

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	NAPP2206028617
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party: Franklin Mountain Energy, LLC	OGRID: 373910
Contact Name: Craig Walters	Contact Telephone: 720-414-7868
Contact email: cwalters@fmellc.com	Incident # (assigned by OCD): nAPP2206028617
Contact mailing address: 44 Cook Street, Suite 1000, Denver, CO 80206	

Location of Release Source

Latitude 32.1093 Longitude -103.315017
(NAD 83 in decimal degrees to 5 decimal places)

Site Name: LOE East Pad; ZIA FED COM 706H	Site Type: Well Pad
Date Release Discovered: February 28, 2022	API# 30-025-48583

Unit Letter	Section	Township	Range	County
P	24	25S	35E	Lea

Surface Owner: ☐ State ☐ Federal ☐ Tribal ☒ Private (Name: NGL South Ranch)

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)
<input type="checkbox"/> Produced Water	Volume Released (bbls)	Volume Recovered (bbls)
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Condensate	Volume Released (bbls)	Volume Recovered (bbls)
<input type="checkbox"/> Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
<input checked="" type="checkbox"/> Other (describe)	Volume/Weight Released (provide units) 24BBL	Volume/Weight Recovered (provide units) 19BBL

Cause of Release: Human error. Open ended diesel hose was left running and overfilled shaker tank.

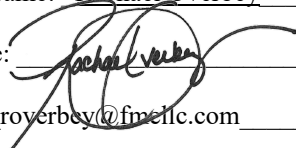
Oil Conservation Division

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Was this a major release as defined by 19.15.29.7(A) NMAC? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, for what reason(s) does the responsible party consider this a major release?
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?	

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.	
<input checked="" type="checkbox"/> The impacted area has been secured to protect human health and the environment.	
<input checked="" type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.	
<input checked="" 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:	
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: Rachael Overbey	Title: Dir. Ops Planning & Regulatory
Signature: 	Date: 3/8/2022
email: roverbey@fmelc.com	Telephone: 303-570-4057
<u>OCD Only</u>	
Received by: Jocelyn Harimon	Date: 03/14/2022

Date 2/28/22 8:45 AM

Location: LOE East pad, Zia Fed Com 706H

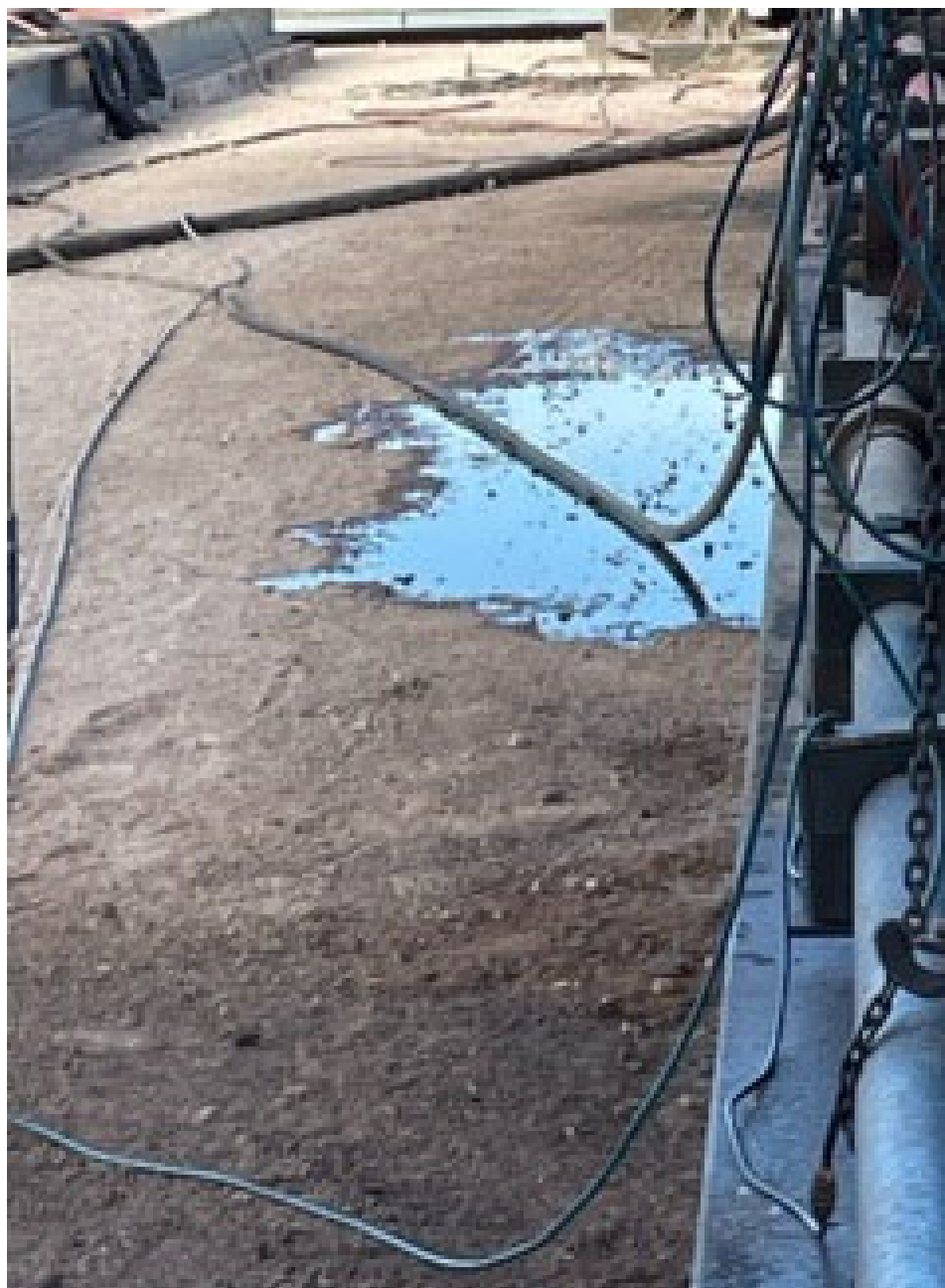
Incident: Diesel hose overfilled dryer shaker bin resulting in an estimated 24 bbl diesel spill.

Description: H&P 518 had just finished up a safety meeting on running 5.5" production casing. After meeting I went down to the ground to explain and show motor hand what marker joints to pick up, as I was walking back up to rig floor, I noticed fluid coming out from under the water tank and immediately told derrick hand to go check his pits. As I witnessed float shoe being made up driller called me in doghouse and said derrickhand found a diesel hose running that had over filled the dryer shaker bin. I immediately went to shakers and noticed the fluid had made its way under the 3-sided tank to open tops and out past the gas buster. I then met with the solids control EE and asked him how this had happened at which he did not know. At 8:52 am I called drilling engineer Jason Townsend and let him know we had spill. I gathered up toolpusher and all available hands and set forth a plan to begin sucking up diesel to stop it from spreading any further and going into ground any deeper. Once plan to contain it was in place and I had an idea on the amount of the spill I contacted both the drilling engineer Jason & FME HSE Kent and let him know about the spill, Jason informed me he would call Clay.

Root Cause: Valve on an open-ended diesel hose was left on.

Remediation: Got rig vac and started sucking diesel off ground while other EE squeegeed diesel to vac. Once the suckable fluid was sucked up the contaminated dirt was scraped up and put in 3-sided cuttings bin. The remainder fluid and contaminated dirt under rig equipment will be remediated once drilling rig is off location. An estimated 19 bbls of the 24 bbls was recovered and put in the OBM active system.



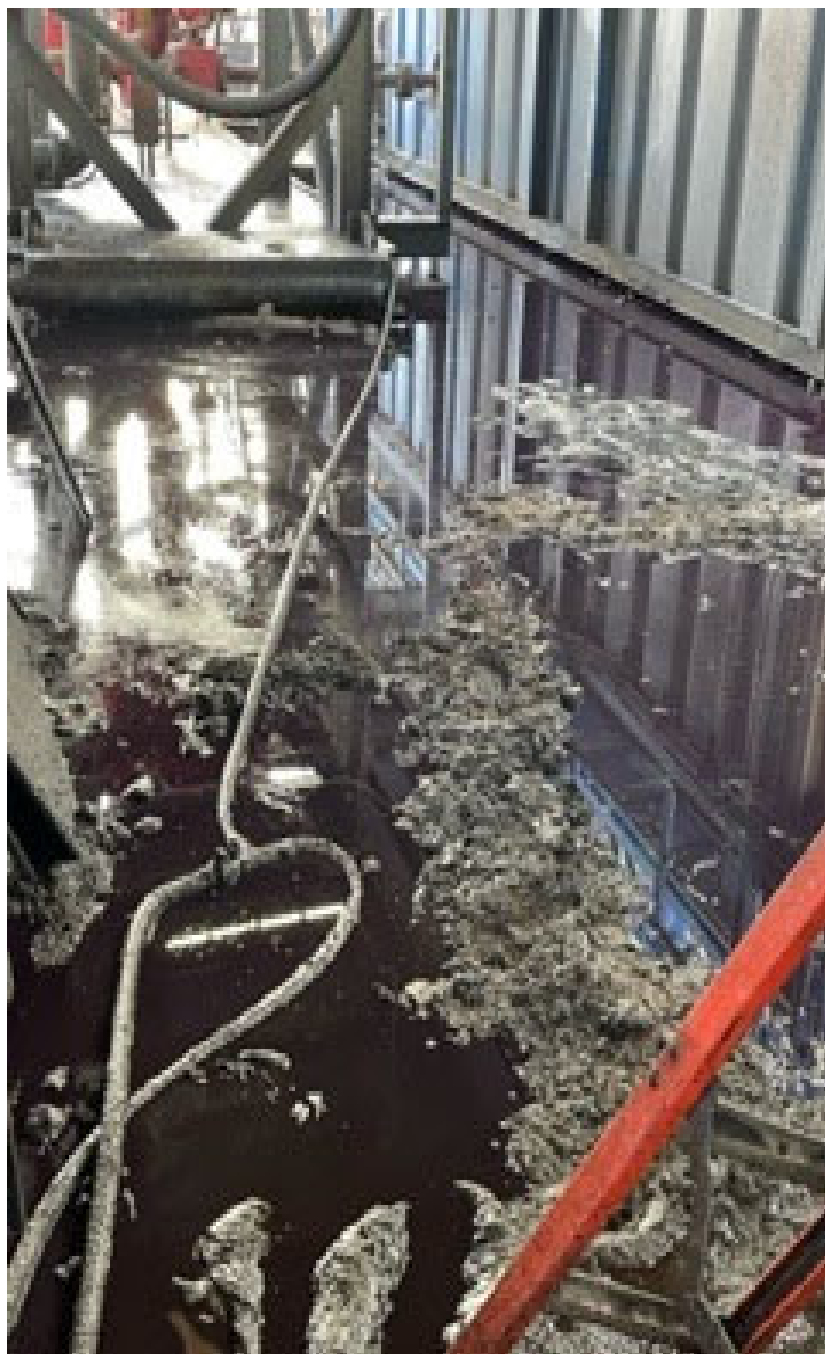




NAPP2206028617







Rachael Overbey

From: Jason Townsend
Sent: Friday, March 11, 2022 10:02 AM
To: Rachael Overbey
Cc: Vlad Roudakov
Subject: Volume Estimate - Zia Fed Com 706H Diesel Spill

Good morning Rachael,

The spill was noticed at 08:45 central time. At that time, there had been zero diesel usage from the mud diesel tank since the last report other than the unmanned 1" hose that was the cause of the spill. The sight glass on the mud diesel indicated that we were 54bbls lower in the tank than the previous reading from the night before. The tank that the hose was running into was a 30bbl tank. That leaves 24bbls unaccounted for and therefore on the ground. When we performed cleanup, we discharged our recovery fluid across the shakers. We gained 19bbls in pit volume from this discharge throughout the process. These numbers allowed us to estimate 5bbls remaining on the ground.

Regards,
Jason Townsend
Drilling Engineer
Franklin Mountain Energy
44 Cook Street, Suite 1000
Denver, CO 80206
Cell: 601.307.3138

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
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Santa Fe, NM 87505

CONDITIONS

Action 89476

CONDITIONS

Operator: Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206	OGRID: 373910
	Action Number: 89476
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
jharimon	None	3/14/2022