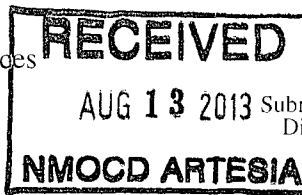


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

JMW 1322534364 OPERATOR ☒ Initial Report ☐ Final Report

Name of Company - Clayton Williams Energy, Inc. 25706	Contact - Dave Dunlap	
Address - 6 Desta Drive, Ste 2100	Telephone No. 575- 390-2062	
Facility Name - Jenna Coin	Facility Type - SWD Facility	
Surface Owner - BLM	Mineral Owner: BLM	Lease No. 25706

LOCATION OF RELEASE

Unit Letter I	Section 5	Township 17S	Range 29 E	Feet from the 2110	North/South Line South	Feet from the 990	East/West Line East	County Eddy Co.
------------------	--------------	-----------------	---------------	-----------------------	---------------------------	----------------------	------------------------	--------------------

Latitude Longitude API 30-015-29260

NATURE OF RELEASE

Type of Release - Produce Water	Volume of Release - 80 Bbls	Volume Recovered - 75 Bbls
Source of Release- SWD facility overflowed	Date and Hour of Occurrence 7 - 19 - 13 @ Early morning	Date and Hour of Discovery 7 - 19 - 13 @ ~ 0830 Hrs
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? BLM- Jim Amos	
By Whom? Dave Dunlap.... Production Field Foreman	Date and Hour 7 - 19 - 13 @ ~ 0900 Hrs	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. Na	

If a Watercourse was Impacted, Describe Fully. * Na

Describe Cause of Problem and Remedial Action Taken * The high fluid level automation system failed and allowed tanks to overflow water in to the fire wall (dikes) then on to the road near the battery. We have recovered all free fluids standing at present time which it consisted of ~ 40% rain water and produced water mixed. Also the automation system has been fixed. Delineation/Excavation process will be performed accordingly by BLM requirements once the soils affected become dry and up on meeting at the site with BLM reps.

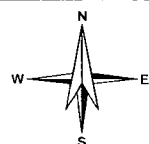
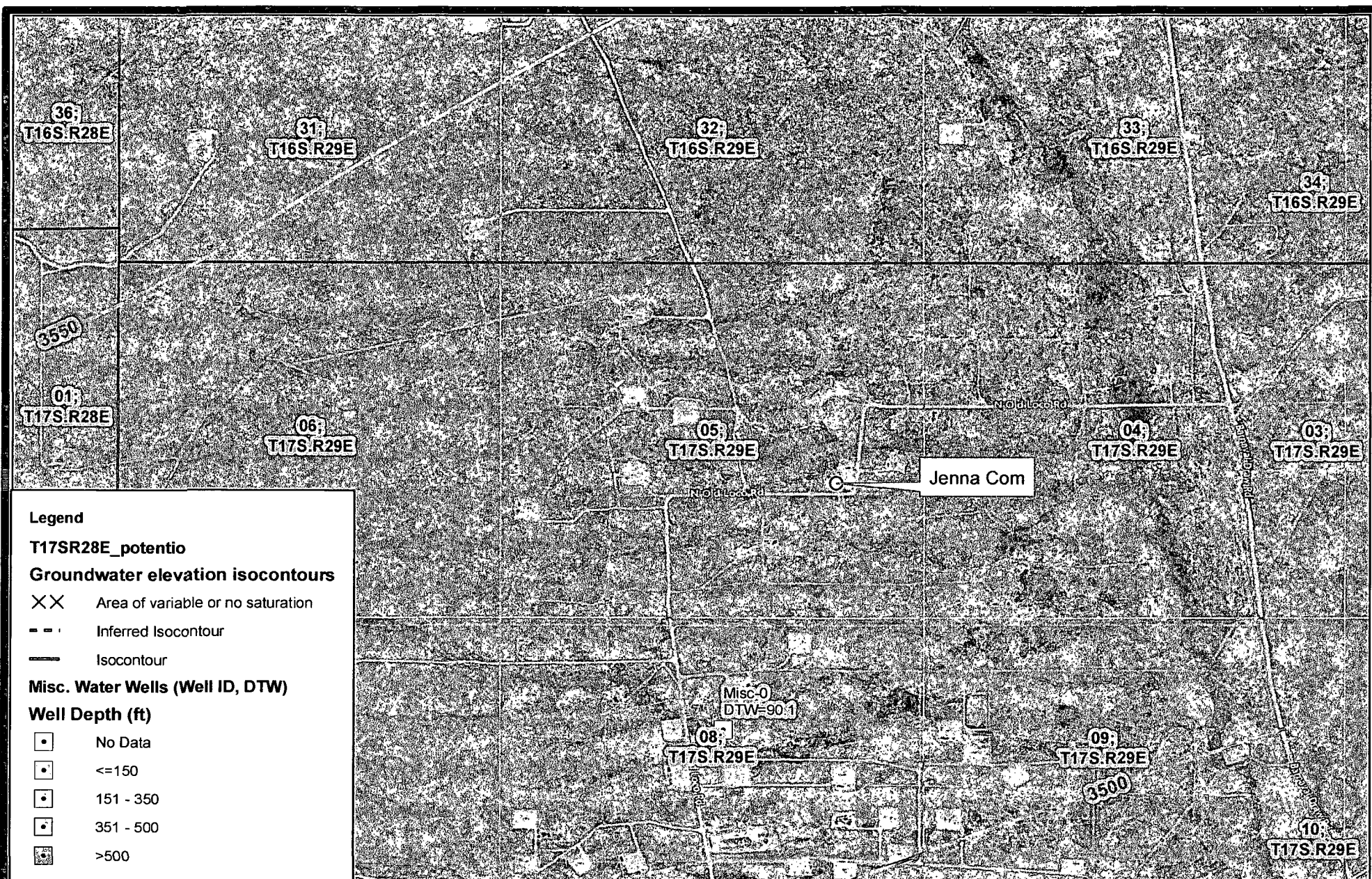
Describe Area Affected and cleanup Action Taken:

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC D 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 NMOC D 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, NMOC D 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>Luis Gonzalez</i>		OIL CONSERVATION DIVISION	
Printed Name: Luis Gonzalez		Approved by District Supervisor: Signed By <i>Mike Benavides</i>	
Title: Environmental Regulatory Administrator		Approval Date: AUG 13 2013 Expiration Date:	
E-mail Address: lgonzalez@claytonwilliams.com		Conditions of Approval:	
Date: July 22, 2013 Phone: 432-661-4708		Remediation per OCD Rule & Guidelines, & like approval by BLM. SUBMIT REMEDIATION PROPOSAL NO LATER THAN: September 13, 2013	
		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

2RP-1816



0 2,000
Feet

R.T. Hicks Consultants, Ltd
901 Rio Grande Blvd NW Suite F-142
Albuquerque, NM 87104
Ph: 505.266.5004

Air Photo and Groundwater Elevation

Clayton Williams - Jenna Com 01

Figure 1

August 2013

Bratcher, Mike, EMNRD

From: Randall Hicks <r@rthicksconsult.com>
Sent: Tuesday, August 13, 2013 5:54 AM
To: Bratcher, Mike, EMNRD
Cc: 'Gonzalez, Luis'; ericgarcia62@hotmail.com
Subject: FW: Jenna com.. NMCOD-BLM CI41 SPILL REPORT
Attachments: Jenna com.. NMCOD-BLM CI41 SPILL REPORT.doc; JennaGW Elev - Photo.pdf

Mike

We can find no written record of NMOCOD notification of this release. Out of an abundance of caution, Luis asked that make sure you have the attached C-141 form, which was sent to BLM on July 22. We have a written record that immediate verbal notice was given to Jim Amos (see email string below), as Federal minerals were extracted when the well was a producer and the SWD serves wells with Federal minerals. We believe the surface owner is the State of NM.

OCD, BLM and the State Land Office can expect a final report within the next few weeks. The report will describe the following events and propose a remedy

1. Excavation of all soil with visible hydrocarbon staining to a lined area on the location
2. Repair of the system
3. Sampling and analysis of the in-place soil within the excavation footprint (conducted by me last week)
4. Sampling and analysis of the stockpiled soil

The attached map shows the location of the site and groundwater elevations determined from measurements of a number of wells in the area between Loco Hills and Artesia. The groundwater elevation beneath the site is about 3525 and the ground elevation is 3604 – thus the depth to water in this area is about 80 feet.

I think this gives you what you need for now.

Randall T. Hicks
505-266-5004 (office)
505-238-9515 (cell and best number to use)

From: Gonzalez, Luis
Sent: Monday, July 22, 2013 2:33 PM
To: 'Amos, James'
Subject: Jenna com.. NMCOD-BLM CI41 SPILL REPORT

Thank you very much Jim!!

Luis Gonzalez
Environmental Regulatory Adm.
Clayton Williams Energy, Inc.
Southwest Royalties, Inc.
6 Desta Drive, Suite 2100
Midland, TX 79705
432-661-4708