

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

R7 #40

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

OPERATOR

☒ Initial Report ☐ Final Report

| | | |
|--|---|------------------|
| Name of Company Pure Resources | Contact Mike Northcutt | |
| Address P.O. Box 609 Lovington, NM 88260 | Telephone No. Off.- 505-396-7503 Cell - 505-390-1090 | |
| Facility Name Lovington San Adres Unit | Facility Type - 2 Inch F.G. Lateral Line to Water Injection wells | |
| Surface Owner - City of Lovington NM | Mineral Owner - State | Lease No. B-1527 |

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|------------------------|---------------------------|-----------------------|------------------------|---------------|
| Unit Letter J | Section 31 | Township 16S | Range 37E | Feet from the 2050' | North/South Line South | Feet from the 1420 | East/West Line West | County Lea |
|------------------|---------------|-----------------|--------------|------------------------|---------------------------|-----------------------|------------------------|---------------|

Latitude - N32 degrees 52,631' Longitude - W103 degrees 17,111'

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release - Produced Water with Iron Sulfide | Volume of Release - Est. 150 bbls | Volume Recovered - 540 bbls. |
| Source of Release - 2 inch fiber glass line | Date and Hour of Occurrence 8-20-05 11:00 AM | Date and Hour of Discovery 8-20-05 12:15 PM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Gary Wink NMOCD City of Lovington pumper | |
| By Whom? | Date and Hour 2:50P.M MST | |
| 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.. 2 inch fiber glass line parted at valve box glue separated and pulled out of connection. SI lines and isolated leak. Had 2-3 inches of rain the 8-18-05 which showed more water recovered than what was leaked. Also had 2 inches rain on 8-20-05, after picking up fluids.

Describe Area Affected and Cleanup Action Taken.*

Produced water leaked over pasture land and vegetation. Produced water mostly contained in road way. Pasture land and vegetation affected was 39,000 sq. ft. Leak was isolated and fluids were picked by trucks and hauled to disposal. Spill site will be tested and cleaned up per NMOCD regulations. Joint will be replaced before using again.

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: Mike Northcutt | | OIL CONSERVATION DIVISION | |
| Printed Name: Mike Northcutt | | Approved by District Supervisor: | |
| Title: SENM Field Superintendent | | Approval Date: | |
| E-mail Address: mnorthcutt@pureresources.com | | Conditions of Approval: | |

