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

HADBES-OCE

State of New Mexico

Energy Minerals and Natural Resources

Oil Conservation Division 220 South St. Francis Dr. VEDSanta Fe. NM 87505

Form C-141 Revised August 8, 2011

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

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|----------------------------|--------------|-----------------|--------------|-----------------|------------------------|----------------------------------|----------------|---------------------------------------|----------|--|
| | | | Rele | ease Notific | cation and Co | orrective A | ction | | <u>-</u> | |
| | | | | | OPERA | OPERATOR | | | | |
| Name of Co | ompany: I | Resolute Nat | ural Reso | urces Co, LLC | Contact: Pa | Contact: Patrick Flynn | | | | |
| Address: 1 | 700 Linco | ln Street Sui | te 2800, I | Denver, CO 802 | 103 Telephone | Telephone No. 303.534.4600 X1145 | | | | |
| Facility Na | me: State | A Tank Batt | ery | | Facility Typ | Facility Type: Tank Battery | | | | |
| Surface Owner Mineral Owne | | | | | | API No.: 30-025-05245 | | | 45 | |
| | | | | LOCA | ATION OF RE | LEASE | | | | |
| Unit Letter | Section 2 | Township 15S | Range 37E | Feet from the | North/South Line | Feet from the | East/West Line | County | | |
| | | |] | Latitude: 33.04 | 461N Longita | ude: 103.17622 | 2W | · · · · · · · · · · · · · · · · · · · | | |

NATURE OF RELEASE Type of Release: Produced water and oil Volume of Release: 238 Bbl Volume Recovered: 204 Bbl water and water and 42-Bbl oil 36 Bbl oil Date and Hour of Discovery: Source of Release: Overran water tank Date and Hour of Occurrence: 12/12/14 @ 8:30AM Was Immediate Notice Given? If YES, To Whom? ☐ Yes ☐ No ☐ Not Required By Whom? Date and Hour If YES, Volume Impacting the Watercourse. Was a Watercourse Reached? ☐ Yes ☒ No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* Water transfer pump failed, as did the in-field telemetry, allowing the water tank to over fill into the secondary containment area. Describe Area Affected and Cleanup Action Taken.* All released fluids were contained within the secondary containment berm. A vacuum truck was used to recover most of the fluid released. The recovered water was taken to the Gandy Marley facility for disposal and oil was returned to the production tank. Affected pea gravel and soil will be excavated for offsite disposal at the Gandy Marley landfarm. 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, ocal laws and/or regulations. OIL CONSERVATION DIVISION Signature Approved by Environmental Specialist: Printed Name: Patrick Flynn Title: Vice President Approval Date: 1275-14 Expiration Date: 2 7/5-1/5 E-mail Address: pflynn@resoluteenergy.com Conditions of Approval: Attached Phone: 303.534,4600 X1145 Date: 12/15/14

Suling C-141 by 2-4-8. DEC 1 5 2014 PTO 143 1 94 57 284