

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

NM OIL CONSERVATION

ARTESIA DISTRICT

NOV 24 2014 Form C-141
Revised August 8, 2011

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

RECEIVED

Release Notification and Corrective Action

NAB1432936692 OPERATOR ☒ Initial Report ☐ Final Report

| | | | |
|-----------------|---|-----------------|--------------|
| Name of Company | RKI E&P, LLC <u>246289</u> | Contact | Zack Laird |
| Address | 210 Park Ave. - Ste. 900, OKC, OK 73102 | Telephone No. | 405-742-2696 |
| Facility Name: | Santa Fe Federal 8 SWD | Facility Type : | SWD |
| Surface Owner | Federal | Mineral Owner | NA |
| | | API No. | 30-015-27126 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| A | 35 | 22S | 28E | | 760 FNL | | 460FEL | Eddy |

Latitude: 32.3544216423605 Longitude: -104.05142600431

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release. Produced Water | Volume of Release 1225 Bbls | Volume Recovered 1170 Bbls |
| Source of Release Injection line swedge | Date and Hour of Occurrence 11/22/14 - prior to 1000hrs MT | Date and Hour of Discovery 11/22/14 - 1000hrs MT |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Heather Patterson - NM OCD (Voicemail) Sol Hughes - BLM (Discussed Spill) | |
| By Whom? Zack Laird - Sr. EHS Manager | Date and Hour 11/24/14 - 1130hrs (CT) | |
| 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.* N/A

Describe Cause of Problem and Remedial Action Taken.*

The injection line running from the triplex pump to the wellhead developed a leak at a swedge that connects a 90 degree elbow to the 2 7/8" flow line. The threads in the swedge connection broke and allowed the leak to occur, vibration is thought to be the cause of the swedge failure. The injection line is thought to be the original from 1999, RKI rebuilt nearly all surface facilities upon acquiring this SWD in 2008, but the injection line was not replaced or rebuilt.

Upon discovery of the spill, the triplex pump was shut down and water tanks were diverted to a different disposal. Four (4) vac trucks were dispatched to recover free fluids. Allowing location to dry out now, will delineate potential salt contamination and determine remedial plan.

Describe Area Affected and Cleanup Action Taken.*

All fluid remained on SWD pad (berm was in place around pad), 1170/1225 Bbls spilled were recovered.

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: <u>[Signature]</u> | | OIL CONSERVATION DIVISION | |
| Printed Name: Zack Laird | | Approved by Environmental Specialist: <u>[Signature]</u> | |
| Title: Sr. EHS Manager | | Approval Date: <u>11/24/14</u> | Expiration Date: <u>NA</u> |
| E-mail Address: ZLaird@rkixp.com | | Conditions of Approval: | |
| Date: 11/24/14 Phone: 405-987-2213 | | Attached <input type="checkbox"/> | |

Remediation per O.C.D. Rules & Guidelines
SUBMIT REMEDIATION PROPOSAL NO
LATER THAN: 12/24/14 2RP-2625

* Attach Additional Sheets If Necessary