

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

Form C-141
Revised April 3, 2017

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

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

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

| | | |
|---|---|-----------------------------|
| Name of Company Elm Ridge Exploration CO LLC | Contact Amy Archuleta | |
| Address PO BOX 156 Bloomfield, NM 87412 | Telephone No. 505-632-3476 x 201 | |
| Facility Name Hunter Foster #1 | Facility Type Oil | |
| Surface Owner BLM | Mineral Owner | API No. 30-045-26717 |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------------------|----------------------|------------------------|---------------------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|---------------------------|
| Unit Letter G | Section 26 | Township 25N | Range 12W | Feet from the 2080' | North/South Line North | Feet from the 2310' | East/West Line East | County San Juan |
|-------------------------|----------------------|------------------------|---------------------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|---------------------------|

Latitude 36.3737159 Longitude -108.0798492 NAD83

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release Storm water / Oil | Volume of Release 3 bbls | Volume Recovered |
| Source of Release Separator | Date and Hour of Occurrence 6-1-17 Between 5pm - 7:30AM | Date and Hour of Discovery 6-2-17 7:30 AM. |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Cory Smith and Whitney Thomas (BLM) via email. | |
| By Whom? Amy Archuleta | Date and Hour 6-2-17 2:32PM | |
| Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | If YES, Volume Impacting the Watercourse. 1.5 bbls mixed with rain water. | |

If a Watercourse was Impacted, Describe Fully.* **The separator failed and oil released onto the location. It was raining when this occurred and the oil traveled approximately 1/2 mile down the wash. There were places the oil accumulated on the edges of the vegetation. It also formed a sheen of oil on the standing water that was left in the wash.**

Describe Cause of Problem and Remedial Action Taken.*

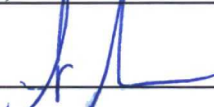

The Separator's by pass valve and sight glass failed. The well continued to fill up the separator and oil released from the sight glass holes. We immediately had a crew go out and clean up the well pad and they continued down the wash with shovels and buckets as to not disturb the vegetation. We also had Envirotech on location the next day to put oil pads and booms down to ensure the oil didn't travel any further down the wash.

OIL CONS. DIV DIST. 3

Describe Area Affected and Cleanup Action Taken.*

JUN 07 2017

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:  | | OIL CONSERVATION DIVISION | |
| Printed Name: Amy Archuleta | | Approved by Environmental Specialist  | |
| Title: Regulatory Supervisor | | Approval Date: 6/9/2017 | Expiration Date: |
| E-mail Address: aarchuleta@djrlc.com | | Conditions of Approval: Sample Area BTEX, TPH, Chlorides | Attached <input type="checkbox"/> |
| Date: 6-5-17 Phone: 505-632-3476 x201 | | GRB/ORD/mec | |

Attach Additional Sheets If Necessary

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