

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

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

fAB1701754450

Release Notification and Corrective Action

nAB1701754616

OPERATOR

Initial Report

X Final Report

Name of Company Lucid Energy Delaware	Contact Kerry Egan
Address 326 West Quay Artesia, NM 88210	Telephone No. 575 513-8988
Facility Name: Coyote Compressor Station	Facility Type: Compressor Station

Surface Owner: State of NM	Mineral Owner	API No.
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LOCATION OF RELEASE

Unit Letter	Section 9	Township 25S	Range 27E	Feet from the	North/South Line	Feet from the	East/West Line	County EDDY
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Latitude 32.150244 Longitude -104.197976

NATURE OF RELEASE

Type of Release: Natural gas condensate	Volume of Release: Unknown, suspected > 5 bbls	Volume Recovered: None
Source of Release: Buried dump line	Date and Hour of Occurrence: 1/4/17	Date and Hour of Discovery: 1/4/17 5:00PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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.*

A leak developed on the low-pressure dump line from Unit 250. This unit was replaced in December 2016 and it is possible that the line was damaged during this process that lead to the development of the leak.

Upon discovery of the leak, compressor unit was shut down to prevent further release. Using shovels and a hydro-vac truck, Lucid personnel identified the leaking line. Once identified, the line was replaced and put back into temporary service. Once the remediation work is completed the line will be replaced or repaired to be returned for permanent service.

Describe Area Affected and Cleanup Action Taken.*

The contamination appears to be localized to the North and east corners of the compressor skid. The contamination apparently followed the pipe ditch line for 15' to 18' to the north, and moved laterally up to 30' to the east. Lucid has begun to remove contaminated soil from this area and stockpiling it on plastic lining. At this point we plan to dispose of this contaminated soil and bring fresh pad material to backfill. The area of contamination is located around numerous pipes and in between two compressors. The station is located on the top of a small hill and was built on top of a layer of solid rock (the ditch line in which the pipe was laid had to be cut using rock saws) which has prevented the contamination from traveling deeper than 4-5' at the deepest points. There is no indication, at this time, that any contamination has migrated beyond Lucid's station boundaries.

Update 2/1/2017:

Remediation work has been completed at the location. All soil and material overlying the rock layer within the bounds of the affected area have been excavated and disposed of. Soil samples were collected from the sidewalls of the excavation, no floor samples were collected from the solid rock layer. All samples show the remaining contamination to be well below the RRAL for this location. No further remediation work is planned.

Lucid is requesting final closure of this release, and will backfill the excavation if the NMOCD District II office has no objections.

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.