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

NM OIL CONSERVATION State of New Mexico **Energy Minerals and Natural Resources**

Form C-141 Revised August 8, 2011

Submit 1 2015 appropriate District Office in accordance with 19.15.29 NMAC.

ARTESIA DISTRICT

Oil Conservation Division 1220 South St. Francis Dr.

1220 S. St. Francis Dr., Santa Fe, NM 87505 RECEIVED Santa Fe, NM 87505 **Release Notification and Corrective Action OPERATOR** X Initial Report Final Report Name of Company VanGuard National Resources, LLC 29784-3 ontact Dennis Howard Address 5847 San Felipe St. Ste.3000, Houston, TX 77057 Telephone No. 505-918-0293 Facility Name Aspen 32 State Com. No.1 transfer line release Mineral Owner State API No. 30-015-34148 Surface Owner State LOCATION OF RELEASE Feet from the North/South Line Feet from the East/West Line Unit Letter Section Township Range County 1609 **EDDY** J 32 17S 28E 1370' **FSL FEL** Latitude <u>32.775554</u> Longitude <u>104.20605</u> NATURE OF RELEASE Type of Release produced waters Volume of Release 50 bbls Volume Recovered 12 bbls Source of Release 3" transfer line Date and Hour of Occurrence Date and Hour of Discovery unknown 12/11/2015 2:30pm If YES, To Whom? Was Immediate Notice Given? X Yes No Not Required Mike Bratcher/NMOCD Artesia Office/voice mail box Date and Hour 12/11/2015 2:59pm By Whom? Mike Stubblefield Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes X No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* The source of release was a pinhole in a valve transition on the 3" line bringing produced water from the Aspen 32 State Com. No.1 to the Walter Solt State No.1 an SWD, resulting in a release of 50 bbls of Produced water. The valve transition was replace, the 3" line was placed back into service. A vacuum truck was immediately brought to the release site, standing fluids were recovered. Describe Area Affected and Cleanup Action Taken.* The affected area is located in Ut. E sec.5-T18S-R28E, this area being near the Walter Solti State No.1 SWD, 200yds west of county Rd. 206. The impacted area was measured to be 240' L x 138' W. R.T Hicks Consultants has been contracted to construct a Remediation plan for the correction on the release. 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. AMENDED, OIL CONSERVATION DIVISION Signature: Approved by Environmental Specialist: Printed Name: Expiration Date: NA Title: Production Supervisor Approval Date: E-mail Address: Dennis Howard dhoward@vnrllc.com Conditions of Approval:

* Attach Additional Sheets If Necessary

Phone: 505-918-0293

Date: 12/21/2015

Remediation per O.C.D. Rules & Guidelines SUBMIT REMEDIATION PROPOSAL NO

LATER THAN:

Attached