

District I  
1625 N. French St., 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

OIL CONS. DIV DIST. 3  
AUG 08 2014

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 August 8, 2011

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

### Release Notification and Corrective Action

#### OPERATOR

☒ Initial Report ☐ Final Report

|   |                                     |                             |
|---|-------------------------------------|-----------------------------|
| Name of Company <b>Elm Ridge Exploration Co LLC</b> | Contact <b>Amy Archuleta</b>        |                             |
| Address <b>Po Box 156 Bloomfield NM 87413</b>       | Telephone No. <b>(505) 632-3476</b> |                             |
| Facility Name <b>Lybrook South #16</b>              | Facility Type <b>Oil Well</b>       |                             |
| Surface Owner <b>BLM</b>                            | Mineral Owner <b>BLM</b>            | API No. <b>30-043-20845</b> |

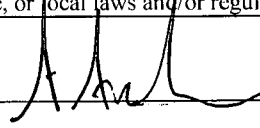
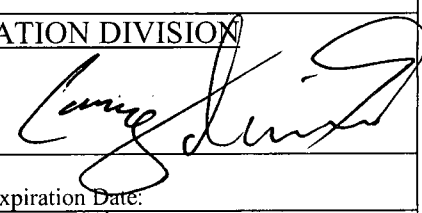
#### LOCATION OF RELEASE

|                         |                      |                        |                     |                               |                                  |                               |                               |                           |
|-------------------------|----------------------|------------------------|---------------------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|---------------------------|
| Unit Letter<br><b>J</b> | Section<br><b>19</b> | Township<br><b>23N</b> | Range<br><b>06W</b> | Feet from the<br><b>1975'</b> | North/South Line<br><b>SOUTH</b> | Feet from the<br><b>1978'</b> | East/West Line<br><b>EAST</b> | County<br><b>SANDOVAL</b> |
|-------------------------|----------------------|------------------------|---------------------|-------------------------------|----------------------------------|-------------------------------|-------------------------------|---------------------------|

Latitude 36.209335 Longitude -107.50705

#### NATURE OF RELEASE

|  |   |  |
|--|---|--|
| Type of Release <b>Oil, Frac Fluid, sand, produced water</b>   | Volume of Release: <b>400 bbls of Frac Fluid, Frac sand and water. 5 bbls of oil.</b> | Volume Recovered:<br><b>Approx: 120 bbls</b> |
| Source of Release: <b>Wellhead valve burst</b>   | Dt & Hr of Occurrence: <b>7-31-14 11:00PM</b>   | Dt & Hr of Discovery: <b>8-1-14 6:00 AM</b>  |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required   | If YES, To Whom?<br><b>OCD, BLM, EPA, and the NRC</b>                                 |  |
| By Whom? <b>RICHARD GRAVES</b>   | Date and Hour <b>8-1-14 8:00 AM (Open hours)</b>                                      |  |
| Was a Watercourse Reached?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  | If YES, Volume Impacting the Watercourse.<br><b>200 bbls of fluid</b>                 |  |
| If a Watercourse was Impacted, Describe Fully. * <b>Approximately 200 bbls of frac fluid, frac sand, and water with traces of oil was sent down the wash after the pipeline ruptured on the road and the location was flooded. It was raining and the ground was already wet allowing the fluid to flow down the wash.</b>   |   |  |
| Describe Cause of Problem and Remedial Action Taken. * <b>SEE ATTACHED</b>   |   |  |
| Describe Area Affected and Cleanup Action Taken. * <b>SEE ATTACHED</b>   |   |  |
| I hereby certify that the information given above is true and complete to the best of my knowledge and understanding and 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:  |                                  | OIL CONSERVATION DIVISION   |                                   |
| Printed Name: <b>Amy Archuleta</b>   |                                  | Approved by Environmental Specialist:  |                                   |
| Title: <b>Sr. Regulatory Supervisor</b>  |                                  | Approval Date: <b>8/12/14</b>   | Expiration Date:                  |
| E-mail Address: <b>aarchuleta@elmridge.net</b>   |                                  | Conditions of Approval:   | Attached <input type="checkbox"/> |
| Date: <b>8-8-14</b>  | Phone: <b>505 632-3476 x 201</b> |   |                                   |

\* Attach Additional Sheets If Necessary

#NCS 1422425348

Describe Cause of Problem and Remedial Action Taken.\* WPX fractured their Chacon #207H well and we believe the sand from the frac job collected in our poly line and caused it to plug up. The poly line is rated for 125 PSI. The over pressured line ruptured in two places and a 2" wellhead valve burst causing the fluid to spray all over location. As soon as we were notified we called a crew and water trucks to location to suck up the liquid that was sitting on location and constructions crews were also setting sandbags to stop any other fluid from going down the wash. WPX also had a crew on location and down the wash assisting with stopping the fluid.

Describe Area Affected and Cleanup Action Taken.\* The location road, well location and a nearby wash were affected. We had two crews out digging up contaminated soil and spraying simple green on location. WPX had Animas Environmental taking samples from the wash and Elm Ridge had Envirotech take samples from the location and the two places the pipeline ruptured. We still currently have a crew on location cleaning up the contaminated soil.