

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

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: Enervest Operating LLC	Contact: Lee Gardner
Address: 2700 Farmington Ave, Bld K, Suite #1 Farmington NM 87401	Telephone No. 505-325-0318
Facility Name: State Com CC #001	Facility Type: Oil/Gas Well
Surface Owner: Bud Schmitz	Mineral Owner: BLM
API No. 30-039-23884	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	26	24N	1W					Rio Arriba

Latitude_N_36.279444__ Longitude_W_106.909652__

NATURE OF RELEASE

Type of Release: Condensate/ Produced Water	Volume of Release: 100 BBL	Volume Recovered: 80 BBL
Source of Release: Frozen water drain valve	Date and Hour of Occurrence: Unknown	Date and Hour of Discovery: 2-27-2014 2PM
Was Immediate Notice Given? X <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Charlie Perrin	
By Whom? Bill Julian	Date and Hour: 2-26-2014 5:00 PM	
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.*		

OIL CONS. DIV DIST. 3
MAY 06 2014

Describe Cause of Problem and Remedial Action Taken.* The water drain valve frozen and cracked open allowing approximately 100 bbl. of condensate and produced water to leaking into the containment area. The free liquid was removed. The well was shut in.

Describe Area Affected and Cleanup Action Taken.* The vacuum truck cleaned up any free liquids inside the containment wall. The six oil and water storage tanks will be removed. The impacted soil will be transported to T-N-T Land Farm. Soil samples will be submitted for laboratory analysis to confirm remediation.

Update 5-5-2014: Removed the six 400 bbl storage tanks from the location, The tanks were sent to Benchmark Equipment and Tank in Bloomfield NM for inspection and repair. Excavated the impacted soil in an area approximately 80 ft x 40 ft x 4 ft Hauled approximately 500 cubic yards of impacted soil to T-N-T Landfarm (NM Permit # NM-01-008). Backfilled the location with soil from a nearby pond with the permission of the landowner. Rebuild the tank battery with two 400 bbl tanks. Laboratory analysis indicated the released hydrocarbons have been remediated- report attached.

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>Wilbert L Gardner</i>	OIL CONSERVATION DIVISION	
Printed Name: Wilbert L Gardner	Approved by Environmental Specialist: <i>[Signature]</i>	
Title: Sr. HSE Specialist	Approval Date: 5/9/14	Expiration Date:
E-mail Address: Wgardner@enervest.net	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 5-5-2014	Phone: 505-325-0318	

* Attach Additional Sheets If Necessary

#NCS 1412954171



Analytical Report

Report Summary

Client: Enervest Operating
Chain Of Custody Number: 15800
Samples Received: 4/8/2014 4:15:00PM
Job Number: 05123-0002
Work Order: P404025
Project Name/Location: State CC Lease

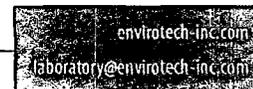
Entire Report Reviewed By:

A handwritten signature in black ink, appearing to read "Tim Cain", is written over a horizontal line.

Tim Cain, Laboratory Manager

Date: 4/15/14

The results in this report apply to the samples submitted to Envirotech's Analytical Laboratory and were analyzed in accordance with the chain of custody document supplied by you, the client, and as such are for your exclusive use only. The results in this report are based on the sample as received unless otherwise noted. Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc. If you have any questions regarding this analytical report, please don't hesitate to contact Envirotech's Laboratory Staff.





Enervest Operating 2700 Farmington Ave. Farmington NM, 87401	Project Name: State CC Lease Project Number: 05123-0002 Project Manager: W Gardner	Reported: 15-Apr-14 15:31
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Analytical Report for Samples

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
State CC Pit	P404025-01A	Soil	04/08/14	04/08/14	Glass Jar, 4 oz.

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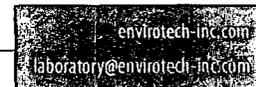


Enervest Operating 2700 Farmington Ave. Farmington NM, 87401	Project Name:	State CC Lease	Reported: 15-Apr-14 15:31
	Project Number:	05123-0002	
	Project Manager:	W Gardner	

State CC Pit
P404025-01 (Solid)

Analyte	Result	Reporting			Batch	Prepared	Analyzed	Method	Notes
		Limit	Units	Dilution					
Volatiles Organics by EPA 8021									
Benzene	ND	0.05	mg/kg	1	1415009	04/09/14	04/10/14	EPA 8021B	
Toluene	ND	0.05	mg/kg	1	1415009	04/09/14	04/10/14	EPA 8021B	
Ethylbenzene	ND	0.05	mg/kg	1	1415009	04/09/14	04/10/14	EPA 8021B	
p,m-Xylene	ND	0.05	mg/kg	1	1415009	04/09/14	04/10/14	EPA 8021B	
o-Xylene	ND	0.05	mg/kg	1	1415009	04/09/14	04/10/14	EPA 8021B	
Total Xylenes	ND	0.05	mg/kg	1	1415009	04/09/14	04/10/14	EPA 8021B	
Total BTEX	ND	0.05	mg/kg	1	1415009	04/09/14	04/10/14	EPA 8021B	
<i>Surrogate: Bromochlorobenzene</i>		100 %		80-120	1415009	04/09/14	04/10/14	EPA 8021B	
<i>Surrogate: 1,3-Dichlorobenzene</i>		95.8 %		80-120	1415009	04/09/14	04/10/14	EPA 8021B	
Nonhalogenated Organics by 8015									
Gasoline Range Organics (C6-C10)	ND	4.99	mg/kg	1	1415009	04/09/14	04/10/14	EPA 8015D	
Diesel Range Organics (C10-C28)	ND	29.9	mg/kg	1	1415010	04/09/14	04/10/14	EPA 8015D	
Total Petroleum Hydrocarbons by 418.1									
Total Petroleum Hydrocarbons	95.9	20.0	mg/kg	1	1415023	04/09/14	04/09/14	EPA 418.1	
Cation/Anion Analysis									
Chloride	ND	9.97	mg/kg	1	1415022	04/09/14	04/09/14	EPA 300.0	

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Enervest Operating 2700 Farmington Ave. Farmington NM, 87401	Project Name: State CC Lease Project Number: 05123-0002 Project Manager: W Gardner	Reported: 15-Apr-14 15:31
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Volatile Organics by EPA 8021 - Quality Control
Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch 1415009 - Purge and Trap EPA 5030A

Blank (1415009-BLK1)

Prepared: 08-Apr-14 Analyzed: 10-Apr-14

Benzene	ND	0.05	mg/kg							
Toluene	ND	0.05	"							
Ethylbenzene	ND	0.05	"							
p,m-Xylene	ND	0.05	"							
o-Xylene	ND	0.05	"							
Total Xylenes	ND	0.05	"							
Total BTEX	ND	0.05	"							

Surrogate: 1,3-Dichlorobenzene	49.1		ug/L	50.0		98.3	80-120			
Surrogate: Bromochlorobenzene	51.9		"	50.0		104	80-120			

Duplicate (1415009-DUP1)

Source: P404020-01

Prepared: 08-Apr-14 Analyzed: 10-Apr-14

Benzene	ND	0.05	mg/kg		ND				30	
Toluene	0.40	0.05	"		0.18			77.7	30	D1
Ethylbenzene	0.60	0.05	"		0.42			35.4	30	D1
p,m-Xylene	1.67	0.05	"		1.03			48.0	30	D1
o-Xylene	0.60	0.05	"		0.33			57.8	30	D1

Surrogate: 1,3-Dichlorobenzene	67.7		ug/L	50.0		135	80-120			Surr1
Surrogate: Bromochlorobenzene	76.1		"	50.0		152	80-120			Surr1

Matrix Spike (1415009-MS1)

Source: P404020-01

Prepared: 08-Apr-14 Analyzed: 10-Apr-14

Benzene	46.0		ug/L	50.0	ND	91.9	39-150			
Toluene	55.9		"	50.0	3.56	105	46-148			
Ethylbenzene	62.3		"	50.0	8.34	108	32-160			
p,m-Xylene	126		"	100	20.5	105	46-148			
o-Xylene	60.1		"	50.0	6.66	107	46-148			

Surrogate: 1,3-Dichlorobenzene	60.1		"	50.0		120	80-120			
Surrogate: Bromochlorobenzene	71.2		"	50.0		142	80-120			Surr1

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Nonhalogenated Organics by 8015 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1415009 - Purge and Trap EPA 5030A										
Blank (1415009-BLK1)					Prepared: 08-Apr-14 Analyzed: 10-Apr-14					
Gasoline Range Organics (C6-C10)	ND	4.99	mg/kg							
Duplicate (1415009-DUP1)					Source: P404020-01 Prepared: 08-Apr-14 Analyzed: 10-Apr-14					
Gasoline Range Organics (C6-C10)	48.1	5.00	mg/kg		34.8			32.2	30	D1
Matrix Spike (1415009-MS1)					Source: P404020-01 Prepared: 08-Apr-14 Analyzed: 10-Apr-14					
Gasoline Range Organics (C6-C10)	1.32		mg/L	0.450	0.70	138	75-125			SPK1

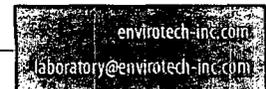
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Enervest Operating 2700 Farmington Ave. Farmington NM, 87401	Project Name: State CC Lease Project Number: 05123-0002 Project Manager: W Gardner	Reported: 15-Apr-14 15:31
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Nonhalogenated Organics by 8015 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1415010 - DRO Extraction EPA 3550C										
Blank (1415010-BLK1)					Prepared: 08-Apr-14 Analyzed: 10-Apr-14					
Diesel Range Organics (C10-C28)	ND	29.9	mg/kg							
Duplicate (1415010-DUP1)					Source: P404020-01 Prepared: 08-Apr-14 Analyzed: 10-Apr-14					
Diesel Range Organics (C10-C28)	2040	30.0	mg/kg		2060			1.12	30	
Matrix Spike (1415010-MS1)					Source: P404020-01 Prepared: 08-Apr-14 Analyzed: 10-Apr-14					
Diesel Range Organics (C10-C28)	2000	31.5	mg/kg	263	2060	NR	75-125			SPK1

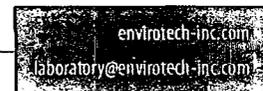
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Enervest Operating 2700 Farmington Ave. Farmington NM, 87401	Project Name: State CC Lease Project Number: 05123-0002 Project Manager: W Gardner	Reported: 15-Apr-14 15:31
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Total Petroleum Hydrocarbons by 418.1 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1415023 - 418 Freon Extraction										
Blank (1415023-BLK1) Prepared & Analyzed: 09-Apr-14										
Total Petroleum Hydrocarbons	ND	20.0	mg/kg							
Duplicate (1415023-DUP1) Source: P404020-01 Prepared & Analyzed: 09-Apr-14										
Total Petroleum Hydrocarbons	1650	20.0	mg/kg		1630			1.31	30	
Matrix Spike (1415023-MS1) Source: P404020-01 Prepared & Analyzed: 09-Apr-14										
Total Petroleum Hydrocarbons	3490	19.9	mg/kg	1990	1630	93.0	80-120			

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Enervest Operating 2700 Farmington Ave. Farmington NM, 87401	Project Name: State CC Lease Project Number: 05123-0002 Project Manager: W Gardner	Reported: 15-Apr-14 15:31
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Cation/Anion Analysis - Quality Control
Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1415022 - Anion Extraction EPA 300.0										
Blank (1415022-BLK1) Prepared & Analyzed: 09-Apr-14										
Chloride	ND	9.94	mg/kg							
LCS (1415022-BS1) Prepared & Analyzed: 09-Apr-14										
Chloride	486	9.96	mg/kg	498		97.5	90-110			
Matrix Spike (1415022-MS1) Source: P404017-01 Prepared & Analyzed: 09-Apr-14										
Chloride	662	9.97	mg/kg	498	172	98.3	80-120			
Matrix Spike Dup (1415022-MSD1) Source: P404017-01 Prepared & Analyzed: 09-Apr-14										
Chloride	666	9.94	mg/kg	497	172	99.3	80-120	0.539	20	

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Enervest Operating 2700 Farmington Ave. Farmington NM, 87401	Project Name: State CC Lease Project Number: 05123-0002 Project Manager: W Gardner	Reported: 15-Apr-14 15:31
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Notes and Definitions

- Surr1 Surrogate recovery was above acceptable limits.
- SPK1 The spike recovery for this QC sample is outside of control limits.
- D1 Duplicates or Matrix Spike Duplicates Relative Percent Difference exceeds control limits.
- DET Analyte DETECTED
- ND Analyte NOT DETECTED at or above the reporting limit
- NR Not Reported
- dry Sample results reported on a dry weight basis
- RPD Relative Percent Difference

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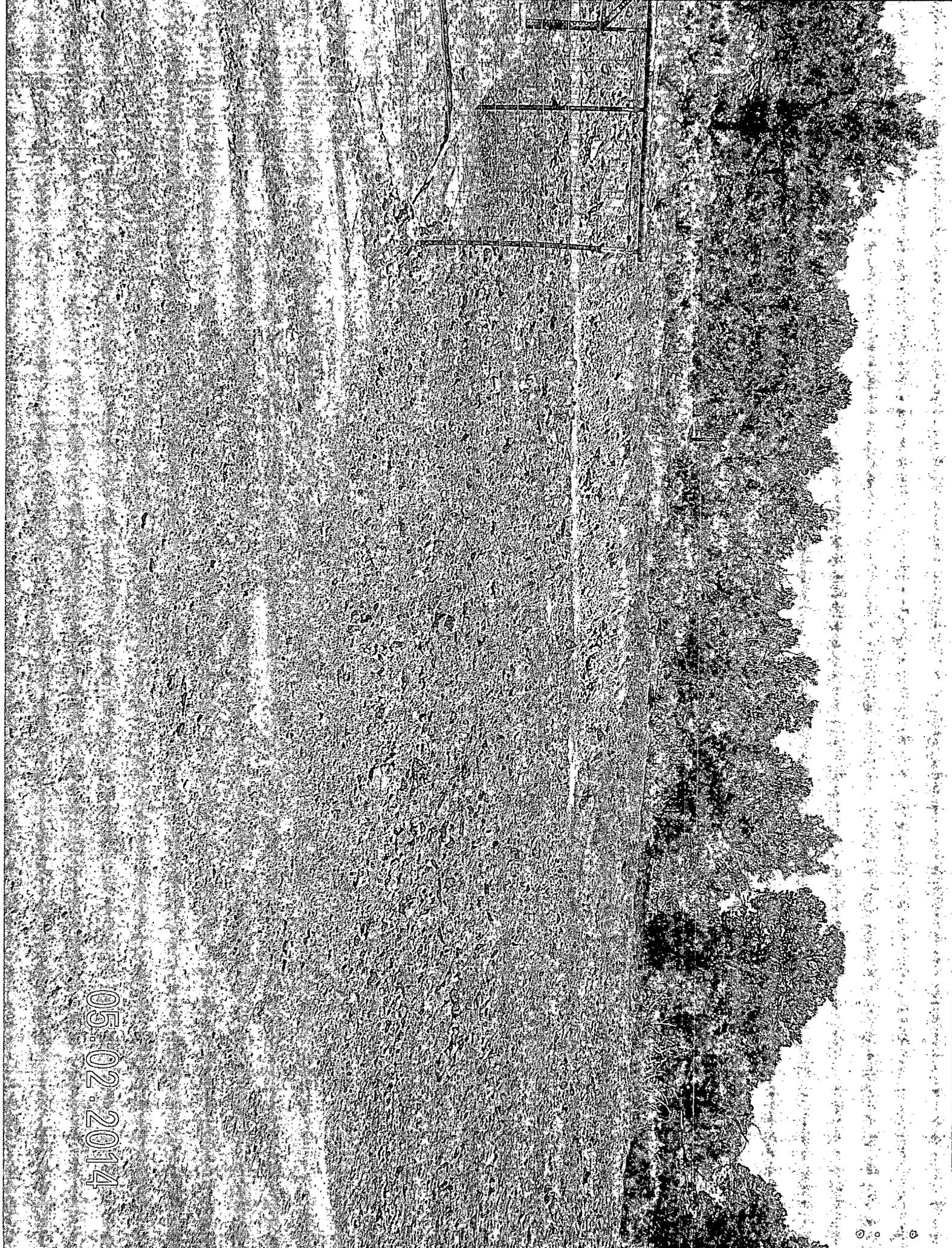
CHAIN OF CUSTODY RECORD

15800

Client: ENERVEST OPERATING		Project Name / Location: STATE CC LEASE			ANALYSIS / PARAMETERS														
Email results to: ENERVEST.NFT		Sampler Name: L GARDNER			TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	CO Table 910-1	TPH (4:18.1)	CHLORIDE	Sample Cool	Sample Intact			
Client Phone No.: 505-320-7924		Client No.: 05123-0002																	
Sample No./ Identification	Sample Date	Sample Time	Lab No.	No./Volume of Containers	Preservative			TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	CO Table 910-1	TPH (4:18.1)	CHLORIDE	Sample Cool	Sample Intact
					HNO ₃	HCl													
STATE CC PIT	4/8/14	14:00	P404025-01	1 - 4%				X	X							X	1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Relinquished by: (Signature) <i>[Signature]</i>				Date	Time	Received by: (Signature) <i>[Signature]</i>				Date	Time								
Relinquished by: (Signature)				4/8/14	16:00	Received by: (Signature)				4/8/14	16:15								
Sample Matrix Soil <input type="checkbox"/> Solid <input type="checkbox"/> Sludge <input type="checkbox"/> Aqueous <input type="checkbox"/> Other <input type="checkbox"/>																			
<input checked="" type="checkbox"/> Sample(s) dropped off after hours to secure drop off area.																			

174





05.02.2014

2010/1/2
110

ENERVEST OPERATING, LLC

STATE COM CC #1

PUERTO CHIQUITO

NMNM-68539

API NO. 30-039-23884

NWSE 1650' FNL & 2100' FEL

(J) SEC.26 T24N R1W NMPM

RIO ARRIBA COUNTY, NM

LAT: 36° 16.75 LONG: 106° 54.61

EMERGENCY CONTACT 505-325-0318

05.02.2014