

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

Form C-141
Revised August 8, 2011

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: Silver Spike Energy Operating of NM, LLC	Contact: Mike Evans
Address: 203 W Wall Suite 920 Midland, TX 79701	Telephone No. 432-413-6483
Facility Name: Knowles SWD #002	Facility Type: SWD

Surface Owner Fee	Mineral Owner Fee	API No. 30-025-07287
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LOCATION OF RELEASE

Unit Letter P	Section: 34	Township: 26S	Range 38E	Feet from the 660	North/South Line South	Feet from the 660	East/West Line East	County: Lea
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Latitude 32.8726654 Longitude -103.1286621

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 540 bbls	Volume Recovered 520 bbls
Source of Release Tank Overflow	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 01-04-16
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input 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.	

RECEIVED

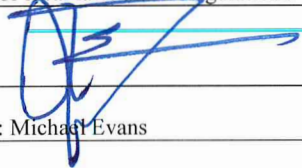

By Kellie Jones at 8:56 am, Jan 14, 2016

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Due to the failure of the check valve on well allowing a back flow out of the well into the dike area. All equipment was closed upon discovery. All produced water was removed and pumped back into the tank.

Describe Area Affected and Cleanup Action Taken.*
SESI was contacted to assess and remediate the site according to NMOCD guidelines.

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>OIL CONSERVATION DIVISION</u>	
Printed Name: Michael Evans	Approved by Environmental Specialist: 	
Title: EHS Representative	Approval Date: 01/14/2016	Expiration Date: 03/14/2016
E-mail Address: Michael@silverspikeenergy.com	Conditions of Approval: Site samples required. Delineate and remediate as per MNOCD guides. Geotag photographs of remediation recommended.	Attached <input type="checkbox"/> 1RP-4108
Date: 01/05/2015 Phone: 432-413-6483		

* Attach Additional Sheets If Necessary

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pKJ1601432763