

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 | nAPP2211937856 |
| District RP | |
| Facility ID | |
| Application ID | |

Release Notification

Responsible Party

| | |
|---|---|
| Responsible Party AMERICO ENERGY RESOURCES LLC | OGRID 228051 |
| Contact Name Mehdi Sadeghi | Contact Telephone 713-984-9700 |
| Contact email mehdi.sadeghi@americoenergy.com | Incident # (assigned by OCD) nAPP2211937856 |
| Contact mailing address 7575 San Felipe Houston, TX 77063 | |

Location of Release Source

Latitude 32.565412 _____ Longitude -104.489025 _____
(NAD 83 in decimal degrees to 5 decimal places)

| | |
|---|-----------------------------------|
| Site Name STILETTO 21 FEDERAL COM #003H | Site Type |
| Date Release Discovered 4/21/2022 | API# (if applicable) 30-015-39138 |

| Unit Letter | Section | Township | Range | County |
|-------------|---------|----------|-------|--------|
| B | 21 | 20S | 25E | 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) |
| <input checked="" type="checkbox"/> Produced Water | Volume Released (bbls) 111 | Volume Recovered (bbls) 0 |
| | Is the concentration of dissolved chloride in the produced water >10,000 mg/l? | <input checked="" 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 type="checkbox"/> Other (describe) | Volume/Weight Released (provide units) | Volume/Weight Recovered (provide units) |

Cause of Release

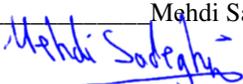
Leak in pipeline

| | |
|----------------|----------------|
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| | |
|---|--|
| Was this a major release as defined by 19.15.29.7(A) NMAC? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | If YES, for what reason(s) does the responsible party consider this a major release? It is 100 bbls of produced water |
| If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? Yes. By Mehdi Sadeghi to OCD.Enviro@state.nm.us; mike.bratcher@state.nm.us . By Email | |

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 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: <u>Mehdi Sadeghi</u> Title: <u>Petroleum Engineer</u> Signature: <u></u> Date: <u>5/4/2022</u> email: <u>mehdi.sadeghi@americoenergy.com</u> Telephone: <u>713-984-9700</u> |
| <u>OCD Only</u> Received by: <u>Jocelyn Harimon</u> Date: <u>05/05/2022</u> |

The Water volume estimated from averaging the water production per day vs disposal volume:

| Date | Gas | Oil | Produced Water Bbls | Total Disposed Water |
|--------------|------------|------------|--------------------------------|-----------------------------|
| 4/19/2022 | 519 | 65 | 414 | 311 |
| 4/20/2022 | 500 | 54 | 347 | 310 |
| 4/21/2022 | 532 | 67 | 387 | 416 |
| Total | | | 1148 | 1037 |

The difference between the water that we Produced Vs the Volume that we Disposed is 111 bbls.

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

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 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
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 104223

CONDITIONS

| | |
|---|---|
| Operator: AMERICO ENERGY RESOURCES LLC 7575 San Felipe Houston, TX 77063 | OGRID: 228051 |
| | Action Number: 104223 |
| | Action Type: [C-141] Release Corrective Action (C-141) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| jharimon | None | 5/5/2022 |