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 NM Oil Conservation Div.

Energy Minerals and Natural **Resources Department**

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Dist. II - Artesia Revised August 24, 2018 Received mit to appropriate OCD District office 11/0/2018

Form C-141

11/9/2010	
Incident ID	NAB1831937668
District RP	2RP-5048
Facility ID	
Application ID	pAB1831934412

)

Release Notification

Responsible Party

Responsible Party Hada	way Consulting & Engineering	OGRID 371985
Contact Name	Alan Hadaway	Contact Telephone 806-323-9836
Contact email had	away@hadeng.com	Incident # (assigned by OCD) NAB1831937668
Contact mailing address	PO Box 188, Canadian, TX 79014	

Location of Release Source

Latitude

33.45105

Longitude _-104.01894 (NAD 83 in decimal degrees to 5 decimal places)

Site Name JP White #4 (660' FNL & 1980' FEL of sec 18)		80' FEL of sec 1	18) Site Type Abandoned well P&A in 1948	
Date Release Discovered November 8 2018		3 2018	API# (<i>if applicable</i>) 30-005-00411	
Unit Letter	Section	Township	Range	County
В	18	105	29E	Chaves

Surface Owner: State XXFederal Tribal X Private (Name: LE Ranch - DK Boyd AB

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

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Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
Produced Water	Volume Released (bbls)	Volume Recovered (bbls)
	Is the concentration of dissolved chloride in the	Yes No
	produced water >10,000 mg/l?	
Condensate	Volume Released (bbls)	Volume Recovered (bbls)
Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
X Other (describe)	Volume/Weight Released (provide units) Unknown, have been advised as of 2 pm	Volume/Weight Recovered (provide units) 100 bbl water trucked from emergency containment
water from P&A wellbore		to disposal.
Cause of Release		
The Muirfield #2H (SI	HL 50' FSL & 1270' FEL of same section 18) is a 7	1 mile lateral from south to north w/ a lateral toe
bottom hole location approximately 1320 FEL and 100' FNL of section 18. The well was frac stimulated and after		
stimulation a leak from the offset well described above was discovered on 11/8/2018. The offset well was drilled to a TD		
of 2875' in 1948 with only 15' of 10 3/4" conductor in the hole. The well was then P&A with one 10 sx cement plug at		
2400', and one 5 sx cement plug at the surface.		

State of New Mexico Oil Conservation Division

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Was this a major release as defined by 19.15.29.7(A) NMAC?	If YES, for what reason(s) does the responsible party consider this a major release?	
🗴 Yes 🗌 No	Greater than 25 bbl.	
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?		
Immediate notice to Ray Podany @ OCD by John Maxey via telecon 11/8/2018. A follow up call to Mike Bratcher by John Maxey took place on 11/9/2018. Follow up email to Mike Bratcher and Maria Pruitt on 11/9/2018.		

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

 \mathbf{X} The source of the release has been stopped.

X The impacted area has been secured to protect human health and the environment.

X Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.

X All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have not been undertaken, explain why:

Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD 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 OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD 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.

Printed Name: John C Maxey	Title: Pet Engr
Signature:	Date: <u>11/9/2018</u> Telephone: <u>575-623-0438</u>
OCD Only Received by:	Date: 11/15/18

-----Original Message-----From: Pruett, Maria, EMNRD <<u>Maria.Pruett@state.nm.us</u>> Sent: Tuesday, November 13, 2018 7:05 PM To: Bustamante, Amalia, EMNRD <<u>Amalia.Bustamante@state.nm.us</u>> Subject: FW: [EXT] Muirfield 2H - Operator: Hadaway Consulting and Engineering

Notification I guess...

-----Original Message-----From: John M <<u>jcm@maxeyengineering.com</u>> Sent: Friday, November 9, 2018 9:11 AM To: Bratcher, Mike, EMNRD <<u>mike.bratcher@state.nm.us</u>> Cc: Pruett, Maria, EMNRD <<u>Maria.Pruett@state.nm.us</u>> Subject: [EXT] Muirfield 2H - Operator: Hadaway Consulting and Engineering

Mike,

I made a call after our conversation this morning. After berming up last night, they've hauled 100 bbl of water off by this morning, considerably more than what was initially reported to me yesterday. They did say the leak is down to a trickle due to getting the horizontal well flowback pressure drawn down. Just wanted you to know my initial estimate was from yesterday after the initial report, and as of this morning the release is larger.

By my own guesstimate, 100 bbl over about 12 hours would be an average of 6 gpm. Like I said, it was initially stronger, now down to a trickle.

--John C. Maxey P.E. Maxey Engineering, LLC 400 N. Pennsylvania, Suite 230A P. O. Box 1361 Roswell, NM 88202-1361 Off: 575-623-0438 www.maxeyengineering.com