

HOBBS OCD

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
AUG 1 2014 Energy Minerals and Natural Resources
Oil Conservation Division
RECEIVED 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 Pqaladin Energy Corp.	Contact Mickey Horn
Address 10290 Monroe Dr., Dallas, Texas 75229	Telephone No. 432-634-6599
Facility Name Lowe 25 SWD #2 Well	Facility Type SWD Well and Battery
Surface Owner Lowe Family	Mineral Owner Lowe Family
API No. 30-025-40668	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	25	13 S	37 E	1087	South	216	West	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release produced water & oil	Volume of Release 70 Barrels	Volume Recovered 55 Barrels
Source of Release	Date and Hour of Occurrence 1/3/2014	Date and Hour of Discovery 1/3/2014 8:00 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoffrey Leking	
By Whom? Mickey Horn (operations Manager)	Date and Hour 8:00 AM, 1/3/2014	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Back pressure valve on free water knock-out vessel malfunctioned. Pop-off vented to water tank causing tank to run over. Released produced water and some oil into enclosed area and immediately outside of containment dikes. Shut-in operations and contained venting. Began immediate clean up.

Describe Area Affected and Cleanup Action Taken.*

Dug down on north and south sides of water tank area an average of 2 feet to uncontaminated soil. Installed 20 mil poly liner in area. Had soil samples tested by Cardinal Laboratories (attached). Received verbal approval to back fill entire excavation, and to rebuild diked berms around tank battery. Excavated soil sent to Gandy Marley waste disposal facility.

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: <i>David Plaisance</i>	OIL CONSERVATION DIVISION	
Printed Name: David Plaisance	Approved by Environmental Specialist:	
Title: V.P.	Approval Date: 8-1-14	Expiration Date: _____
E-mail Address: dplaisance@paladinenergy.com	Conditions of Approval: _____	Attached <input type="checkbox"/>
Date: 7/29/2014 Phone: 214-654-0132	IRP-3205	

* Attach Additional Sheets If Necessary

AUG 01 2014

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