

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

NM OIL CONSERVATION
ARTESIA DISTRICT

Feb 10, 2017
RECEIVED
Form C-141
Revised August 8, 2011
Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

NAB1708931596
NAB1704368889

OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input type="checkbox"/> Final Report
Name of Company Matador Resources Company <i>228437</i>		Contact Catherine Green	
Address 500 N Main St Ste One Roswell NM 88201		Telephone No. 575-623-6601	
Facility Name Paul 25 24S 28E RB #221H		Facility Type Oil	
Surface Owner Fee		Mineral Owner Fee	API No. 30-015-43018

LOCATION OF RELEASE

Unit Letter D	Section 25	Township 24S	Range 28E	Feet from the 359	North/South Line N	Feet from the 217	East/West Line W	County Eddy
------------------	---------------	-----------------	--------------	----------------------	-----------------------	----------------------	---------------------	----------------

Latitude 32.194817 Longitude -104.0487226

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release ~100BBLs	Volume Recovered 80BBLs
Source of Release pipeline	Date and Hour of Occurrence Feb 3, 2017 7am	Date and Hour of Discovery Feb 3, 2017 7:30am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Crystal Weaver, voicemail	
By Whom? Catherine Green	Date and Hour Feb. 3 2017 12:07pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Water recycling facility at Tiger was on Emergency Shut Down. Lease operator went to Paul location that sends water to Tiger. Found that separator Shut Down Valve had failed to close. Lease operator drove right of way to Tiger and found produced water on ground at (~32°11'52", 104°2'55".179999). Well shut in to isolate line, vacuum truck called. Excavator dug down at spill sight, located pipe with hole in it. Crew replaced section of pipe. Excavated area currently fenced off. Vacuum truck removed 80 barrels of produced water. Replaced Shut Down Valve on separator.

Describe Area Affected and Cleanup Action Taken.*

Approximately 1,165 square yards of surface impacted. ~~Remove and replace impacted soil.~~

per conversation with operator this sentence has been revised.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD 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 NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD 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.

OIL CONSERVATION DIVISION	
Signature: <i>Catherine Green</i>	Approved by Environmental Specialist <i>Crystal Weaver</i>
Printed Name: Catherine Green	Approval Date: <i>2/13/17</i> Expiration Date: <i>N/A</i>
Title: Regulatory Analyst	Conditions of Approval: <i>COA's attached</i> Attached <input checked="" type="checkbox"/>
E-mail Address: cgreen@matadorresources.com	
Date: Feb 6, 2017 Phone: 575-627-2453	

* Attach Additional Sheets If Necessary

2RP-4113

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

NM OIL CONSERVATION

ARTESIA DISTRICT

Form C-141
Revised August 8, 2011

Submit Copy to appropriate District Office in accordance with 19.15.29 NMAC.

FEB 06 2017

RECEIVED

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Matador Resources Company	Contact Catherine Green	
Address 500 N Main St Ste One Roswell NM 88201	Telephone No. 575-623-6601	
Facility Name Paul 25 24S 28E RB #221H	Facility Type Oil	
Surface Owner Fee	Mineral Owner Fee	API No. 30-015-43018

LOCATION OF RELEASE

Unit Letter D	Section 25	Township 24S	Range 28E	Feet from the 339	North/South Line N	Feet from the 217	East/West Line W	County Eddy
---------------	------------	--------------	-----------	-------------------	--------------------	-------------------	------------------	-------------

Latitude 32.194817

Longitude -104.0487226

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release ~100BBLs	Volume Recovered 80BBLs
Source of Release pipeline	Date and Hour of Occurrence Feb 3, 2017 7am	Date and Hour of Discovery Feb 3, 2017 7:30am
Was Immediate Notice Given? Required <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not	If YES, To Whom? Crystal Weaver, voicemail	
By Whom? Catherine Green	Date and Hour Feb. 3 2017 12:07pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Water recycling facility at Tiger was on Emergency Shut Down. Lease operator went to Paul location that sends water to Tiger. Found that separator Shut Down Valve had failed to close. Lease operator drove right of way to Tiger and found produced water on ground at (~32°11'52", 104°2'55".179999). Well shut in to isolate line, vacuum truck called. Excavator dug down at spill sight, located pipe with hole 1 in. Crew replaced section of pipe. Excavated area currently fenced off. Vacuum truck removed 80 barrels of produced water. Replaced Shut Down Valve on separator.

Describe Area Affected and Cleanup Action Taken.*

Approximately 1,165 square yards of surface impacted. Remove and replace impacted soil.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD 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 NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD 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.

OIL CONSERVATION DIVISION

Signature: Catherine Green

Printed Name: Catherine Green

Title: Regulatory Analyst

E-mail Address: cgreen@matadorresources.com

Date: Feb 6, 2017

Phone: 575-627-2453

Approved by Environmental Specialist:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☒

* Attach Additional Sheets If Necessary

COAs attached +
delineation is required
before impact can be assessed

Operator/Responsible Party,

The OCD has received the form C-141 you provided on **2/6/17** regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number IRP-4113 has been assigned. **Please refer to this case number in all future correspondence.**

It is the Division's obligation under both the Oil & Gas Act and Water Quality Act to provide for the protection of public health and the environment. Our regulations (19.15.29.11 NMAC) state the following,

The responsible person shall complete division-approved corrective action for releases that endanger public health or the environment. The responsible person shall address releases in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with 19.15.30 NMAC. [emphasis added]

Release characterization is the first phase of corrective action unless the release is ongoing or is of limited volume and all impacts can be immediately addressed. Proper and cost-effective remediation typically cannot occur without adequate characterization of the impacts of any release. Furthermore, the Division has the ability to impose reasonable conditions upon the efforts it oversees. **As such, the Division is requiring a workplan for the characterization of impacts associated with this release be submitted to the OCD District II office in Artesia on or before 3/21/17. If and when the release characterization workplan is approved, there will be an associated deadline for submittal of the resultant investigation report. Modest extensions of time to these deadlines may be granted, but only with acceptable justification.**

The goals of a characterization effort are: 1) determination of the lateral and vertical extents along with the magnitude of soil contamination. 2) determine if groundwater or surface waters have been impacted. 3) If groundwater or surface waters have been impacted, what are the extents and magnitude of that impact. 4) The characterization of any other adverse impacts that may have occurred (examples: impacts on vegetation, impacts on wildlife, air quality, loss of use of property, etc.). To meet these goals as quickly as possible, the following items must, at a minimum, be addressed in the release characterization workplan and subsequent reporting:

- Horizontal delineation of soil impacts in each of the four cardinal compass directions. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. This is not an exclusive list of potential contaminants. Analyzed parameters should be modified based on the nature of the released substance(s). Soil sampling must be both within the impacted area and beyond.
- Vertical delineation of soil impacts. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. As above, this is not an exclusive list of potential contaminants and can be modified. Vertical characterization samples should be taken at depth intervals no greater than five feet apart. Lithologic description of encountered soils must also be provided. At least ten vertical feet of soils with contaminant concentrations at or below these values must be demonstrated as existing above the water table.
- Nominal detection limits for field and laboratory analyses must be provided.
- Composite sampling is not generally allowed.
- Field screening and assessment techniques are acceptable (headspace, titration, EC [include algorithm for validation purposes], EM, etc.), but the sampling and assay procedures must be clearly defined. Copies of field notes are highly desirable. A statistically significant set of split samples must be submitted for confirmatory laboratory analysis, including the laterally farthest and vertically deepest sets of soil samples. Make sure there are at least two soil samples submitted

for laboratory analysis from each borehole or test pit (highest observed contamination and deepest depth investigated). Copies of the actual laboratory results must be provided including chain of custody documentation.

- Probable depth to shallowest protectable groundwater and lateral distance to nearest surface water. If there is an estimate of groundwater depth, the information used to arrive at that estimate must be provided. If there is a reasonable assumption that the depth to protectable water is 50 feet or less, the responsible party should anticipate the need for at least one groundwater monitoring well to be installed in the area of likely maximum contamination.

- If groundwater contamination is encountered, an additional investigation workplan may be required to determine the extents of that contamination. Groundwater and/or surface water samples, if any, must be analyzed by a competent laboratory for volatile organic hydrocarbons (typically Method 8260 full list), total dissolved solids, pH, major anions and cations including chloride and sulfate, dissolved iron, and dissolved manganese. The investigation workplan must provide the groundwater sampling method(s) and sample handling protocols. To the fullest extent possible, aqueous analyses must be undertaken using nominal method detection limits. As with the soil analyses, copies of the actual laboratory results must be provided including chain of custody documentation.

- Accurately scaled and well-drafted site maps must be provided providing the location of borings, test pits, monitoring wells, potentially impacted areas, and significant surface features including roads and site infrastructure that might limit either the release characterization or remedial efforts. Field sketches may be included in subsequent reporting, but should not be considered stand-alone documentation of the site's layout. Digital photographic documentation of the location and fieldwork is recommended, especially if unusual circumstances are encountered.

Nothing herein should be interpreted to preclude emergency response actions or to imply immediate remediation by removal cannot proceed as warranted. Nonetheless, characterization of impacts and confirmation of the effectiveness of remedial efforts must still be provided to the OCD before any release incident will be closed.

Jim Griswold

OCD Environmental Bureau Chief

1220 South St. Francis Drive

Santa Fe, New Mexico 87505

505-476-3465

jim.griswold@state.nm.us

Weaver, Crystal, EMNRD

From: Catherine Green <CGreen@matadorresources.com>
Sent: Wednesday, February 8, 2017 2:17 PM
To: Weaver, Crystal, EMNRD
Subject: Re: C-14120110808 Paul Pipeline Incident Feb 3 2017

Crystal,

Sorry. The plan is to remove and replace impacted soil. It has not happened yet. We have stopped the leak, and replaced the section of pipe that was leaking.

We will wait for you to approve a work plan before we touch the soil.

Hopefully this is more clear.

Thanks,

Catherine Green
Regulatory Analyst
575-627-2453 –office
720-220-7482 - mobile
972-629-2153 –direct fax

On Feb 8, 2017, at 1:48 PM, Weaver, Crystal, EMNRD <Crystal.Weaver@state.nm.us> wrote:

Hello Catherine,

I have looked over your initial C-141 and noticed something I needed to clarify that was mentioned in the section titled "Describe Area Affected and Cleanup Action Taken" (I attached your initial C-141 with my markings on it for your reference). In that section you mentioned that your organization had found the leak in the pipeline and dug out what was presumed to be the impacted soil material and then replaced it with clean soil material. If that is misunderstood then I apologize in advance. However, unless a full delineation and sampling was already done, I must now after the fact, still request it be done. We are getting very specific directives from our superiors to move forward with things to be done in the order requested within the Conditions of Approval (COA's). Immediate response actions are not to be discouraged, but delineation is still required along with verification sampling.

Thank you very kindly madam,

Crystal Weaver
Environmental Specialist
OCD – Artesia District II
811 S. 1st Street
Artesia, NM 88210
Office: 575-748-1283 ext. 101

Cell: 575-840-5963

Fax: 575-748-9720

From: Catherine Green [mailto:CGreen@matadorresources.com]

Sent: Monday, February 6, 2017 1:38 PM

To: Weaver, Crystal, EMNRD <Crystal.Weaver@state.nm.us>; Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>

Subject: C-14120110808 Paul Pipeline Incident Feb 3 2017

Crystal or Mike,

Please find attached the C-141 for the Paul incident that occurred Friday, Feb. 3, 2017. I left Crystal a message concerning the issue. We will file a work plan.

Kind Regards,

Catherine Green

Regulatory Analyst

575-627-2453-Office

720-220-7482-Mobile

This transmission is strictly confidential. If you are not the intended recipient of this message, you may not disclose, print, copy or disseminate this information. If you have received this in error, please reply and notify the sender (only) and delete the message. Unauthorized interception of this e-mail is a violation of federal criminal law. This communication does not reflect an intention by the sender or the sender's client or principal to conduct a transaction or make any agreement by electronic means. Nothing contained in this message or in any attachment shall satisfy the requirements for a writing, and nothing contained herein shall constitute a contract or electronic signature under the Electronic Signatures in Global and National Commerce Act, any version of the Uniform Electronic Transactions Act or any other statute governing electronic transactions.

<Matador Paul 25 Initial C-141 comments.pdf>

Weaver, Crystal, EMNRD

From: Weaver, Crystal, EMNRD
Sent: Monday, February 6, 2017 3:30 PM
To: Catherine Green; Bratcher, Mike, EMNRD
Subject: RE: C-14120110808 Paul Pipeline Incident Feb 3 2017

Hello Madam,

Thank you Miss Catherine. I have been hopping and bopping around for the last few weeks, but I do want you to know that yes ma'am I got your voice message. Thank you for keeping us current on this one. I will get it back to you with the COA's along with it ASAP.

Sincerely,

Crystal Weaver
Environmental Specialist
OCD – Artesia District II
811 S. 1st Street
Artesia, NM 88210
Office: 575-748-1283 ext. 101
Cell: 575-840-5963
Fax: 575-748-9720

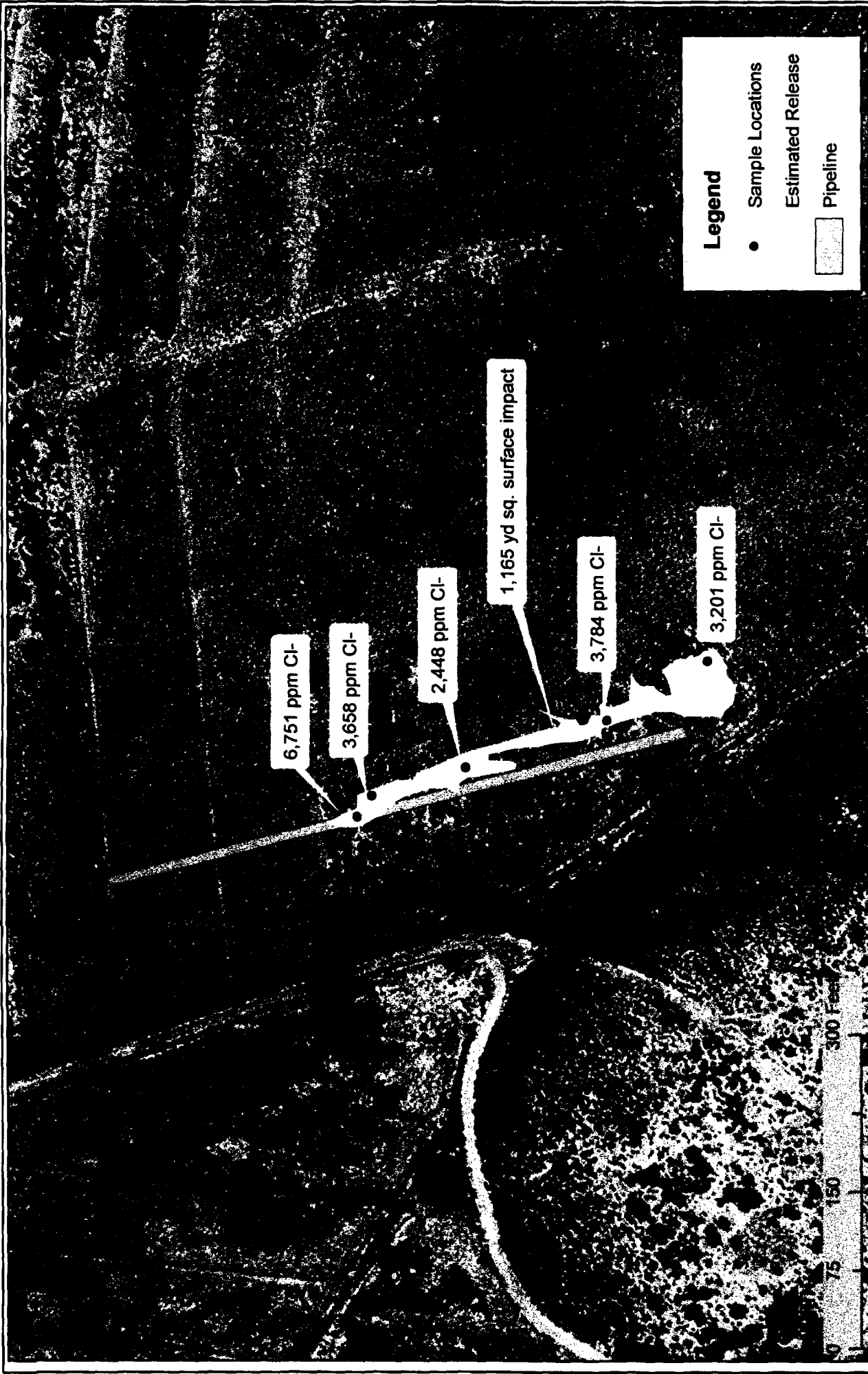
From: Catherine Green [mailto:CGreen@matadorresources.com]
Sent: Monday, February 6, 2017 1:38 PM
To: Weaver, Crystal, EMNRD <Crystal.Weaver@state.nm.us>; Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>
Subject: C-14120110808 Paul Pipeline Incident Feb 3 2017

Crystal or Mike,

Please find attached the C-141 for the Paul incident that occurred Friday, Feb. 3, 2017. I left Crystal a message concerning the issue. We will file a work plan.

Kind Regards,

Catherine Green
Regulatory Analyst
575-627-2453-Office
720-220-7482-Mobile



Legend

• Sample Locations

Estimated Release

Pipeline

Detailed Site and Sample Map
 Paul 25 24S 28E RB #221H- Matador Resources
 Malaja, New Mexico

Figure 2



201 South Halaguena Street
 Carlsbad, New Mexico 88221
 (575) 689-7040
 www.southernmiller.com
 Serving the Southwest & Rocky Mountains

Drawn _____
 Checked _____
 Approved _____
 Lucas Middleton

By: _____ Date: _____ Descr: _____
 By: _____ Date: _____ Descr: _____
 Copyright 2015 Souder, Miller & Associates - All Rights Reserved
 Date Saved: 2/9/2017