

**RECEIVED****By JKeyes at 2:43 pm, Mar 03, 2016**

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

Revised August 8, 2011

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 | Key Energy Services, LLC                                       | Contact        | Maren Coligan                 |
| Address:        | 1301 McKinney St. Suite 1800. Houston TX 77010                 | Telephone No.  | 713-651-4825                  |
| Facility Name:  | Key Energy Services State "S" Brine and Water Station (BW-028) | Facility Type: | Brine and Fresh Water Station |

|                |                    |                |                     |         |              |
|----------------|--------------------|----------------|---------------------|---------|--------------|
| Surface Owner: | Millard Deck Trust | Mineral Owner: | State Of New Mexico | API No. | 30-025-33547 |
|----------------|--------------------|----------------|---------------------|---------|--------------|

**LOCATION OF RELEASE**

|             |         |          |       |               |                  |               |                |        |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| D           | 15      | 21S      | 37E   | 1340          | North Line       | 330           | West Line      | Lea    |

Latitude N 32° 29' 02.2" Longitude W 103° 09' 28.8"

**NATURE OF RELEASE**

|  |  |   |                      |                            |                      |
|--|--|---|----------------------|----------------------------|----------------------|
| Type of Release                                    | Brine Water  | Volume of Release                         | 80 bbls              | Volume Recovered           | Approx. 0 bbls       |
| Source of Release                                  | Vacuum Truck   | Date and Hour of Occurrence               | 03/02/2016 08:30 PM. | Date and Hour of Discovery | 03/02/2016 08:30 PM. |
| Was Immediate Notice Given?                        | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Not Required | If YES, To Whom?                          | Maxey Brown          |                            |                      |
| By Whom?   | Ana Ramirez  | Date and Hour:                            | 03/03/2015 8:52AM    |                            |                      |
| Was a Watercourse Reached?                         | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No              | If YES, Volume Impacting the Watercourse. | NA                   |                            |                      |
| If a Watercourse was Impacted, Describe Fully.* NA |  |   |                      |                            |                      |

## Describe Cause of Problem and Remedial Action Taken.\*

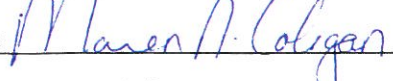

After loading 80 bbls brine water at the Key Energy Station S Brine, the Key Energy Driver was attempting to leave the station and got stuck due to muddy road conditions. In an attempt to lighten his load the Key Energy Driver connected his hoses to the trailer and released 80 bbls.

## Describe Area Affected and Cleanup Action Taken.\*

Release of brine water onto the ground and into a pasture next to the brine station, fluids soaked into the ground, excavation of contaminated soils and confirmation sampling is in progress.

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.

**OIL CONSERVATION DIVISION**

|                 |   |   |   |
|-----------------|---|---|---|
| Signature:      |  |   |   |
| Printed Name:   | Maren Coligan   | Approved by Environmental Specialist:         |  |
| Title:          | Environmental Director  | Approval Date:                                | 03/03/2016  |
| E-mail Address: | mcoligan@keyenergy.com  | Expiration Date:                              | 05/03/2016  |
| Date:           | 03/03/2016  | Conditions of Approval:                       | Discrete site samples only.   |
| Phone:          | 713-651-4825  | Delineate and remediate per NMOCD guidelines. | Attached <input type="checkbox"/>   |
|                 |   | IRP   | 4197  |

\* Attach Additional Sheets If Necessary

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pJXK1606352905