

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

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

RECEIVED

JUN 27 2013

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

Form C-141  
Revised August 8, 2011

Release Notification and Corrective Action

NTJMW 1319233299

OPERATOR

x Initial Report ☐ Final Report

Name of Company Southern Bay Operating, LLC 256523	Contact Mark Newton
Address 5100 East Skelly Drive, Suite 650 Tulsa, OK 74135	Telephone No. 940-704-2608
Facility Name Grayburg Jackson Premier San Andres Unit K Central Battery	Facility Type: Oil Production Battery

Surface Owner: BLM	Mineral Owner: BLM	API No. Various
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LOCATION OF RELEASE

use: 90-015 - 31163

Unit Letter K	Section 27	Township 17 S	Range 30 E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release Spill	Volume of Release 120 BBL	Volume Recovered 65 bbl.
Source of Release 3" water leg on the production separator	Date 06-24-13 Hour 4:30 am	Date 06-24-13 Hour 10:30 am Discovery
Was Immediate Notice Given? x Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher	
By Whom? Danny Harrell	Date and Hour 06-24-13 Time: 17:37 AM	
Was a Watercourse Reached? <input type="checkbox"/> Yes x No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted. Describe Fully.\*  
N/A

Describe Cause of Problem and Remedial Action Taken.\*

3" water leg from the production separator to the produced water tank failed due to corrosion spilling 120 bbls of produced water inside the battery secondary containment. The lease operator shut in the facility and associated wells to stop the spill.

Describe Area Affected and Cleanup Action Taken.\*

The spill of 120 bbls of produced water was contained inside the battery secondary containment. Free produced water inside the battery containment was recovered using a vacuum truck (approx. 65 bbls). Secondary containment was flushed with fresh water and recovered with a vacuum truck. Sampling and vertical/horizontal delineation will be conducted to determine the extent of the residual CI and TPH contamination.

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.

Signature: Danny W. Harrell		OIL CONSERVATION DIVISION	
Printed Name: Danny W. Harrell		Approved by Environmental Specialist: Signed By <u>Mike Bratcher</u>	
Title: EH&S Manager		Approval Date: JUL 11 2013	Expiration Date:
E-mail Address: dharrell@halconresources.com		Conditions of Approval: Remediation per OCD Rule & Guidelines, & like approval by BLM. SUBMIT REMEDIATION PROPOSAL NO LATER THAN:	
Date: 04-26-13 Phone: 225-571-1170		Attached <input type="checkbox"/>	

\* Attach Additional Sheets If Necessary

PROPOSAL NO LATER THAN:

August 11, 2013

2RP-1709