

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

| | |
|---|-------------------------------------|
| Name of Company <i>Burgundy</i> | Contact <i>Ben Taylor</i> |
| Address | Telephone No. <i>1-432-557-2684</i> |
| Facility Name <i>SK665 Grayburg #11</i> | Facility Type |
| Surface Owner | Mineral Owner |
| Lease No. <i>300-25-20126</i> | |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|-----------|------------|------------|---------------|------------------|---------------|----------------|------------|
| <i>D</i> | <i>13</i> | <i>205</i> | <i>37E</i> | <i>660</i> | <i>N</i> | <i>990</i> | <i>W</i> | <i>Lca</i> |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | |
|---|---|-----------------------------|
| Type of Release <i>oil Produced water</i> | Volume of Release <i>1/1</i> | Volume Recovered <i>0/0</i> |
| Source of Release | Date and Hour of Occurrence | Date and Hour of Discovery |
| Was Immediate Notice Given? <i>Unreportable.</i> <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? <i>3-4-15</i> | <i>3-5-15</i> |
| 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 OCD; Dr. Oberding at 12:58 pm, Mar 27, 2015

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
A failure in the flowline. Pin hole sprayed onto pumping unit.

Describe Area Affected and Cleanup Action Taken.*
a small 20'x10' Area N of the pumping unit. Area has been scraped up.

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>Ben Taylor</i> | OIL CONSERVATION DIVISION | |
| Printed Name: <i>BEN TAYLOR</i> | Hydrologist | |
| Title: <i>Prod. manager</i> | Approved by District Supervisor: <i>[Signature]</i> | PHD |
| E-mail Address: <i>btaylor.bogic@att.net</i> | Approval Date: <i>03/27/2015</i> | Expiration Date: <i>06/27/2015</i> |
| Date: <i>3.27.15</i> Phone: <i>432.694.4033</i> | Conditions of Approval: | Attached <input type="checkbox"/> |
| | Evidence of remediation must be sent with final C-141. | IRP-3586 3044 |

* Attach Additional Sheets If Necessary

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pTO1508646992