

NM OIL CONSERVATION

ARTESIA DISTRICT

AUG 05 2014

Form C-141
Revised August 8, 2011

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

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

Release Notification and Corrective Action

11AB1421934021

OPERATOR

☒ Initial Report ☐ Final Report

| | |
|--|----------------------------|
| Name of Company ENERGYQUEST II, LLC 305911 | Contact LARRY DAVIS |
| Address 4526 RESEARCH FOREST DRIVE., SUITE 200, THE WOODLANDS, TX 77381 | Telephone No. 281-875-6200 |
| Facility Name BEESON F FEDERAL #029 | Facility Type OIL |

| | | |
|---|---------------|----------------------|
| Surface Owner Bureau of Land Management | Mineral Owner | API No. 30-015-31164 |
|---|---------------|----------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| A | 31 | 17S | 30E | 330 | NORTH LINE | 330 | EAST LINE | EDDY |

Latitude 32.7973913815622 Longitude -104.003815317332

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release PRODUCED SALT WATER | Volume of Release 40 BBL | Volume Recovered 0 |
| Source of Release BREAK IN WATER INJECTION LINE | Date and Hour of Occurrence 02 AUG 2014, 1530 HOURS | Date and Hour of Discovery 03 AUG 2014, 1026 HOURS |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? JIM AMOS, BUREAU OF LAND MANAGEMENT (575) 234-5972 | |
| By Whom? GREG MCWILLIAMS (806) 445-1728 | Date and Hour 03 AUG 2014, 1026 HOURS | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

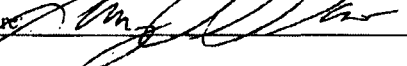
FAILURE OF WATER INJECTION LINE BELOW GROUND LEVEL. NO OIL OR OIL PRODUCTS WERE RELEASED. UPON DISCOVERY, FIELD WAS SHUT IN AND FLOW WAS STOPPED. DIGGING REVEALED FAILURE POINT IN FLOW LINE. ANALYSIS OF LOCATION INDICATES NO SUB-SURFACE WATER AND NO SURFACE WATERCOURSE IN VICINITY. CLEAN UP WILL REQUIRE REMOVAL AND REPLACEMENT OF IMPACTED SOILS. APPROVAL TO PROCEED WITH REPAIR AND CLEANUP GIVEN BY JIM AMOS, BLM. CLEAN UP TO BEGIN 06 AUGUST 2014.

Describe Area Affected and Cleanup Action Taken.*

AREA IS SAND DUNES. SEE ATTACHED PHOTOS. WATER INJECTION LINE TO BE REPAIRED; CONTAMINATED SOIL TO BE REMOVED AND REPLACED.

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

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| Signature:  |
| Printed Name: LARRY DAVIS |
| Title: MANAGER, ENVIRONMENTAL QUALITY AND SAFETY |
| E-mail Address: larry.davis@energyquest.us |
| Date: 05 August 2014 Phone: 281-651-5201 |

Approved by Environmental Specialist: 

Approval Date: 8/7/14 Expiration Date: N/A

Conditions of Approval: Remediation
Per O.C.D. Rule & Guidelines

Attached ☐

SUBMIT REMEDIATION PROPOSAL NO
LATER THAN: 9/7/14

2RP-2419

* Attach Additional Sheets If Necessary