

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 NM Oil Conservation Div.  
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  
Dist. II - Artesia  
Received Submit to appropriate OCD District office  
10/05/2018

|                |               |
|----------------|---------------|
| Incident ID    | NAB1828442277 |
| District RP    | 2RP-5005      |
| Facility ID    |               |
| Application ID | pAB1828442520 |

## Release Notification

### Responsible Party

|                                                                  |                                            |
|------------------------------------------------------------------|--------------------------------------------|
| Responsible Party Vanguard Operating, LLC                        | OGRID 258350                               |
| Contact Name Jason Fisher                                        | Contact Telephone 505-918-0523             |
| Contact email jfisher@vnrenergy.com                              | Incident # (assigned by OCD) NAB1828442277 |
| Contact mailing address 4001 Penbrook Suite 201 Odessa, TX 79762 |                                            |

### Location of Release Source

Latitude 32.804490 Longitude -104.186193  
(NAD 83 in decimal degrees to 5 decimal places)

|                                   |                                         |
|-----------------------------------|-----------------------------------------|
| Site Name Tigner State Battery    | Site Type Tank Battery                  |
| Date Release Discovered 9-25-2018 | API# Please see attached (30-015-31387) |

| Unit Letter | Section | Township | Range | County |
|-------------|---------|----------|-------|--------|
| L           | 28      | 17S      | 28E   | 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) 0               |
| Produced Water                                  | Volume Released (bbls)                                                         | Volume Recovered (bbls)                 |
|                                                 | Is the concentration of dissolved chloride in the produced water >10,000 mg/l? | Yes <input type="checkbox"/> No         |
| <input type="checkbox"/> Condensate             | Volume Released (bbls)                                                         | Volume Recovered (bbls)                 |
| <input checked="" type="checkbox"/> Natural Gas | Volume Released (Mcf) 1213                                                     | Volume Recovered (Mcf) 0                |
| <input type="checkbox"/> Other (describe)       | Volume/Weight Released (provide units)                                         | Volume/Weight Recovered (provide units) |

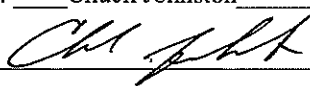
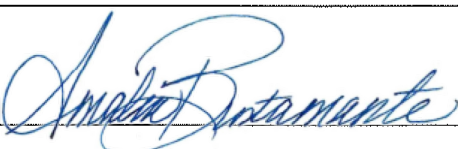
The gas purchaser requested a reduction in gas due to equipment issues in their plant. The site was put to flare and back to sales on 1—01-2018.

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|                                                                                                                                                                                                                                      |                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Was this a major release as defined by 19.15.29.7(A) NMAC?<br><br>X Yes <input type="checkbox"/> No                                                                                                                                  | If YES, for what reason(s) does the responsible party consider this a major release?<br>Greater than 500 mcf. |
| If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?<br>Yes by Chuck Johnston to Mike Bratcher, Marie Pruett, Jim Griswold and Amalia Bustamante by email 9-28-2018 1:08 pm. |                                                                                                               |

### 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.<br><input type="checkbox"/> The impacted area has been secured to protect human health and the environment.<br><input type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.<br><input 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:<br><br><br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                         |
| 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>Chuck Johnston</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Title: <u>EHS Operations Specialist</u> |
| Signature: <u></u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Date: <u>10-4-2018</u>                  |
| email: <u>cjohnston@vnrenergy.com</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Telephone: <u>432-202-4771</u>          |
| <b><u>OCD Only</u></b><br>Received by: <u></u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                         |
| Date: <u>10/11/2018</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                         |

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## Closure

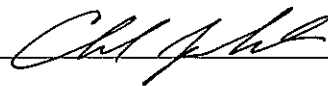
The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled 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 items must be included in the closure report.*

- ☐ A scaled site and sampling diagram as described in 19.15.29.11 NMAC
- ☐ Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)
- ☐ Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling)
- ☐ Description of remediation activities

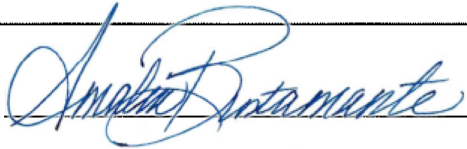
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public 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.

Printed Name: Chuck Johnston Title: EHS Specialist

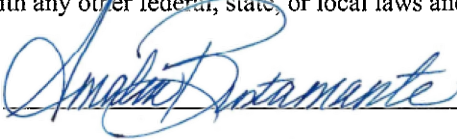
Signature:  Date: 10-4-2018

email: cjohnston@vnrenergy.com Telephone: 432-202-4771

### OCD Only

Received by:  Date: 10/11/2018

Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.

Closure Approved by:  Date: 10/11/2018

Printed Name: Amalia Bustamante Title: Business Operations Spec. - O

| <u><i>API</i></u> | <u><i>Well Name</i></u> | <u><i>Well Number</i></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                      |