

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

Form C-141
Revised April 3, 2017

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Vanguard Operating LLC	Contact John Terry
Address 4001 Penbrook Suite 201 Odessa, TX 79762	Telephone No. 575-631-6933
Facility Name CS Caylor Estate #3	Facility Type Battery

Surface Owner Federal	Mineral Owner Fee	API No. 30-025-05430
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	6	17S	37E	660	North	665	West	Lea

Latitude 32.869503 Longitude -103.297226 NAD83

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release Approx 100	Volume Recovered 90
Source of Release Hole in Water Tank	Date and Hour of Occurrence 10/23/17 10:00am	Date and Hour of Discovery 10/23/17 1:00pm
Was Immediate Notice Given? x Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Maxey Brown	
By Whom? John Terry	Date and Hour 10/23/17 2:00pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes x No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

RECEIVED
By Olivia Yu at 3:13 pm, Oct 27, 2017

Describe Cause of Problem and Remedial Action Taken.*

Hole in bottom of water tank caused release that was fully contained in plastic lined battery. Vacuum truck immediately notified upon discovery.

Describe Area Affected and Cleanup Action Taken.*

Release was contained within containment. Water was immediately removed with vacuum truck.

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.

		OIL CONSERVATION DIVISION	
Signature: John Terry	Approved by Environmental Specialist: 		
Printed Name: John Terry	Approval Date: 10/27/2017	Expiration Date:	
Title: Foreman	Conditions of Approval:		
E-mail Address: jterry@vnrenergy.com	Attached <input checked="" type="checkbox"/>		nOY1730055065
Date: 10/23/17 Phone: 5756316933	Please inspect liner in question. Provide NMOCD with a concise report of the inspection with affirmation the liner has and will continue to contain liquids.		

* Attach Additional Sheets If Necessary