

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 LOGOS OPERATING, LLC	Contact Tamra Sessions
Address 4001 N. Butler, Bldg 7101, Farmington, NM 87401	Telephone No. 505-330-9333
Facility Name Logos 10	Facility Type Producing Well
Surface Owner Jicarilla	Mineral Owner Jicarilla
API No. 30-043-21158	

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	6	22N	5W	1930	FSL	330	FWL	Sandoval

Latitude 36.16463 Longitude -107.41022

**NATURE OF RELEASE**

Type of Release Produced Water	Volume of Release 3.5bbbls	Volume Recovered 3.5bbbls
Source of Release Hydrera Tank	Date and Hour of Occurrence 12/26/13 Hour unknown	Date and Hour of Discovery 12/26/13 15:00hr
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Jonathon Kelly, OCD discovered & notified LOGOS personnel. Logos notified Bryce Hammond & Rod Velarde, Jicarilla BLM	
By Whom? Tamra Sessions	Date and Hour 12/27/13 08:00hr	
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.* N/A		

RCVD JAN 2 '14  
OIL CONS. DIV.  
DIST. 3

Describe Cause of Problem and Remedial Action Taken.\*  
Pin hole in liner of Hydrera tank @ ~5' caused leaking. 460bbbls of fluid was pulled out of the Hydrera tank which stopped the leaking. Logos will start emptying the tank on 12/28/13 and be done ~01/13/14. Hydrera tank will be dismantled and core samples taken to check for contaminants, any remediation will be taken care of at that time.  
\*\*See attached page 2 for timeline.

Describe Area Affected and Cleanup Action Taken.\*

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>Tamra Sessions</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Tamra Sessions	Approved by Environmental Specialist: <i>Jonathon D. Kelly</i>	
Title: Operations Technician	Approval Date: <u>6/18/2014</u>	Expiration Date:
E-mail Address: <u>tsessions@logosresourcesllc.com</u>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <u>12/30/13</u> Phone: 505-330-9333		

NJK 1416931595

\* Attach Additional Sheets If Necessary

Here is the order of events for the Logos 10 Hydrera tank leak.

**11/26/13**

- 8:00 AM: Logos noticed water accumulating at a low spot on the north end of the Hydrera tank (~1/2 a barrel). At the time of discovery the Hydrera tank at ~14,000 BBLS of fluid inside of the tank. Logos decided to dig a 4'x4'x3' drainage sump to see if the water accumulation was due to a leaking tank, snow melt, or water haulers. The hole did not increase in fillage throughout the day. Logos sucked up the fluid and left the sump hole in place to continue to monitor the tank.
- 10:20 AM: Logos transferred 3200 BBLS of water to the Logos 12 location to prep for frac and to also lower the Hydrera tank level so that a liner inspection could be completed.
- 1:00 PM: TRC sent a crew to inspect the liner and the entire perimeter was inspected. The crew went inside of the tank and looked for any leaks using a light on the backside of the liner to identify any pinhole leaks, but no leaks were found and no fluid accumulated in the 4'x4'x3' sump hole.

**11/27/13 – 12/4/13**

- Logos completed the stimulation and emptied the Hydrera tank.

**12/5/13-12/25/13**

- Logos began recycling produced water and storing it into the Hydrera tank

**12/26/13**

- 3:00 PM: NMOCD discovered fluid accumulation of ~3 bbls in sump hole on north side of Hydrera tank. At the time of discovery, the Hydrera tank had ~11,200 BBLS of fluid in the tank. Logos field staff inspected the tank and found a small trickle of fluid coming from the tank. Logos immediately started hauling fluid out of the Hydrera tank (460 BBLS) and the fluid trickle stopped. Logos suspects that a pin-hole leak exists in the tank at approximately 5' (which is about 11,100 bbls of fluid fillage).

**12/27/13:**

- 8:00 AM: Messages were left for Bryce Hammond and Rod Velarde, Jicarilla BLM inspectors. Rod Velarde requested an email or fax with the details.

**Resolution:**

Currently, there appears to be no leaking from the tank now that the level is below 5'. Logos is continuously hauling the fluid out of the Hydrera tank. Once the tank is emptied, the tank will be dismantled and 5 samples will be taken to test for contamination and remediation will be handled based on the results of the testing. The total fluid recovered from the possible tank leak has been 3.5 bbls.