

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

LOCATION OF RELEASE

Unit Letter P	Section: 34	Township: 16S	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 22 Bbl.	Volume Recovered 0
Source of Release Water Tank Overflow	Date and Hour of Occurrence Unknown	Date and Hour of Discovery Unknown
Was Immediate Notice Given? PLEASE SEE ATTACHED EXHIBIT TO C-141 <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 8:04 am, Nov 30, 2015

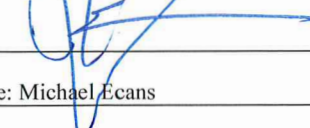

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Failure of the High/Low switch on the water tank. Switch was repaired.

Describe Area Affected and Cleanup Action Taken.*
SESI was contacted to assess the site. A written plan to remediate the site according to NMOCD guidelines will be submitted to all parties of concern.

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: 	Approved by Environmental Specialist: 	
Printed Name: Michael Evans	Approval Date: 11/30/2015	Expiration Date: 01/30/2016
Title: EHS Representative	Conditions of Approval: Site samples required. Delineate and remediate as per MNOCD guides. Geotag photographs of remediation recommended.	
E-mail Address: Michael@silverspikeenergy.com	Attached <input type="checkbox"/> 1RP-4000	
Date: 11/17/2015 Phone: 432-413-6483		

* Attach Additional Sheets If Necessary

nKJ1533429480
nKJ1533429480

Silver Spike Energy Operating of NM
203 W. Wall St. Ste. 920
Midland, TX 79701

November 17, 2015

Oil Conservation Division
1625 N. French Dr.
Hobbs, New Mexico, 88240:

RE: Exhibit to C-141 Knowles SWD API 30-025-07277

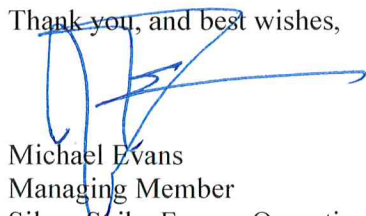
To Whom It May Concern:

Adam C. Cunyus as a partner and Operations Manager of Silver Spike Energy Operating of NM, LLC ("Silver Spike"), personally discussed with Kellie Jones on the morning of November 8, 2015 the following facts, circumstances and history of this lease:

- This incident was discovered and photographed by a NMOCD agent the day of the occurrence. Our contract pumper arrived on location after the agent had left, and informed us of the incident. We were notified by our pumper simultaneously with the receipt of the email from the NMOCD agent, thus we understood the NMOCD was satisfactorily aware.
- This incident was discovered and photographed after an extremely wet season throughout the region, and more specifically, a significant rain 2 days prior to the discovery. We explained this to Ms. Jones, and she asked that we document this within our C-141. The vast majority of the standing water within the berm was fresh rain water.
- This incident is a "historic incident". A vast majority area to be remediated was caused by previous operators, and was inherited by Silver Spike when it took over the lease. Again, we discussed this with Ms. Jones, and she asked that we note it in the C-141.

Your consideration of these factors when reviewing this case is greatly appreciated.

Thank you, and best wishes,



Michael Evans
Managing Member
Silver Spike Energy Operating of New Mexico, LLC
(432)-684-4522
(432)-413-6383
michael@silverspikeenergy.com