From:	Bratcher, Mike, EMNRD
To:	"Gonzalez, Luis"; DDunlap@claytonwilliams.com
Cc:	Randall Hicks; mike@rthicksconsult.com; Patterson, Heather, EMNRD
Subject:	RE: Clayton-Williams -Jenna Com
Date:	Wednesday, August 27, 2014 4:58:03 PM

RE: Clayton Williams Energy * Jenna Com 001 * 30-015-29260 * I-5017s-29e * Eddy County, NM NMOCD Tracking Number: 2RP-2458 * Date of release: 8/17/14

Mr. Gonzalez and Mr. Dunlap,

Per NMOCD rules, immediate notification to the appropriate District office is required on produced fluid releases that are 25 barrels or greater. The 25 bbl reporting requirement is for total volume released, not net volume. For instance, if an operator has a 25 bbl release, even into a lined secondary containment, and 25 bbls are recovered, it is still considered a 25 bbl release, and requires immediate notification. Immediate notification is defined as "within 24 hours of discovery". This release was discovered around noon on 8/17/14, so the District 2 office should have been notified by around noon on 8/18/14. Notification can be via email, phone call, or left on voicemail. An operator has 15 days from the date of discovery to submit the Form C-141 Initial Report.

The "Investigation Plan" included with this submittal is **denied**. OCD will not consider a remediation proposal, corrective action plan, or remedy until the site has been completely delineated, using conventional delineation methods, and a site ranking has been established for the site. As stated in past correspondence concerning this site, **OCD will require a complete vertical and horizontal delineation of the site**. The delineation is to include all areas affected by this release and past releases, including inside the bermed tank battery, and all areas impacted material has been spread at this site. Samples for delineation must be obtained in a manner that will adequately represent all impacted areas at this site, starting (vertically) from surface down to a point that returns acceptable results. I can facilitate an office and/or onsite meeting if you or your contractor has any questions about what is expected for the delineation process. Please notify me or Heather Patterson in the District 2 office, 48 hours prior to commencement of delineation activities.

As a condition of approval of the Form C-141 Initial Report, a remediation proposal is to be submitted to OCD not later than 9/27/14. The remediation proposal is to be based on site ranking, delineation results, and NMOCD Rules, Regulations and Guidelines.

Also, be aware that your injection permit for this well states the following: **"The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface."**

If you have any questions or concerns, and for notification, please contact me.

Mike Bratcher NMOCD District 2 811 S. First Street Artesia, NM 88210 O: 575-748-1283 X108 C: 575-626-0857 F: 575-748-9720

From: Randall Hicks [mailto:r@rthicksconsult.com]
Sent: Wednesday, August 27, 2014 6:30 AM
To: Bratcher, Mike, EMNRD
Cc: 'Gonzalez, Luis'; DDunlap@claytonwilliams.com; mike@rthicksconsult.com
Subject: FW: Clayton-Williams -Jenna Com

Mike

We believe the loss of fluids is less than 25 bbls at this site – some of which drained onto the reclamation conducted about a year ago.

In mid-September, we will conduct the 2/25/14 Investigation Plan that will provide OCD with the vertical delineation of the 2013 release as well as the investigation of the recent release. At this same time, we may complete the remedy for the Southwest Royalties release at Hackberry Yates Well #105 – transmitted to OCD on 8/4/14.

Paper copies to OCD later today.

Randall T. Hicks 505-266-5004 (office) 505-238-9515 (cell and best number to use)