

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

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

OPERATOR

Initial Report Final Report

| | |
|---|-----------------------------------|
| Name of Company: Mewbourne Oil Company | Contact: Zack Thomas |
| Address: PO Box 5270 Hobbs NM 88241 | Telephone No. 575-393-5905 |
| Facility Name: Sharps 3 Fed Com #2H Battery | Facility Type: Producing Oil Well |

| | | |
|--------------------|--------------------|----------------------|
| Surface Owner: BLM | Mineral Owner: BLM | API No. 30-015-39822 |
|--------------------|--------------------|----------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| P | 3 | 20S | 29E | 400' | South | 150' | East | Eddy |

Latitude 32.5963232 Longitude -104.054806

NATURE OF RELEASE

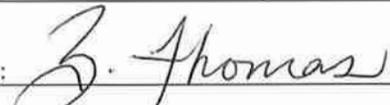
| | | |
|--|---|--|
| Type of Release: Oil/produced water | Volume of Release: estimated 190 bbls total fluid | Volume Recovered: 180 bbls total fluid (100 bbl PW) (80 bbl Oil) |
| Source of Release: Heater Treater | Date and Hour of Occurrence 6-2-15 | Date and Hour of Discovery 6-2-15 8:45 am |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Jim Amos | |
| By Whom? Zack Thomas | Date and Hour 6-3-15 9:30 am | |
| 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.*
Lightning struck heater treater causing it to explode consequently draining all fluid. All wells associated with this battery were shut in.

Describe Area Affected and Cleanup Action Taken.*
Affected area- the well pad surface was affected as well as an estimated 100 ft by 100 ft area of pasture east of the separation equipment. Vacuum truck was used to recover 180 bbls total fluid off the pad surface. No standing fluid off the pad. For all remediation activities reference Site Closure Plan dated October 7, 2015.

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:  | <u>OIL CONSERVATION DIVISION</u> | |
| Printed Name: Zack Thomas | Approved by Environmental Specialist: | |
| Title: Environmental Rep. | Approval Date: 10/8/2015 | Expiration Date: N/A |
| E-mail Address: zthomas@mewbourne.com | Conditions of Approval: FINAL | Attached <input type="checkbox"/> |
| Date: 10-7-15 Phone: 575-602-2188 | | |

* Attach Additional Sheets If Necessary