





XRI Holdings LLC
15 Smith Dr., Ste 5000,
Midland, Texas
79705
432-218-2810

Spill Report Category C (Reportable Release)

Information	
Spill-20260518-01 - Rice Line NM	
HSE	
Tuesday, May 19th 2026, 9:16 AM (CDT -05:00)	
Label	
Spill-YearMonthDay-01 Name of Location (ex. Spill-20250909-01 Location)	Spill-20260518-01 - Rice Line NM
General Information	
Time of Incident:	12:50 PM
Who Reported Spill:	Carlos Correa
Division:	NM NPW
Yes <input checked="" type="radio"/> No <input type="radio"/> NA <input type="radio"/> Any Injures? If yes, explain	
Regulatory	
Yes <input checked="" type="radio"/> No <input type="radio"/> NA <input type="radio"/> Regulatory Notified:	
RRC Number:	No Response
RRC District:	No Response
Facility/Location Information	
Facility Number (Closest SWD) :	No SWD in NM
Facility Name:	No SWD in NM
County:	Eddy
GPS Coordinates from Solocator	32.426185, -103.220369
 	
Release Information	

Yes No NA Produced Water:

Yes No NA Flowline (Layflat):



Yes No NA Gathering Line (Tee or Riser):

Yes No NA Tank Battery

Yes No NA Inside Containment? (Non-Sensitive Area) If no, explain:

Estimated barrels released: = Approximately 1,500 bbls

Barrels recovered: = 0

Barrels lost: = Approximately 1,500 bbls

What was the cause of the spill: = Aged Layflat

Yes No NA First occurrence? If no, explain:

Remediation? If yes, explain = Nata from QRT team is onsite building a berm to contain contained soil

Description of Release

Description:

☰ Rice shut in and the water got directed to the the Rice layflat causing the line to fail and releasing produced water



Ariel view of the release





Dimensions of the Spill:

≡ 8,626 ft



Actions/Recovery Actions

Describe clean-up actions:

≡ QRT building berms around contaminated to contain

Who was dispatched to conduct the clean-up:

≡ QRT

Yes No NA Is clean-up complete? If no, give an estimated date

Notifications

Yes No NA Landowner notified?

Date notified

📅 May 19, 2026

Landowner name:

≡ No Response

Yes No NA Manager notified?

Time notified:

🕒 12:50 PM

Witness Information; If Applicable

Event Timeline

Close Out Report

Final Comments

Original

Andie Landis, COR - HSE Field Supervisor

📅 May 19th 2026, 9:16 AM (CDT -05:00)

📍 32.4260505, -103.2204459

Revised on May 20th 2026, 1:31 PM (CDT -05:00)

Current View

Andie Landis, COR - HSE Field Supervisor



May 20th 2026, 1:31 PM (CDT -05:00)

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 592189

QUESTIONS

Operator: XRI DISPOSAL HOLDINGS, LLC 15 SMITH RD STE 5000 STE 5000 MIDLAND, TX 79705	OGRID: 334269
	Action Number: 592189
	Action Type: [C-141] Initial C-141 (C-141-v-Initial)

QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2615552348
Incident Name	NAPP2615552348 RICE LINE - BLM 1 @ C-01-22S-36E
Incident Type	Produced Water Release
Incident Status	Initial C-141 Received

Location of Release Source	
<i>Please answer all the questions in this group.</i>	
Site Name	RICE Line - BLM 1
Date Release Discovered	05/18/2026
Surface Owner	Federal

Incident Details	
<i>Please answer all the questions in this group.</i>	
Incident Type	Produced Water Release
Did this release result in a fire or is the result of a fire	No
Did this release result in any injuries	No
Has this release reached or does it have a reasonable probability of reaching a watercourse	Yes
Has this release endangered or does it have a reasonable probability of endangering public health	No
Has this release substantially damaged or will it substantially damage property or the environment	No
Is this release of a volume that is or may with reasonable probability be detrimental to fresh water	No

Nature and Volume of Release	
<i>Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.</i>	
Crude Oil Released (bbls) Details	Not answered.
Produced Water Released (bbls) Details	Cause: Equipment Failure Flow Line - Injection Produced Water Released: 1,500 BBL Recovered: 0 BBL Lost: 1,500 BBL.
Is the concentration of chloride in the produced water >10,000 mg/l	Yes
Condensate Released (bbls) Details	Not answered.
Natural Gas Vented (Mcf) Details	Not answered.
Natural Gas Flared (Mcf) Details	Not answered.
Other Released Details	Not answered.
Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)	Lay Flat had a pin hole leak which resulted in a failure - put berms around to contain spill

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QUESTIONS, Page 2

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QUESTIONS (continued)

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Nature and Volume of Release (continued)	
Is this a gas only submission (i.e. only significant Mcf values reported)	No, according to supplied volumes this does not appear to be a "gas only" report.
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	Yes
Reasons why this would be considered a submission for a notification of a major release	From paragraph A. "Major release" determine using: (1) an unauthorized release of a volume, excluding gases, of 25 barrels or more; (2) an unauthorized release of a volume that: (b) may with reasonable probability reach a watercourse.
<i>With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e. gas only) are to be submitted on the C-129 form.</i>	

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	True
The impacted area has been secured to protect human health and the environment	True
Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices	True
All free liquids and recoverable materials have been removed and managed appropriately	True
If all the actions described above have not been undertaken, explain why	<i>Not answered.</i>

Per Paragraph (4) of Subsection B of 19.15.29.8 NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please prepare and attach a narrative of actions to date in the follow-up C-141 submission. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC), please prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.

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.

I hereby agree and sign off to the above statement	Name: Janet Reinhardt Email: janet.reinhardt@xriwater.com Date: 06/04/2026
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QUESTIONS (continued)

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QUESTIONS

Site Characterization
Please answer all the questions in this group (only required when seeking remediation plan approval and beyond). This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

What is the shallowest depth to groundwater beneath the area affected by the release in feet below ground surface (ft bgs)	Not answered.
What method was used to determine the depth to ground water	Not answered.
Did this release impact groundwater or surface water	Not answered.
What is the minimum distance, between the closest lateral extents of the release and the following surface areas:	
A continuously flowing watercourse or any other significant watercourse	Not answered.
Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)	Not answered.
An occupied permanent residence, school, hospital, institution, or church	Not answered.
A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes	Not answered.
Any other fresh water well or spring	Not answered.
Incorporated municipal boundaries or a defined municipal fresh water well field	Not answered.
A wetland	Not answered.
A subsurface mine	Not answered.
An (non-karst) unstable area	Not answered.
Categorize the risk of this well / site being in a karst geology	Not answered.
A 100-year floodplain	Not answered.
Did the release impact areas not on an exploration, development, production, or storage site	Not answered.

Remediation Plan
Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

Requesting a remediation plan approval with this submission	No
<i>The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.</i>	

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CONDITIONS

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CONDITIONS

Created By	Condition	Condition Date
michael.buchanan	Initial C141 is approved. A remediation work plan, site characterization plan or remediation closure is due to the OCD no later than 90-days after the date of discovery, not to exceed 08/19/2026.	6/5/2026