

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

HOBBS OGD

Form C-141
Revised August 8, 2011

JUL 15 2014
Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

RECEIVED

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company	Resolute Natural Resources Co., LLC	Contact	Mike McKee, EH&S Coordinator
Address	1700 Lincoln Street, Suite 2850 Denver, CO 80203	Telephone No.	303 573 4886 x 1625
Facility Name	C.E. Brooks Tank Battery	Facility Type	Oil Production Tank Battery

Surface Owner	State of NM/Leased by: Mr. Tarbot (battery location/farmland) & Mr. Larry Parker (lease road)	Mineral Owner		API No.	30-025-33842
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	18	17S	39E					Lea

Latitude 32.83722 Longitude 103.09331

DEPTH TO G 1420 7100'

NATURE OF RELEASE

Type of Release	~Produced water tank overflow	Volume of Release	~235 bbls produced water outside firewall	Volume Recovered	150 bbls produced water
Source of Release	Telemetry system failure. Could not pump produced water to SWD facility and water tank at tank battery overran.	Date and Hour of Occurrence	7/11/14 ~8:00 am	Date and Hour of Discovery	7/11/14 ~8:30 am
Was Immediate Notice Given? (Not within 24 hours)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mr. Tomas Oberding - District I		
By Whom?	Mike McKee	Date and Hour	7/11/14 10:40 am mountain time		
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.*
Describe Cause of Problem and Remedial Action Taken.*

Resolute personnel discovered the water tank overrunning at the C.E. Brooks tank battery. Personnel manually shut-in the producing wells and determined that a telemetry failure prevented the C.E. Brooks tank battery's transfer pump from being able to send produced water to the Holloway SWD facility. Resolute will troubleshoot the telemetry system to prevent any future occurrences.

Describe Area Affected and Cleanup Action Taken.*
The tank overflowed into the battery's plastic-lined earthen-berm containment and completely filled the containment area. Produced water with trace amounts of skim oil then overflowed the berm wall and flowed over the pad, down the lease road, and into adjacent farmland. Vacuum trucks were utilized to recover free-standing fluid outside of the containment and then inside the containment area. Additional cleanup of this affected area will include utilizing a backhoe to scrape surficial caliche from the pad and lease road and replace with clean caliche. Farmland affected soils will be completely excavated and confirmation soil samples will be collected from excavation sidewalls and floor. These samples will be submitted for laboratory analysis of benzene, toluene, ethylbenzene, and total xylenes (BTEX), total petroleum hydrocarbons (TPH), and chlorides. Following confirmation that affected farmland soils have been adequately removed, clean material will be brought in and the stockpile of impacted soil will be transported to Gandy-Marley for treatment.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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:	Mike McKee	Approved by Environmental Specialist:	
Title:	Environmental, Health & Safety Coordinator	Approval Date:	7-15-14
E-mail Address:	mmckee@resoluteenergy.com	Expiration Date:	9-19-14
		Conditions of Approval:	Attached <input type="checkbox"/>

Site Samples
off and on Del Norte & immediate area as per NMOC guides.
Submit Prod C-141 by 9-19-14
7-14-3180
OG 14 295770
AT 14 1972 9073
PRO 14 1972 9184
JUL 16 2014