

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	NOY1831140454
District RP	1RP-5260
Facility ID	
Application ID	pOY1831140841

## Release Notification

### Responsible Party

Responsible Party	CHISHOLM ENERGY OPERATING, LLC	OGRID	372137
Contact Name	TIM GREEN	Contact Telephone	432-413-9747
Contact email	tgreen@chisholmenergy.com/jelrod@chisholmenergy.com	Incident # (assigned by OCD)	NOY1831140454
Contact mailing address	801 Cherry Street, Suite 1200-Unit 20, Fort Worth, TX 76102		

### Location of Release Source

Latitude 32.48571402 Longitude -103.44495994  
(NAD 83 in decimal degrees to 5 decimal places)

Site Name	Outland 14-23 State Com Pad (2H & 3H)	Site Type	Pad location
Date Release Discovered	10/21/2018	API# (if applicable)	30-025-44157/30-015-44158

Unit Letter	Section	Township	Range	County
C/D	14	21S	34E	LEA

State minerals

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 type="checkbox"/> Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
<input checked="" type="checkbox"/> Produced Water	Volume Released (bbls) 20-30	Volume Recovered (bbls) 10
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No WATER SAMPLE 10/23/2018
<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

WHILE FILLING FRAC TANKS TO PREPARE FOR COMPLETION OPERATIONS FOR THE 2H & 3H WELLS, A VALVE ON THE BACK OF THE FRAC TANK WAS OPEN WHICH ALLOWED WATER TO ESCAPE FROM THE TANK. VALVE WAS SHUT, VACUUM TRUCK CALLED TO LOCATION, AFFECTED AREA BY THE SPILL ON PAD WAS SCRAPPED AND CLEANED UP WITH A SKID STEER. NO RELEASE LEFT PAD. WATER SAMPLE WAS TAKEN AND IS ATTACHED.

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? CONSIDERED THIS A MAJOR SPILL DUE TO THE AMOUNT SPILLED BEING OVER 25 BBLS
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? NO, IT WAS NOT. NOTICE WAS GIVEN THE FOLLOWING DAY ON 10/22/2018 TO THE DIST. 1 FIELD OFFICE VIA EMAIL.	

### 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:   	
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>JENNIFER ELROD</u>	Title: <u>SR. REGULATORY TECH</u>
Signature: <u><i>Jennifer Elrod</i></u>	Date: <u>11/05/2018</u>
email: <u>jelrod@chisholmenergy.com</u>	Telephone: <u>817-953-3728</u>
<b>OCD Only</b> <div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>RECEIVED</b>  <b>By Olivia Yu at 11:08 am, Nov 07, 2018</b> </div> Received by: _____ Date: _____	



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

---

October 25, 2018

TIM GREEN

CHISHOLM ENERGY HOLDINGS, LLC

801 CHENEY ST. SUITE 1200-UNIT 20

FORT WORTH, TX 76102

RE: OUTLAND 14-23

Enclosed are the results of analyses for samples received by the laboratory on 10/23/18 15:30.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-18-11. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (\*). For a complete list of accredited analytes and matrices visit the TCEQ website at [www.tceq.texas.gov/field/qa/lab\\_accred\\_certif.html](http://www.tceq.texas.gov/field/qa/lab_accred_certif.html).

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Celey D. Keene". The signature is written in a cursive, flowing style.

Celey D. Keene

Lab Director/Quality Manager

**Analytical Results For:**

CHISHOLM ENERGY HOLDINGS, LLC  
TIM GREEN  
801 CHENEY ST. SUITE 1200-UNIT 20  
FORT WORTH TX, 76102  
Fax To:

Received: 10/23/2018  
Reported: 10/25/2018  
Project Name: OUTLAND 14-23  
Project Number: WATER TEST  
Project Location: NONE GIVEN

Sampling Date: 10/23/2018  
Sampling Type: Water  
Sampling Condition: \*\* (See Notes)  
Sample Received By: Tamara Oldaker

**Sample ID: WATER SAMPLE (H803039-01)****Chloride, SM4500Cl-B****mg/L****Analyzed By: AC**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
<b>Chloride*</b>	<b>30300</b>	4.00	10/24/2018	ND	100	100	100	0.00	

Cardinal Laboratories

\*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

**Notes and Definitions**

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

---

Cardinal Laboratories

\*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



---

Celey D. Keene, Lab Director/Quality Manager

101 East Marland, Hobbs, NM 88240  
(575) 393-2326 FAX (575) 393-2476

+ Cardinal cannot accept verbal change Placeo fav written change to 15761 202-2326