

District I - (505) 393-6161
P.O. Box 1940
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 South First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

State of New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-141
Originated 2/13/97

Submit 2 copies to:
Appropriate District
Office in accordance
with Rule 116.

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

| | |
|--|-------------------------------|
| Name: Burlington Resources | Contact: Ed Hasely |
| Address: P.O. Box 4289 Farmington NM 87499 | Telephone No.: (505) 326-9537 |
| Facility Name: ALLISON UNIT 67 | Facility Type: Gas Well |

| | | |
|--------------------|------------------------|-----------------------------|
| Surface Owner: Fee | Mineral Owner: Federal | Lease Number: NMSF-078459-B |
|--------------------|------------------------|-----------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|------------------|---------------|-----------------------|---------------------------|-----------------------|------------------------|------------------|
| Unit Letter K | Section 11 | Township 032N | Range 007W | Feet From the 1950 | North/South Line South | Feet From the 1785 | East/West Line West | County: San Juan |
|------------------|---------------|------------------|---------------|-----------------------|---------------------------|-----------------------|------------------------|------------------|

NATURE OF RELEASE

| | | |
|---|---|--|
| Type of Release: Reserve Pit Water | Volume of Release: 100 bbls. | Volume Recovered: 0 bbls. |
| Source of Release: Reserve Pit | Date and Hour of Occurrence: 5/17/00 9:00:00 AM | Date and Hour of Discovery: 5/17/00 9:00:00 AM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If Yes, To Whom? Charlie Perrin | |
| By Whom? Ed Hasely | Date and Hour: 5/17/00 1:50:00 PM | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. 0 | |

If a Watercourse was Impacted, Describe Fully. (Attach Additional Sheets If Necessary)

NA

Describe Cause of Problem and Remedial Action Taken. (Attach Additional Sheets If Necessary)

During the flowback of a frac job, the reserve pit overflowed and traveled off location. Liquids in the pit were removed to lower the fluid level in the pit and prevent further release.

Describe Area Affected and Cleanup Action Taken. (Attach Additional Sheets If Necessary)

The reserve pit water traveled a very narrow path off location down a ditch along the road, through a culvert and into range land. Total distance off location is approximately 400 yards. All fluids soaked into the ground - there were no free liquids present. The impacted soils were shoveled/raked to mix the soils and break up any crust that may have formed.

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>Gregg Wurtz for E. Hasely</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Gregg Wurtz | Approved by: <i>Denny Fout</i> | District Supervisor: <i>for Frank Chavez</i> |
| Title: Environmental Representative | Approval Date: 6/15/00 | Expiration Date: |
| Date: Phone: (505) 326-9537 or (505) 326-9841 | Conditions of Approval: | Attached: <input type="checkbox"/> |

Not on computer

nJK1217341013

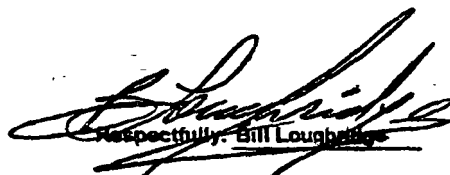


Water Analysis Report

To: Burlington Resources Date: 05/17/2000
Submitted by: Halliburton Energy Services Date Rec: 05/17/2000
Attention: Bruce Boyer Report #: BLMM0228
Well Name: Allison #87 Formation: Flow Back

Anthrone test for broken Gel was very weak positive.

| | | |
|----------------------------------|-------|---------|
| Specific Gravity | 1.005 | |
| pH | 7.85 | |
| Resistivity | 0.65 | @ 70° F |
| Iron (Fe) | 0 | Mg / L |
| Potassium (K) | 200 | Mg / L |
| Sodium (Na) | 5881 | Mg / L |
| Calcium (Ca) | 88 | Mg / L |
| Magnesium (Mg) | 22 | Mg / L |
| Chlorides (Cl) | 7200 | Mg / L |
| Sulfates (SO ₄) | 1600 | Mg / L |
| Carbonates (CO ₃) | 200 | Mg / L |
| Bicarbonates (HCO ₃) | 1708 | Mg / L |
| Total Dissolved Solids | 16908 | Mg / L |


Respectfully, Bill Loughbridge

Title: Senior Scientist

Location: Farmington, NM

NOTICE: This report is limited to the described sample tested. Any person using or relying on this report agrees that Halliburton shall not be liable for any loss or damage whether due to act or omission resulting from such report or its use.

Burlington Resources
Drilling /Workover Pit Management Procedure

Purpose

To manage drilling/workover pit to prevent accidental release of fluid to the environment.

Management

Design

The reserve pit should be designed with a sufficient capacity to contain the normally expected drilling/completion/workover fluid and materials generated in addition to sufficient freeboard for the anticipated 48 hour precipitation event. Additional freeboard capacity should be included in the capacity design. Where necessary, a perimeter berm should be included to prevent surface water run on into pit.

Maintenance

The drilling/workover pit should be inspected periodically during each active work shift for the items in Table 1. Inspection findings should be corrected as soon as practical.

Table 1 Inspection Items

| Inspect | Observation | Corrective action |
|-----------------------------|--|--|
| Berm condition | Adequate to prevent surface water run on or run off | Repair berm or remove water |
| Liner/wall condition | No major rips or tears | Repair or replace |
| Fence and netting condition | Fence should be in good condition | Repair or replace |
| Freeboard capacity | Confirm adequate freeboard for planned activities and anticipated precipitation events | Reduce water level or increase berm height |
| Seeps | On outside of pit | Repair |
| Erosion | Major Rills and gullies | Repair/Report |
| Excessive oil | Oily film | Absorb and dispose |
| Debris | No debris other than drilling related materials | Remove and dispose of properly |

Operation

Freeboard capacity should be maintained and monitored periodically during each shift that fluid is being added to pit. If sufficient freeboard is not available flowback personnel must notify water hauler to transport and dispose properly at approved site.

Environmental

Fluid releases from the reserve pit are unacceptable. Inspection of the reserve pit should be conducted regularly during work activities. Pit freeboard will be maintained to prevent releases outside of the reserve pit. In the event an accidental water releases occurs report to the EH&S Department immediately.

Wildlife

Wildlife should not be able to freely access the drilling/workover pit.