

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 | nAPP2419839147 |
| District RP | |
| Facility ID | |
| Application ID | |

Release Notification

Responsible Party

| | |
|---|---|
| Responsible Party: NNOGC Exploration & Production LLC | OGRID: 292875 |
| Contact Name: Arleen Smith | Contact Telephone: 505-327-4892 |
| Contact email: arleen@walsheng.net | Incident # (assigned by OCD) nAPP2419839147 |
| Contact mailing address: 332 Road 3100, Aztec, NM 87410 | |

Location of Release Source

Latitude 36.6352158

Longitude -108.4038696

(NAD 83 in decimal degrees to 5 decimal places)

| | |
|-------------------------------------|-----------------------------------|
| Site Name: Pet Inc #017 | Site Type: |
| Date Release Discovered: 06/04/2024 | API# (if applicable) 30-045-22552 |

| Unit Letter | Section | Township | Range | County |
|-------------|---------|----------|-------|----------|
| G | 26 | 28N | 15W | 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 type="checkbox"/> Crude Oil | Volume Released (bbls) | Volume Recovered (bbls) |
| <input type="checkbox"/> Produced Water | Volume Released (bbls) | Volume Recovered (bbls) |
| | Is the concentration of dissolved chloride in the produced water >10,000 mg/l? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Condensate | Volume Released (bbls) | Volume Recovered (bbls) |
| <input type="checkbox"/> Natural Gas | Volume Released (Mcf) | Volume Recovered (Mcf) |
| <input checked="" type="checkbox"/> Other (describe) | Volume/Weight Released (provide units) | Volume/Weight Recovered (provide units) |

Cause of Release:


Walsh Engineering reclaimed the site and noticed staining across the well pad area measuring at 75 X 75. The cause of the stain is unknown. On June 5, 2024, the well pad was divided into four quadrants and samples were taken at 2ft & 4ft. The northwest, southwest and the southeast quadrants are below the content level of NMOC Table I of 19.15.29.12 NMAC and EPA regulations. The northeast corner of the quadrant was above the content level at 2ft and below content level at 4ft. Plan forward is to remove the contaminated and /or stained soil at a maximum of 2ft on the NW, SW and SE quadrant corners and remove 3ft on the NE corner and dispose at an approved disposal facility. The well pad will be re-constructed from earthen material present on-site, imported from a predetermined BLM borrow pit or from an approved off-site. Imported fill material would be weed-free and authorized. The well pad and access road would be re-seeded and recontoured in accordance with the BLM Gold Book standards

| | |
|----------------|----------------|
| Incident ID | nAPP2419839147 |
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| | |
|---|--|
| 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 northeast corner of the quadrant was above the content level at 2ft and below content level at 4ft. level of NMOCD Table I of 19.15.29.12 NMAC and EPA regulations |
| If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? . | |

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>Arleen Smith</u> | Title: <u>Regulatory</u> |
| Signature: <u></u> | Date: <u>06/17/2024</u> |
| email: <u>arleen@walsheng.net</u> | Telephone: <u>505-327-4892</u> |
| <u>OCD Only</u> | |
| Received by: _____ | Date: _____ |

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 364437

QUESTIONS

| | |
|--|---|
| Operator: NNOGC EXPLORATION AND PRODUCTION, LLC P.O. Box 4439 Window Rock, AZ 86515 | OGRID: 292875 |
| | Action Number: 364437 |
| | Action Type: [C-141] Initial C-141 (C-141-v-Initial) |

QUESTIONS

| | |
|----------------------|--|
| Prerequisites | |
| Incident ID (n#) | nAPP2419839147 |
| Incident Name | NAPP2419839147 PET INC #017 @ 30-045-22552 |
| Incident Type | Other |
| Incident Status | Initial C-141 Received |
| Incident Well | [30-045-22552] PET INC #017 |

| | |
|--|--------------|
| Location of Release Source <i>Please answer all the questions in this group.</i> | |
| Site Name | PET INC #017 |
| Date Release Discovered | 06/04/2024 |
| Surface Owner | Navajo |

| | |
|--|-------|
| Incident Details <i>Please answer all the questions in this group.</i> | |
| Incident Type | Other |
| Did this release result in a fire or is the result of a fire | No |
| Did this release result in any injuries | No |
| Has this release reached or does it have a reasonable probability of reaching a watercourse | No |
| Has this release endangered or does it have a reasonable probability of endangering public health | No |
| Has this release substantially damaged or will it substantially damage property or the environment | No |
| Is this release of a volume that is or may with reasonable probability be detrimental to fresh water | No |

| | |
|--|--|
| Nature and Volume of Release <i>Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.</i> | |
| Crude Oil Released (bbls) Details | Cause: Other Unknown Crude Oil Released: 0 BBL Recovered: 0 BBL Lost: 0 BBL. |
| Produced Water Released (bbls) Details | Cause: Other Unknown Produced Water Released: 0 BBL Recovered: 0 BBL Lost: 0 BBL. |
| Is the concentration of chloride in the produced water >10,000 mg/l | No |
| Condensate Released (bbls) Details | Cause: Other Unknown Condensate Released: 0 BBL Recovered: 0 BBL Lost: 0 BBL. |
| Natural Gas Vented (Mcf) Details | Cause: Other Unknown Natural Gas Vented Released: 0 Mcf Recovered: 0 Mcf Lost: 0 Mcf. |
| Natural Gas Flared (Mcf) Details | Cause: Other Unknown Natural Gas Flared Released: 0 Mcf Recovered: 0 Mcf Lost: 0 Mcf. |
| Other Released Details | Not answered. |
| Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts) | Walsh Engineering reclaimed the site and noticed staining across the well pad area measuring at 75 X 75. The cause of the stain is unknown |

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QUESTIONS, Page 2

Action 364437

QUESTIONS (continued)

| | |
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QUESTIONS

| Nature and Volume of Release (continued) | |
|--|--|
| Is this a gas only submission (i.e. only significant Mcf values reported) | More info needed to determine if this will be treated as a "gas only" report. |
| Was this a major release as defined by Subsection A of 19.15.29.7 NMAC | Unavailable. |
| Reasons why this would be considered a submission for a notification of a major release | Unavailable. |
| <i>With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e. gas only) are to be submitted on the C-129 form.</i> | |

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury.

| | |
|--|---------------|
| The source of the release has been stopped | True |
| The impacted area has been secured to protect human health and the environment | True |
| Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices | True |
| All free liquids and recoverable materials have been removed and managed appropriately | True |
| If all the actions described above have not been undertaken, explain why | Not answered. |

Per Paragraph (4) of Subsection B of 19.15.29.8 NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please prepare and attach a narrative of actions to date in the follow-up C-141 submission. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC), please prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.

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.

| | |
|--|--|
| I hereby agree and sign off to the above statement | Name: Arleen Smith Title: Regulatory Specialist Email: arleen@walsheng.net Date: 07/17/2024 |
|--|--|

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QUESTIONS, Page 3

Action 364437

QUESTIONS (continued)

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| | Action Type: [C-141] Initial C-141 (C-141-v-Initial) |

QUESTIONS**Site Characterization**

Please answer all the questions in this group (only required when seeking remediation plan approval and beyond). 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 in feet below ground surface (ft bgs) | Not answered. |
| What method was used to determine the depth to ground water | Not answered. |
| Did this release impact groundwater or surface water | Not answered. |
| What is the minimum distance, between the closest lateral extents of the release and the following surface areas: | |
| A continuously flowing watercourse or any other significant watercourse | Not answered. |
| Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark) | Not answered. |
| An occupied permanent residence, school, hospital, institution, or church | Not answered. |
| A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes | Not answered. |
| Any other fresh water well or spring | Not answered. |
| Incorporated municipal boundaries or a defined municipal fresh water well field | Not answered. |
| A wetland | Not answered. |
| A subsurface mine | Not answered. |
| An (non-karst) unstable area | Not answered. |
| Categorize the risk of this well / site being in a karst geology | Not answered. |
| A 100-year floodplain | Not answered. |
| Did the release impact areas not on an exploration, development, production, or storage site | Not answered. |

Remediation Plan

Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

| | |
|--|----|
| Requesting a remediation plan approval with this submission | No |
| The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required. | |

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CONDITIONS

Action 364437

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CONDITIONS

| | | |
|------------|-----------|----------------|
| Created By | Condition | Condition Date |
| nvelez | None | 7/22/2024 |