

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

NM OIL CONSERVATION

ARTESIA DISTRICT

Form C-141
Revised August 8, 2011

JUN 03 2016

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

RECEIVED

Release Notification and Corrective Action

NAB1616035483

OPERATOR

X Initial Report ☐ Final Report

Name of Company J. Cleo Thompson	Contact Amador Pando, Production Foreman	
Address 117 West Yukon, Odessa, TX 79764	Telephone No. (432) 664-2578	
Facility Name West Square Lake Unit 002 (Leonard "E")	Facility Type Production	
Surface Owner Federal	Mineral Owner	API No. 3001503967

LOCATION OF RELEASE

Unit Letter I	Section 33	Township 16S	Range 30E	Feet from the 1980	North/South Line FSL	Feet from the 660	East/West Line FEL	County Eddy
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Latitude 32.87723° N Longitude -103.97278° W

NATURE OF RELEASE

Type of Release Well Fluids (from three wells going to satellite battery)	Volume of Release Est. 5-10 bbl	Volume Recovered 0 bbl
Source of Release Hole in flowline	Date and Hour of Occurrence Just prior to discovery	Date and Hour of Discovery May 26, 2016 (hour unknown)
Was Immediate Notice Given? X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Unknown. BLM Natural Resource Specialist made initial release notification. The Specialist also notified Amador Pando, Production Foreman with J. Cleo Thompson.	
By Whom? BLM Natural Resource Specialist made initial release notification.	Date and Hour May 26, 2016 (hour unknown)	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse. n/a	

If a Watercourse was Impacted, Describe Fully.*
The release did not impact a watercourse.

Describe Cause of Problem and Remedial Action Taken.* The release was caused by a hole in a flowline that was discovered by the BLM's Natural Resource Specialist ("Specialist") on Thursday, May 26, 2016. The Specialist notified J. Cleo Thompson ("J. Cleo") of the release. The release source was remedied resulting in a minimal impact footprint due to low release volumes. On May 27, 2016, the BLM and J. Cleo performed a joint release evaluation at the site. Sport Environmental Services, LLC (environmental consultant) performed initial remedial efforts at the release site on Monday, May 30, 2016. Based upon visual assessment, Micro-Blaze was applied to the hydrocarbon impacted-areas at the site where residual impact was present (no free liquids). Attached please find a site plan denoting area impacted and Micro-Blaze application quantities. The BLM would like to perform an archeology study in the immediate release area prior to any further remedial efforts and potential soils disturbance by J. Cleo Thompson.

Describe Area Affected and Cleanup Action Taken.* The affected area is remote in location. The flowline was moving well fluids from three wells to a satellite battery to be ultimately transferred to the consolidated battery location. A hole in flowline resulting in an estimated well fluids loss of 5-10 bbl. Product was adsorbed into surficial soils resulting in non-recovery of released fluids. Impacted area is roughly 1,704 square feet. Micro-Blaze treatment was applied on 575 square feet (34%) of the affected area. See the section above for a complete description of remedial and cleanup actions taken to date. See attached site plan (demarcated aerial imagery) for release specifics.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 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 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

Signature: <i>Deborah S. Moore</i>	Approved by Environmental Specialist: <i>[Signature]</i>	
Printed Name: Deborah S. Moore, Agent for J. Cleo Thompson	Approval Date: 6/18/16	Expiration Date: N/A
Title: President of Sport Environmental Services, LLC	Conditions of Approval: Remediation per O.C.D. Rules & Guidelines <input type="checkbox"/> SUBMIT REMEDIATION PROPOSAL NO	
E-mail Address: dcbl@sporenv.com	LATER THAN: 7/19/16	
Date: June 3, 2016 Phone: (432) 683-1100/(432) 553-8555 cell	ARP-3718	

* Attach Additional Sheets If Necessary