

## RELEASE VOLUME ESTIMATION

Lario Oil & Gas Co (OGRID #83338)  
Close Encounters State Com #301H  
32.7411663,-103.5160382 NAD83  
N-13-18S-34E  
API #30-025-52945  
NMSLO Lease ID #VC06370003  
NMOCD Incident #nAPP2434838184

The event began on 12/12/24 at approximately 12:30 MST and the well was back under control on 12/15/24 at approximately 11:34 MST. Recovered volumes based on the calculations from the trucking companies (number of loads hauled X 100 - 110 bbls /load) and the disposal site loads received. The percentages are estimates. Due to the rapid response time, most of the fluids were captured on or immediately adjacent to the pad via containments that were constructed.

- Total Fluid Volumes - ~19,000 bbls
- Estimated Hydrocarbons (oil) - 65% or 12,350 bbls
- Water Volumes (Includes both produced and fresh water from the frac) - 6,650 bbls
- Gas Volumes (Based on the type curves from area 3<sup>rd</sup> BS wells) - 613.33 cu.ft / bbl X 12,350 bbls of oil = 7,574 Mcf or 7.574 MMcf

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
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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 413755

QUESTIONS

Operator: LARIO OIL & GAS CO 301 S. Market St. Wichita, KS 67202	OGRID: 13089
	Action Number: 413755
	Action Type: [C-141] Initial C-141 (C-141-v-Initial)

QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2434838184
Incident Name	NAPP2434838184 CLOSE ENCOUNTERS STATE COM 301H @ 30-025-52945
Incident Type	Blow Out
Incident Status	Initial C-141 Received
Incident Well	[30-025-52945] CLOSE ENCOUNTERS STATE COM #301H

Location of Release Source	
Please answer all the questions in this group.	
Site Name	Close Encounters State Com 301H
Date Release Discovered	12/12/2024
Surface Owner	State

Incident Details	
Please answer all the questions in this group.	
Incident Type	Blow Out
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	
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.	
Crude Oil Released (bbls) Details	Cause: Blow Out   Well   Crude Oil   Released: 0 BBL (Unknown Released Amount)   Recovered: 12,350 BBL   Lost: -12,350 BBL.
Produced Water Released (bbls) Details	Cause: Blow Out   Well   Produced Water   Released: 0 BBL (Unknown Released Amount)   Recovered: 6,650 BBL   Lost: -6,650 BBL.
Is the concentration of chloride in the produced water >10,000 mg/l	No
Condensate Released (bbls) Details	Not answered.
Natural Gas Vented (Mcf) Details	Cause: Blow Out   Well   Natural Gas Vented   Released: 7,574 Mcf   Recovered: 0 Mcf   Lost: 7,574 Mcf.
Natural Gas Flared (Mcf) Details	Not answered.
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)	During coiled tubing rig up operations, the BOP fell from the forklift striking the well head casing valve. Damage to the casing valve resulted in a loss of well control and a release. Wild Well Control was on-site to regain well control and stop the release. The well was under control and the release stopped on 12/15/24 at approximately 11:34 MST.

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**QUESTIONS (continued)**

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<b>Nature and Volume of Release (continued)</b>	
Is this a gas only submission (i.e. only significant Mcf values reported)	No, according to supplied volumes this does not appear to be a "gas only" report.
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	Yes
Reasons why this would be considered a submission for a notification of a major release	From paragraph A. "Major release" determine using: (1) an unauthorized release of a volume, excluding gases, of 25 barrels or more; (3) an unauthorized release of gases exceeding 500 MCF; (?) reported amounts release resulting in negative volume.
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.	

**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: Michael Wicker Title: Project Manager Email: mwicker@cdhconsult.com Date: 12/27/2024
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**QUESTIONS (continued)**

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**QUESTIONS**

<b>Site Characterization</b>	
<i>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.</i>	
What is the shallowest depth to groundwater beneath the area affected by the release in feet below ground surface (ft bgs)	Between 51 and 75 (ft.)
What method was used to determine the depth to ground water	U.S. Geological Survey
Did this release impact groundwater or surface water	No
<b>What is the minimum distance, between the closest lateral extents of the release and the following surface areas:</b>	
A continuously flowing watercourse or any other significant watercourse	Greater than 5 (mi.)
Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)	Between 1000 (ft.) and ½ (mi.)
An occupied permanent residence, school, hospital, institution, or church	Greater than 5 (mi.)
A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes	Between 500 and 1000 (ft.)
Any other fresh water well or spring	Between 500 and 1000 (ft.)
Incorporated municipal boundaries or a defined municipal fresh water well field	Greater than 5 (mi.)
A wetland	Zero feet, overlying, or within area
A subsurface mine	Greater than 5 (mi.)
An (non-karst) unstable area	Greater than 5 (mi.)
Categorize the risk of this well / site being in a karst geology	Low
A 100-year floodplain	Greater than 5 (mi.)
Did the release impact areas not on an exploration, development, production, or storage site	Yes

<b>Remediation Plan</b>	
<i>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.</i>	
Requesting a remediation plan approval with this submission	No
<i>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.</i>	

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CONDITIONS

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CONDITIONS

Created By	Condition	Condition Date
bhall	Initial C-141 approved. Remediation plan and/or remediation closure report due 90 days after date of discovery.	12/27/2024
bhall	Be advised that the site characterization data is not approved as there are no attachments provided. Additionally, pursuant to 19.15.29.11 B. NMAC "Unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC, which includes the anticipated timelines for beginning and completing the remediation." A remediation plan must be submitted with the site characterization information. Please update this section of the C-141 when the remediation plan and/or remediation closure report is submitted.	12/27/2024