

INFORMATION ONLY

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 – Siana Oil & Gas Co., LLC | Contact – Tom Ragsdale | |
| Address – 12012 Wickchester Lane | Telephone No. – 713-568-1082 | |
| Facility Name - APD Federal Well No. 1 | Facility Type – Salt Water Disposal | |
| Surface Owner | Mineral Owner | API No.30-025-28554 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| O | 10 | 23S | 34E | 990 | South | 1940 | East | Lea |

Latitude _32.3146172_ Longitude _-103.4556503_

Based on visual evidence volumes not accurate

NATURE OF RELEASE

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------|
| Type of Release – Produced water | Volume of Release - 2 bbls | Volume Recovered - 2 bbls |
| Source of Release – Load line connection | Date and Hour of Occurrence 9-29-2015 | Date and Hour of Discovery 9-29-2015 |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Unknown | |
| By Whom? Unknown | Date and Hour - Unknown | |
| 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

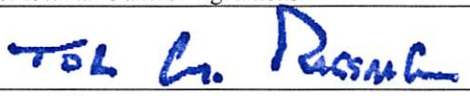
Describe Cause of Problem and Remedial Action Taken.*

A release of produced water by a vacuum truck was created near the unloading section of the SWD facility. It is probable that a hose connection was leaking during the unloading of produced water into the SWD facility near the load line causing the visible release. As soon as notified, Siana took steps to clean the area and take actions to prevent a similar release.

Describe Area Affected and Cleanup Action Taken.*

The affected loading area (20' X 20') was cleaned and the berms and dikes around this area were reinforced.

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: Tom M. RAGSDALE | Approved by Environmental Specialist: /// | | |
| Title: President | Approval Date: /// | Expiration Date: /// | |
| E-mail Address: tmragsdale@sianaoil.com | Conditions of Approval: Accepted for record only | | Attached <input type="checkbox"/> IRP-4185 |
| Date: 1-11-16 | Phone: 713 568 1082 | | |

* Attach Additional Sheets If Necessary

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