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

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

Form C-141

Revised August 8, 2011

1220 South St. Francis Dr. Santa Fe, NM 87505

Release Notification and Corrective Action											
OPERATOR X Initial Report Final Report											
						Contact Amador Pando, Production Foreman					
						Telephone No. (432) 664-2578 Facility Type Production					
Surface Owner Federal Mineral Owner						API No. 3001503967					
LOCATION OF RELEASE											
Unit Letter I	Section 33	Township 16S	Range 30E	Feet from the 1980		South Line FSL	Feet from the 660	East/West Line FEL		County Eddy	
Latitude 32.87723° N Longitude -103.97278° W NATURE OF RELEASE											
Type of Release Well Fluids (from three wells going to satellite battery) Volume of Release Est. 5-10 bbl Volume Recovered 0 bbl											
Source of Release Hole in flowline						Date and Hour of Occurrence I			Date and Hour of Discovery		
						Just prior to discovery May 26, 2016 (hour unknow				2016 (hour unknown)	
Was Immediate Notice Given? X Yes ☐ No ☐ Not Required						If YES, To Whom? Unknown. BLM Natural Resource Specialist made initial release notification. The Specialist also notified Amador Pando, Production Foreman with J. Cleo Thompson.					
By Whom? BLM Natural Resource Specialist made initial release						Date and Hour May 26, 2016 (hour unknown)					
notification. Was a Watercourse Reached?						If YES, Volume Impacting the Watercourse.					
☐ Yes X No						n/a					
If a Watercourse was Impacted, Describe Fully.* The release did not impact a watercourse.											
Describe Cause of Problem and Remedial Action Taken.* The release was caused by a hole in a flowline that was discovered by the BLM's Natural Resource Specialist ("Specialist") on Thursday, May 26, 2016. The Specialist notified J. Cleo Thompson ("J. Cleo") of the release. The release source was remedied resulting in a minimal impact footprint due to low release volumes. On May 27, 2016, the BLM and J. Cleo performed a joint release evaluation at the site. Sport Environmental Services, LLC (environmental consultant) performed initial remedial efforts at the release site on Monday, May 30, 2016. Based upon visual assessment, <i>Micro-Blaze</i> was applied to the hydrocarbon impacted-areas at the site where residual impact was present (no free liquids). Attached please find a site plan denoting area impacted and <i>Micro-Blaze</i> application quantities. The BLM would like to perform an archeology study in the immediate release area prior to any further remedial efforts and potential soils disturbance by J. Cleo Thompson. Describe Area Affected and Cleanup Action Taken.* The affected area is remote in location. The flowline was moving well fluids from three wells to a satellite battery to be ultimately transferred to the consolidated battery location. A hole in flowline resulting in an estimated well fluids loss of 5-10 bbl. Product was adsorbed into surficial soils resulting in non-recovery of released fluids. Impacted area is roughly 1,704 square feet. <i>Micro-Blaze</i> treatment was applied on 575 square feet (34%) of the affected area. See the section above for a complete description of remedial and cleanup actions taken to date. See attached site plan (demarcated aerial imagery) for release specifics. 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 env											
							OIL CON	SERVATION	NC	DIVISION	
Signature: Risonpar S. Mooner.											
Printed Name: Deborah S. Moore, Agent for J. Cleo Thompson						Approved by Environmental Specialist:					
	itle: President of Sport Environmental Services, LLC					Approval Dat	pproval Date: Expiration Date:			Date:	
E-mail Address: debi@sportenv.com Date: July 7, 2016 Phone: (432) 683-1100/(432) 553-8555 cell						Conditions of Approval:				Attached	
Date: July 7,	2016 Ph	ione: (432) 68	5-1100/(4 .	32] 333-8333 cell							

^{*} Attach Additional Sheets If Necessary