

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

Release Notification

Responsible Party

| | |
|---|--|
| Responsible Party DJR Operating, LLC | OGRID 371838 |
| Contact Name Amy Archuleta | Contact Telephone 505-632-3476 x201 |
| Contact email aarchuleta@djrlc.com | Incident # (assigned by OCD) |
| Contact mailing address 1 Road 3263 Aztec, NM 87410-9521 | NVF1826951457 |

Location of Release Source

Latitude 36.29493 Longitude -107.65358
(NAD 83 in decimal degrees to 5 decimal places)

| | |
|--|--|
| Site Name South Blanco 23-3 | Site Type Oil |
| Date Release Discovered 9-20-2018 | API# (if applicable) 30-045-28163 |

| Unit Letter | Section | Township | Range | County |
|-------------|-----------|------------|-----------|-----------------|
| O | 23 | 24N | 8W | San Juan |

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 checked="" type="checkbox"/> Crude Oil | Volume Released (bbls) 4 bbls | Volume Recovered (bbls) 0 bbls |
| <input type="checkbox"/> Produced Water | Volume Released (bbls) | Volume Recovered (bbls) |
| <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: **The producing well is the South Blanco 23 3. This well was down for a long period of time and was returned to production 9/19/18 at 4pm. The morning of 9/20/18 at 8:30 am the flowline was found leaking. The leak is occurring off South Blanco 23-2 PA Well Site.**

NMOC

SEP 25 2018

DISTRICT III

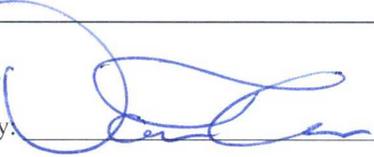
12

| | |
|----------------|--|
| Incident ID | |
| District RP | |
| Facility ID | |
| Application ID | |

| | |
|---|--|
| 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? The release flowed approximately 2,100 feet down stream in an unnamed arroyo. |
| If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? Amy Archuleta of DJR Operating sent an e-mail notification on 9/20/18 at 3:51 PM to Cory Smith and Vanessa Fields of NMOCD. BLM representatives were also included on the e-mail notification. | |

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 checked="" 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: DJR has complied with all action items listed above. |
| 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>Amy Archuleta</u> Title: <u>Regulatory</u> Signature:  Date: <u>9-24-18</u> email: <u>aarchuleta@djrl.com</u> Telephone: <u>505-632-3476 x201</u> |
| OCD Only Received by:  Date: <u>9/26/2018</u> |

| | |
|----------------|--|
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| Facility ID | |
| Application ID | |

Site Assessment/Characterization

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? | >100' (ft bgs) |
| Did this release impact groundwater or surface water? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 1000 feet of any other fresh water well or spring? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 300 feet of a wetland? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release overlying a subsurface mine? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release overlying an unstable area such as karst geology? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within a 100-year floodplain? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Did the release impact areas not on an exploration, development, production, or storage site? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined. Refer to 19.15.29.11 NMAC for specifics.

Characterization Report Checklist: *Each of the following items must be included in the report.*

- Scaled site map showing impacted area, surface features, subsurface features, delineation points, and monitoring wells.
- Field data
- Data table of soil contaminant concentration data
- Depth to water determination
- Determination of water sources and significant watercourses within ½-mile of the lateral extents of the release
- Boring or excavation logs
- Photographs including date and GIS information
- Topographic/Aerial maps
- Laboratory data including chain of custody

If the site characterization report does not include completed efforts at remediation of the release, the report must include a proposed remediation plan. That plan must include the estimated volume of material to be remediated, the proposed remediation technique, proposed sampling plan and methods, anticipated timelines for beginning and completing the remediation. The closure criteria for a release are contained in Table 1 of 19.15.29.12 NMAC, however, use of the table is modified by site- and release-specific parameters.

State of New Mexico
Oil Conservation Division

| | |
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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: Amy Archuleta Title: Regulatory

Signature:  Date: 9-24-18

email: aarchuleta@djrl.com Telephone: 505-632-3476 x201

OCD Only

Received by: _____ Date: _____

DJR Operating South Blanco 23-3 Flowline Release
September 20, 2018
API: 30-045-28163
Unit O, Section 23, Township 24N, Range 08W



Photo 1: Flowline release occurring off South Blanco 23-2, Unit N, Sec 23, T24N, R8W.

Producing well is South Blanco 23-3 in Unit O.

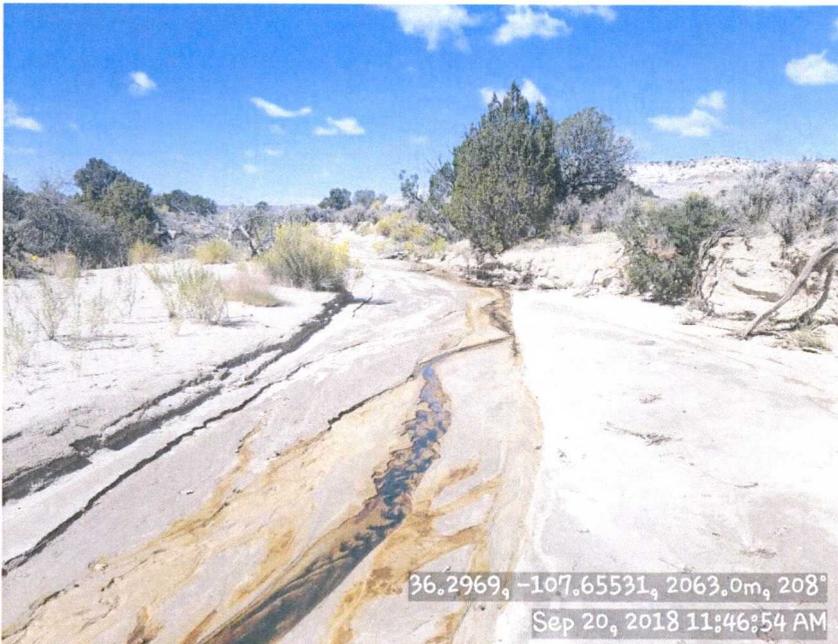
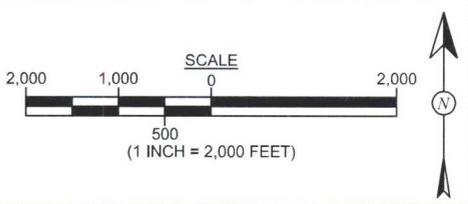
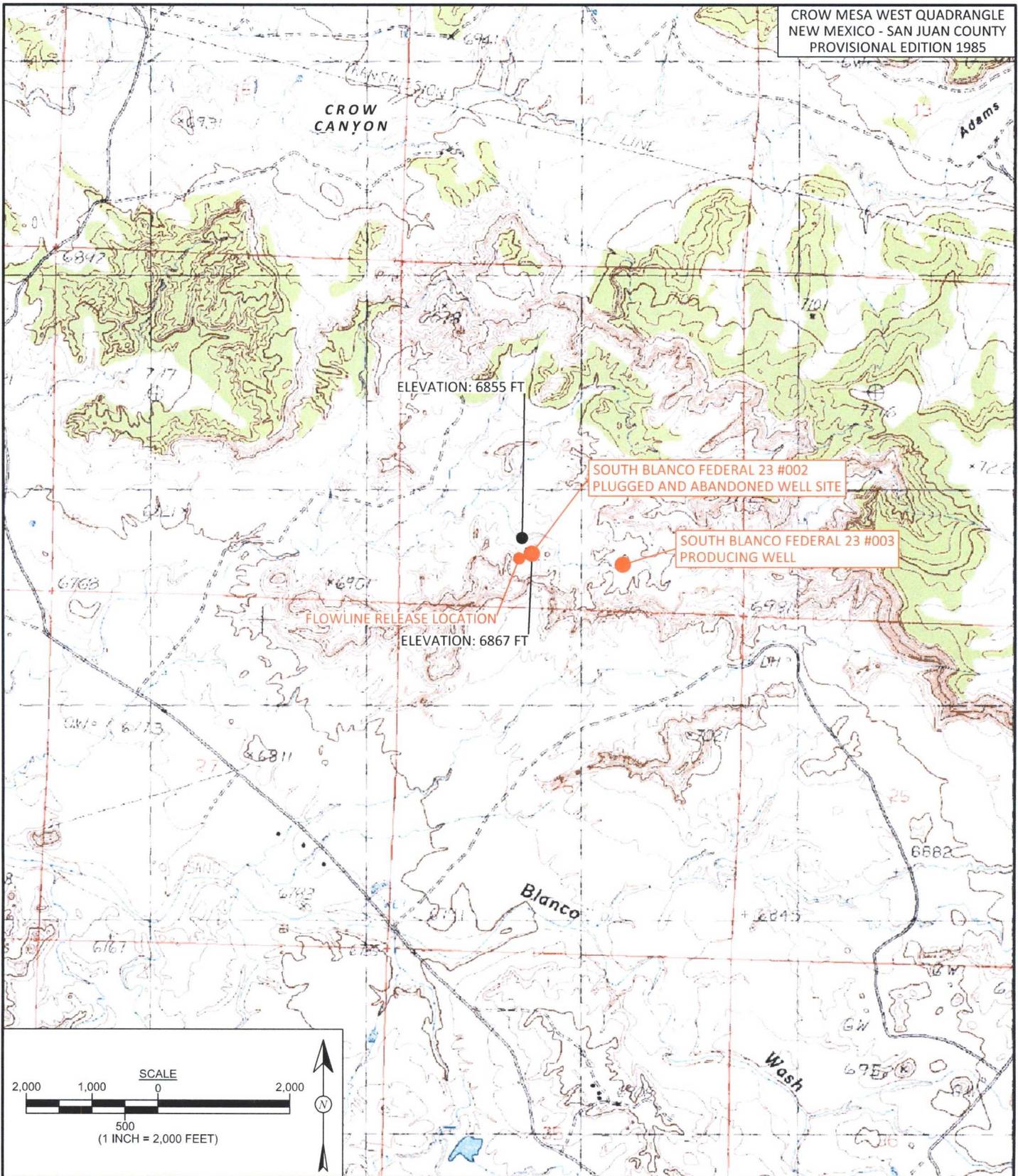


Photo 2: Release flow in unnamed arroyo.



| | |
|------------------------------------|---|
| DRAWN BY: C. Lameman | DATE DRAWN: September 21, 2018 |
| REVISIONS BY: C. Lameman | DATE REVISED: September 25, 2018 |
| CHECKED BY: T. Knight | DATE CHECKED: September 25, 2018 |
| APPROVED BY: E. McNally | DATE APPROVED: September 25, 2018 |

FIGURE 1

TOPOGRAPHIC SITE LOCATION MAP
 DJR OPERATING
 SOUTH BLANCO FEDERAL 23 #003
 API: 30-045-28163
 SW¼ SE¼, SECTION 23, T24N, R8W
 SAN JUAN COUNTY, NEW MEXICO
 N36.29420, W107.64853



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 environmental
 services**
 Farmington, NM • Durango, CO
 animasenvironmental.com



FIGURE 2

AERIAL SITE LOCATION MAP
DJR OPERATING
SOUTH BLANCO FEDERAL 23 #003
API: 30-045-28163
SW¼ SE¼, SECTION 23, T24N, R8W
SAN JUAN COUNTY, NEW MEXICO
N36.29420, W107.64853



**animas
environmental
services**
Farmington, NM • Durango, CO
animasenvironmental.com

| | |
|------------------------------------|---|
| DRAWN BY: C. Lameman | DATE DRAWN: September 21, 2018 |
| REVISIONS BY: C. Lameman | DATE REVISED: September 25, 2018 |
| CHECKED BY: T. Knight | DATE CHECKED: September 25, 2018 |
| APPROVED BY: E. McNally | DATE APPROVED: September 25, 2018 |

NMOCD Thresholds for Unsaturated Contaminated Soils

| | |
|------------------------|-----------------------------------|
| Site Name: | SOUTH BLANCO FEDERAL 23 #3 |
| API #: | 3004528163 |
| Lat/Long: | 36.29423 -107.64835 |
| Legal: | O-23-24N-8W |
| Land Jurisdiction: | BLM |
| County: | San Juan |
| Determination made by: | DR |
| Date: | 9/21/2018 |

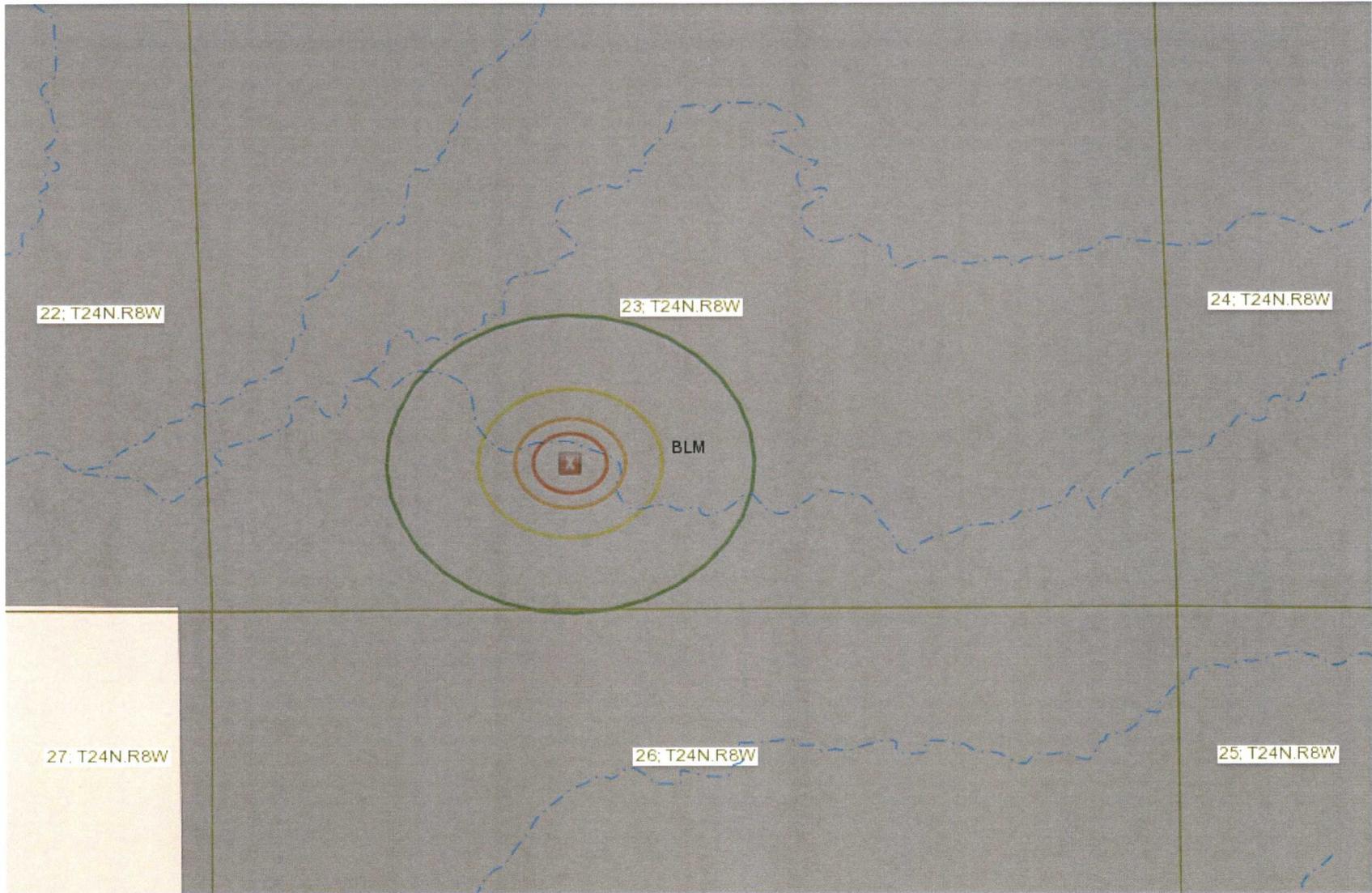
| Depth to Groundwater Determination | |
|--|---|
| Cathodic Report/Site Specific Hydrogeology | none available |
| Elevation Differential | 140' higher in elevation than Blanco Wash approx. 2 miles down stream |
| Water Wells | none in section, nearest well DTW = 250' |
| Cathodic Report Nearby Wells | none in vicinity |

| Other Determinations: | | |
|---|-------------------------------------|-------------------------------------|
| <i>If a release occurs within the following areas, the RP must treat the release as if it occurred less than 50 ft to GW (NMAC 19.15.29.12C):</i> | | |
| | Yes | No |
| <300' of any continuously flowing watercourse or any other significant watercourse | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <200' of any lakebed, sinkhole or playa lake (measured from the Ordinary High Water Mark) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <300' of an occupied permanent residence, school, hospital, institution or church | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <500' of a spring or private/domestic water well used by <5 households for domestic or stock watering purposes | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <1000' of any water well or spring | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| within incorporated municipal boundaries or within a defined municipal fresh water well field | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <300' of a wetland | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| within the area overlying a subsurface mine | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| within an unstable area | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| within a 100-year floodplain | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

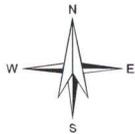
Explain any Yes Marks:
impacted unnamed wash 40' to South, is a tributary of Blanco Wash

| Depth to Groundwater is: | <50 | 50-100 | >100 |
|--------------------------------------|--------------|-------------------------------------|--------------------------|
| | | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Release Action Levels are... Benzene | 10 | 10 | 10 |
| BTEX (mg/kg) | 50 | 50 | 50 |
| 418.1 TPH (mg/kg) | 100 | 2,500 | 2,500 |
| 8015 (GRO + DRO) | Not Required | 1,000 | 1,000 |
| Chlorides (mg/kg) | 600 | 10,000 | 20,000 |

Release Action levels are determined by the depth below bottom of pit to groundwater, per NMAC 19.15.29.12E Table I.



0 500 1000ft



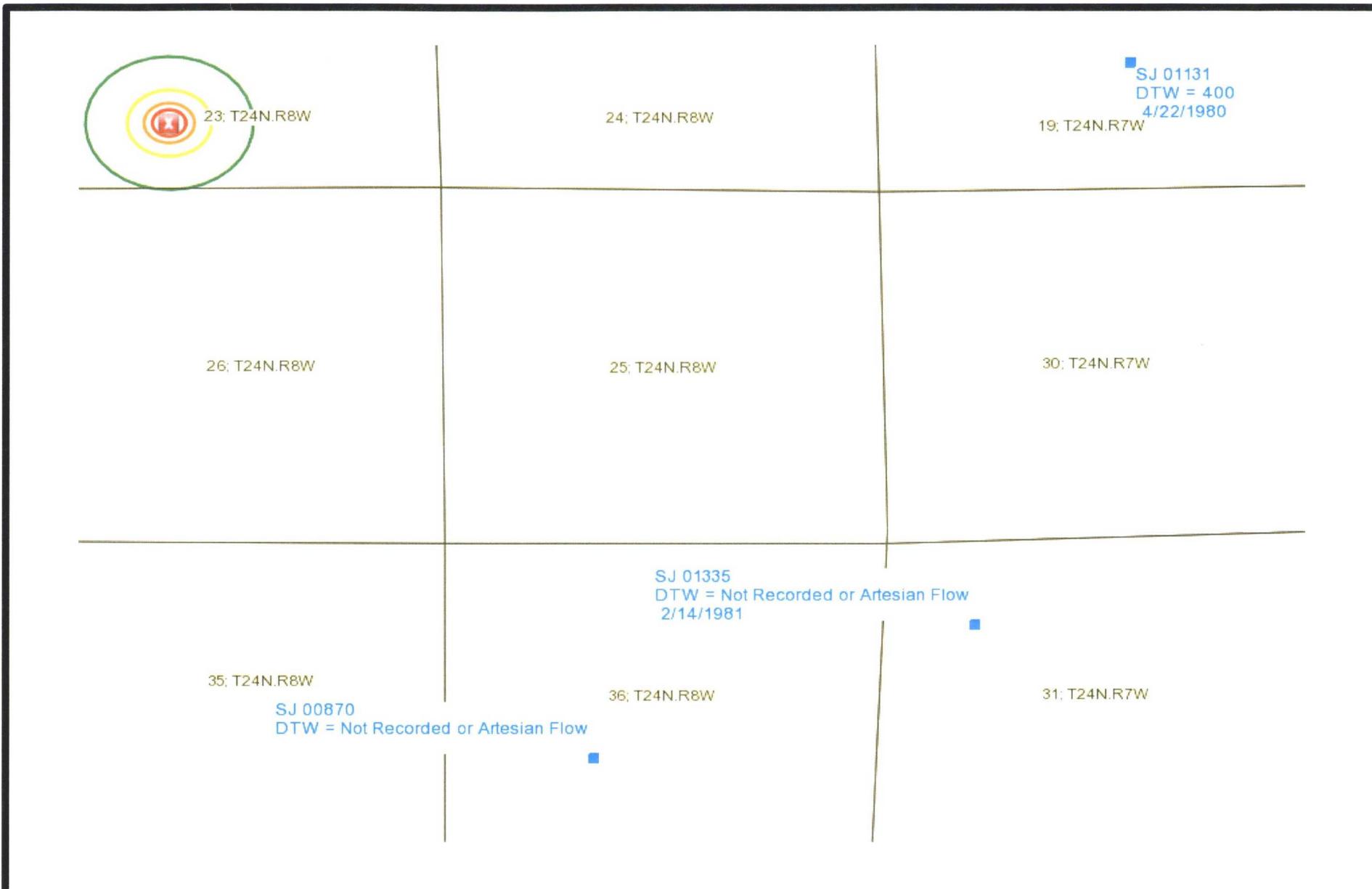
Petroleum Recovery
Research Center

South Blanco 23-3 Release

Figure: 3

DJR Operating

Sep 21, 2018



| | | |
|---------------------------------------|---|--------------|
| Petroleum Recovery Research Center | South Blanco 23-3 Release - NMOSE Wells | Figure: 4 |
| | DJR Operating | Sep 21, 2018 |

National Flood Hazard Layer FIRMette

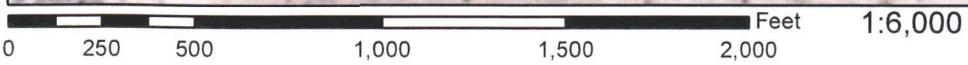


36°17'56.90"N

107°39'29.31"W



USGS The National Map: Orthoimagery. Data refreshed October 2017.



36°17'27.90"N

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

| | |
|------------------------------------|---|
| SPECIAL FLOOD HAZARD AREAS | Without Base Flood Elevation (BFE) Zone A, V, A99 |
| | With BFE or Depth Zone AE, AO, AH, VE, AR |
| | Regulatory Floodway |
| OTHER AREAS OF FLOOD HAZARD | 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X |
| | Future Conditions 1% Annual Chance Flood Hazard Zone X |
| | Area with Reduced Flood Risk due to Levee. See Notes. Zone X |
| | Area with Flood Risk due to Levee Zone D |
| OTHER AREAS | NO SCREEN Area of Minimal Flood Hazard Zone X |
| | Effective LOMRs |
| | Area of Undetermined Flood Hazard Zone D |
| GENERAL STRUCTURES | Channel, Culvert, or Storm Sewer |
| | Levee, Dike, or Floodwall |
| OTHER FEATURES | Cross Sections with 1% Annual Chance Water Surface Elevation |
| | Coastal Transect |
| | Coastal Transect |
| | Base Flood Elevation Line (BFE) |
| | Limit of Study |
| | Jurisdiction Boundary |
| | Coastal Transect Baseline |
| | Profile Baseline |
| | Hydrographic Feature |
| MAP PANELS | Digital Data Available |
| | No Digital Data Available |
| | Unmapped |

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.



This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 9/21/2018 at 1:44:46 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

107°38'51.86"W



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced,
O=orphaned,
C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

| POD Number | POD Code | Sub-basin | County | Q 64 | Q 16 | Q 4 | Sec | Tws | Rng | X | Y | DepthWell | DepthWater | Water Column |
|------------------------------|----------|-----------|--------|------|------|-----|-----|-----|-----|--------|----------|-----------|------------|--------------|
| SJ 00870 | SJ | SJ | SJ | 2 | 3 | 36 | 24N | 08W | | 263248 | 4017010* | 250 | | |
| SJ 00960 | SJ | SJ | SJ | 3 | 3 | 36 | 24N | 08W | | 262730 | 4016518* | | | |
| SJ 00960 S | SJ | SJ | SJ | 3 | 1 | 36 | 24N | 08W | | 262744 | 4016920* | | | |
| SJ 00960 S-2 | SJ | SJ | SJ | 3 | 2 | 36 | 24N | 08W | | 263147 | 4016909* | | | |
| SJ 00960 S-3 | SJ | SJ | SJ | 2 | 4 | 36 | 24N | 08W | | 263336 | 4016707* | | | |
| SJ 02686 | SJ | SJ | SJ | 3 | 4 | 32 | 24N | 08W | | 257502 | 4017472* | 690 | 690 | 0 |

Average Depth to Water: **690 feet**
 Minimum Depth: **690 feet**
 Maximum Depth: **690 feet**

Record Count: 6

PLSS Search:

Township: 24N **Range:** 08W

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

9/21/18 11:42 AM

WATER COLUMN/ AVERAGE DEPTH TO WATER