

NM OIL CONSERVATION

ARTESIA DISTRICT

MAR 29 2018

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 April 3, 2017

RECEIVED
Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

NAB1808939025

371755 OPERATOR

Initial Report

Final Report

| | |
|--|-----------------------------------|
| Name of Company Percussion Petroleum Operating, LLC | Contact Eli Trevino |
| Address 919 Milam Street, Suite 2475 Houston, TX 77002 | Telephone No. (575) 499-3993 |
| Facility Name Screst et al #1 | Facility Type Salt Water Disposal |

| | | |
|---------------|-----------------------|----------------------|
| Surface Owner | Mineral Owner Private | API No. 30-015-22321 |
|---------------|-----------------------|----------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| B | 7 | 19S | 26E | 660 | North | 1980 | East | Eddy |

Latitude 32.6808357 **Longitude** -104.41922 **NAD83**

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release Water | Volume of Release 125 bbls | Volume Recovered 125 bbls |
| Source of Release Third Party | Date and Hour of Occurrence 3/25/2018 | Date and Hour of Discovery 3/25/2018 |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Crystal Weaver (NMOCD) and Mike Bratcher (NMOCD) by email | |
| By Whom? Toby Rhodes | Date and Hour 3/26/2018 5:00 PM | |
| 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.*
No watercourse impacted.

Describe Cause of Problem and Remedial Action Taken.*
On March 25, 2018, a Percussion employee discovered water standing inside the lined containment area at the battery for the subject well. As soon as a vacuum truck became available (March 26, 2018), the standing water was vacuumed up from inside the area. We recovered all the fluid inside the containment area.

Describe Area Affected and Cleanup Action Taken.*
The entire facility was inspected and all meter readings were reviewed. We were unable to find any evidence of a leak or a tank overflow. We believe that it is likely that a third party disposed of the water at our site. We reported the incident to the Eddy County Sheriff's Department on March 26, 2018 at 5:45 MST.

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>Michael Martin</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Michael Martin | Approved by Environmental Specialist: <i>Mike Bratcher</i> | |
| Title: Petroleum Engineer | Approval Date: <u>3/30/18</u> | Expiration Date: <u>N/A</u> |
| E-mail Address: Michael@percussionpetroleum.com | Conditions of Approval: FINAL | Attached <input checked="" type="checkbox"/> <u>2RP-4481</u> |
| Date: 3/29/2018 | Phone: (713) 429-4249 | |

* Attach Additional Sheets If Necessary

Bratcher, Mike, EMNRD

From: Michael Martin <Michael@percussionpetroleum.com>
Sent: Thursday, March 29, 2018 3:12 PM
To: Weaver, Crystal, EMNRD; Bratcher, Mike, EMNRD
Cc: Lupe Carrillo; Toby Rhodes
Subject: Secrest et al #1 C-141
Attachments: Secrest et al #1 C-141.pdf

Crystal and Mike,

Please see attached for the C-141 for the Secrest et al #1 to follow up on the email notification from Toby Rhodes on March 26.

Thanks,

Michael Martin

Petroleum Engineer

Office: (713) 429-4249 | Mobile: (281) 974-6817

Michael@percussionpetroleum.com