

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: EOR Operating Company | Contact: Jamie Hogue | |
| Address: 777 N. Eldridge Pkwy, Suite 150 Houston, TX 77079 | Telephone No.: 832-485-8522 | |
| Facility Name: Milnesand Unit Battery 3 | Facility Type: Oil & Water | |
| Surface Owner: Vernon B Rogers | Mineral Owner: Various (Milnesand SA Unit) | API No. |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|-----------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| J | 19 | 8S | 35E | | | | | Roosevelt |

Latitude : 33.611855 Longitude: 103.402620

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release: Oil | Volume of Release: 37 bbls | Volume Recovered: 37 bbls |
| Source of Release: Production Tank Hit By Lightning | Date and Hour of Occurrence: 5/5 | Date and Hour of Discovery: 5/5/ 8:00am |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Jamie L Hogue - VP Regulatory Affairs | |
| By Whom? Carlos Bordayo - EOR Lease Operator | Date and Hour: 5/5/15 - 8:00am | |
| 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.*

RECEIVED

By OCD District 1 at 9:09 am, May 06, 2015

Describe Cause of Problem and Remedial Action Taken.*

The night of 5/4/15 storms came through the Milnesand area. Lightning hit two oil production tanks at MSU Battery 3. One of the tanks was destroyed, and the top came off another. Carlos Bordayo (lease operator) observed the damage at 8 AM 5/5/15 while checking wells and collecting production. He immediately called for vacuum trucks and roustabout crews to suck up the 37 bbls that was released from the tank that was total destroyed. The oil that was recovered from within the containment area was then put into holding tank at Battery 3 for storage and clean up.

Describe Area Affected and Cleanup Action Taken.*

Area where release occurred was within the containment wall around oil production tanks at MSU Battery 3. All oil that was able to be vacuumed up was captured by MVA Trucking vacuum truck and put into holding tank at MSU Battery 3 for storage and clean up. Bordayo roustabout crew assisted with clean up and flowline relocation.

Final report will be filed once damaged tanks are removed, clean up is complete and new tanks are set.

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>Jamie L Hogue</i> | OIL CONSERVATION DIVISION | | |
| Printed Name: Jamie L Hogue | Approved by Environmental Specialist: <i>[Signature]</i> | | |
| Title: VP Regulatory Affairs | Approval Date: 05/06/2015 | Expiration Date: 08/06/2015 | |
| E-mail Address: jhogue@enhancedoilres.com | Conditions of Approval: Site samples required. Delineate and remediate as per MNOCD guides. Geotag photographs of remediation required. | | Attached <input type="checkbox"/> 257420 |
| Date: 5/5/2015 | Phone: 832-485-8522 | | |

* Attach Additional Sheets If Necessary

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