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

Form C-141 Revised August 8, 2011

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action n HMP 141364495 **OPERATOR** Initial Report Final Report Name of Company Quantum Resources 243874 Contact Martin Williams Address 400 N. Big Spring, Suite 305 Telephone No. (432) 269-8667 Midland, TX 79705 Facility Name State E 1288 Battery Facility Type Battery State of New Mexico Mineral Owner API No. Surface Owner 30-015-62049 LOCATION OF RELEASE Unit Letter Section Township Range Feet from the North/South Line Feet from the East/West Line 18S 28E Latitude_____Longitude____ NATURE OF RELEASE Volume of Release Volume Recovered Produced water/oil Type of Release Source of Release Heater-treater Date and Hour of Occurrence Date and Hour of Discovery If YES, To Whom? Was Immediate Notice Given? ☐ Yes ☐ No ☐ Not Required Date and Hour By Whom? Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ☒ No If a Watercourse was Impacted, Describe Fully.* RECEIVED AUG 2 1 2013 Describe Cause of Problem and Remedial Action Taken.* NMOCD ARTESIA Describe Area Affected and Cleanup Action Taken.* A total of 8,737 sq ft of battery pad, lease road and pasture was affected. RECS personnel were on site beginning on October 31st, 2012 to take initial samples of the release, which were taken to a commercial laboratory for analysis. Based on this data, 5 verticals and 4 soil bores were installed at the site. RECS personnel met with NMOCD - District 2 on May 21st, 2013 and agreed on a path forward. On June 20th, 2013, RECS personnel were on site to begin the scraping and excavation actions. The areas were scraped down as required by NMOCD. A total of 420 yards of excavated soil was taken to NMOCD approved facility for disposal. A total of 440 yards of soil and 12 yards of red clay was imported to the site. The scraped areas were backfilled with the clean, imported soil. At SB-3 at a depth of 3 ft bgs, a 1 ft thick clay layer was installed and properly seated into the excavation. On June 28th, 2013, Pettigrew & Associates were on site to conduct a clay compaction test on the clay layer. The excavation was then backfilled with the stockpiled soil to bring the excavation back to surface level. 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. OIL CONSERVATION DIVISION alliams) Signature: Approved by Environmental Specialist: Printed Name: Martin Williams Title: Safety and Environmental Coordinator Approval Date: Expiration Date: E-mail Address: Mwilliams@gracq.com Conditions of Approval: Attached [Date: 1/2 13 F Attach Additional Sheets If Necessary Phone: (432) 269-8667