

District I  
1625 N French Dr, Hobbs, NM 88240  
District II  
1301 W Grand Avenue, 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

Form C-141  
Revised October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

**Release Notification and Corrective Action**

30-045-34713

**OPERATOR**

☒ Initial Report ☐ Final Report

Name of Company- Caerus Southern Rockies LLC	Contact - John E. Rager
Address - 600 Seventeenth Street, Suite 1600N	Telephone No. - 303-565-4600
Facility Name - Tsah Tah 11-3R	Facility Type - Producing Well

Surface Owner: BLM	Mineral Owner: United States/BLM	Lease No. NMNM112955
--------------------	----------------------------------	----------------------

**LOCATION OF RELEASE**

Unit Letter M	Section 11	Township 24N	Range 10W	Feet from the 1047	North/South Line South	Feet from the 1200	East/West Line West	County San Juan
------------------	---------------	-----------------	--------------	-----------------------	---------------------------	-----------------------	------------------------	--------------------

Latitude 36.32412 N Longitude 107.87049 W

**NATURE OF RELEASE**

Type of Release- Produced Salt Water	Volume of Release - 48 Bbls	Volume Recovered 45 Bbls
Source of Release- Stuffing box leak	Date and Hour of Occurrence- 6-14-11 overnight	Date and Hour of Discovery - 6-14-11 discovered at 3:00 P.M.
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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.\*

The wellhead on the Tsah Tah 11-3R appears to have settled for an unknown reason. This settling tilted the wellhead slightly which caused the stuffing box packing to wear and begin to leak. Overnight, the well continued to pump with the produced water leaking onto the well site until the pumping unit was shut down at 3:00 P.M. on June 14, 2011. The well was shut in. It is estimated that approximately 48 bbls. of produced salt water were discharged to the ground. All the water was contained on the well pad. A vacuum truck recovered 45 bbls. of produced water. We are still trying to determine a cause for the wellhead settling. There are 2 "cracks" in the ground on either side of the pumping unit pad. Further inspection on 6/16/11 indicates that the slips holding the 4.5" production casing allowed the casing to settle about 4" which created enough stress on the flow lines which pushed the well head off center creating the polished rod and stuffing box leak. The flow lines did not break. We used a backhoe to dig down alongside the flow lines which relieved the pressure on the wellhead allowing it to straighten up. The Braden head tested OK and witnessed by the State inspector. The well was placed on production.

Describe Area Affected and Cleanup Action Taken.\*

All the released water was contained on the well site. A vacuum truck was used to recover most of the released water.

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: <i>John E. Rager</i>		OIL CONSERVATION DIVISION	
Printed Name: John E. Rager		Approved by District Supervisor: <i>Bd. Bell</i>	
Title: Operations Manager		Approval Date: 6-30-11	Expiration Date:
E-mail Address: john@caerusoilandgas.com		Conditions of Approval:	Attached <input type="checkbox"/>
Date: 6/16/11	Phone: 303-565-4600	NJK 1122352151	