

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: Synergy Operating, LLC	Contact: Tom Mullins	
Address: PO Box 5513, Farmington, NM 87499	Telephone No: 505-320-1751	
Facility Name: Tayler 29-13 (30-043-20569)	Facility Type: Production Tanks	
Surface Owner: Federal	Mineral Owner: Federal	Lease No: NM-29168

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	29	21N	3W	990'	FSL	990'	FWL	Sandoval

Latitude 36.01618 Longitude -107.18478

NATURE OF RELEASE

Type of Release: Produced Water, with Some Oil	Volume of Release: 45 bbls	Volume Recovered: 35 bbls
Source of Release: Produced Water Tank Overflowed	Date and Hour of Occurrence: ?	Date & Hour of Disc 7 30 am-6-22-11
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Tom Mullins - Verbal Call to Brandon Powell 10 55 am - 6-22-11	
By Whom? Tom Mullins	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

RCVD JUN 22 '11

OIL CONS. DIV.
DIST. 3

If a Watercourse was Impacted, Describe Fully.*

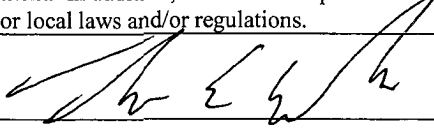

Describe Cause of Problem and Remedial Action Taken.*

Produced Water Tank overflowed, with partial volume of oil on top. Estimated spill at 45 bbls. All contained inside secondary containment firewall. Recovered 35 bbls with vacuum truck, 25 bbls produced water, 10 bbls oil. Well production varies from 100% oil to an increasing degree of water cut. Notified Brandon Powell (NMOCD), leaving cell phone message. Will notify BLM per interim Spill notification request procedure and Undesirable Event (UE) requirements.

Describe Area Affected and Cleanup Action Taken.*

Well shut-in. Vacuum truck recovered all fluids inside berm (35 bbls - 25 bbls produced water, 10 bbls oil). Pulled additional water from tank. Transfer oil back into same tank. Pull additional produced water from water tank. Contacted roustabout crew to powerwash and clean tank battery at present time. Will inspect location to determine additional clean-up measures.

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: 	OIL CONSERVATION DIVISION		
Printed Name: Thomas E. Mullins	Approved by District Supervisor. 		
Title: Engineering Manager	Approval Date: 6/22/11	Expiration Date	
E-mail Address: tom.mullins@synergyoperating.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 06-22-11 Phone: 505-320-1751	nJK1122347686		

* Attach Additional Sheets If Necessary