 4555 | | | |
|--|------------|----------------|----------------|--|---------------------------------|-------------------------|--|
| Contact email Mgant@lucid-energy.com | | | | Incident # (assigned by OCD) NAB1927551697 | | | |
| Contact mailing address 201 S. 4th St., Artesia, NM 88210 | | | | | | | |
| Location of Release Source | | | | | | | |
| Latitude 22.248184° Longitude -103.972488° (NAD 83 in decimal degrees to 5 decimal places) | | | | | | | |
| | | | (NAD 65 in dec | rimai ae | | | |
| Site Name J | | | | | Site Type Natural gas gathering | | |
| Date Release | Discovered | 9/5/2019 | | | API# (if applicable) | | |
| Unit Letter | Section | Township | Range | | County | | |
| F | 3 | 24S | 29E | | Eddy | | |
| Surface Owner: State Federal Tribal Private (Name: Bureau of Land Management Nature and Volume of Release Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below) Crude Oil Volume Released (bbls) Volume Recovered (bbls) | | | | | | | |
| Produced | Water | Volume Release | d (bbls) | | | Volume Recovered (bbls) | |
| Is the concentration of dissolved chloride produced water >10,000 mg/l? | | | in the | ☐ Yes ☐ No | | | |
| Condensate Volume Released (bbls) | | | | Volume Recovered (bbls) | | | |
| ☑ Natural Gas Volume Released (Mcf) 750 Mcf | | | | Volume Recovered (Mcf) | | | |
| Other (describe) Volume/Weight Released (provide units) | | | ı | Volume/Weight Recovered (provide units) | | | |
| Cause of Rel | ease | | | | | | |
| The release was caused by a rupture at a weld along the poly line. | | | | | | | |
| | | | | | | | |
| | | | | | | | |
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State of New Mexico Oil Conservation Division

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| Was this a major release as defined by | If YES, for what reason(s) does the respon | sible party consider this a major release? | | | | |
|--|--|---|--|--|--|--|
| 19.15.29.7(A) NMAC? | The total volume exceeded 500 Mc | : | | | | |
| ✓ Yes □ No | | | | | | |
| If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? Notice was not provided immediately due to unknown volume and this C141 was submitted as soon as total volume was determined. | | | | | | |
| Initial Response | | | | | | |
| The responsible p | party must undertake the following actions immediately | unless they could create a safety hazard that would result in injury | | | | |
| ✓ The source of the rele | ase has been stopped. | | | | | |
| ✓ The impacted area has | s been secured to protect human health and | the environment. | | | | |
| Released materials ha | we been contained via the use of berms or d | ikes, absorbent pads, or other containment devices. | | | | |
| All free liquids and re | ecoverable materials have been removed and | managed appropriately. | | | | |
| If all the actions described | l above have <u>not</u> been undertaken, explain v | /hy: | | | | |
| | | emediation immediately after discovery of a release. If remediation efforts have been successfully completed or if the release occurred | | | | |
| | | lease 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: Michael O | Gant | Title: Environmental Field Coordinator | | | | |
| Signature: MGant | - | Date: 9/6/2019 | | | | |
| email: mgant@lucid-en | ergy.com | Telephone:575 748 4555 | | | | |
| OCD Only | | | | | | |
| Received by: Amali | a Bustamante | Date: 10/02/2019 | | | | |