

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: Elm Ridge Exploration | Contact: Dianna Hamilton 330-2736 |
| Address: 2001 E. Blanco Blvd. Bloomfield, NM 87413 | Telephone No. 634-1144 |
| Facility Name: AXI H9 | Facility Type: Pipeline |

| | | |
|--------------------------|----------------|---------|
| Surface Owner: Jicarilla | Mineral Owner: | API No. |
|--------------------------|----------------|---------|

LOCATION OF RELEASE

30-039-05 220

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| | 32 | 24N | 5W | | | | | |

Latitude 36.264 Longitude -107.388

NATURE OF RELEASE

| | | |
|--|--|-----------------------|
| Type of Release: unknown at this time | Volume of Release: unknown | Volume Recovered: n/a |
| Source of Release: reducer near valve | Date and Hour of Occurrence | 6.6.2017 2:30pm |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Cory Smith, via email. | |
| By Whom? Dianna Hamilton | Date and Hour 6.8.17 3:36pm | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.* Yes, this line does run into the wash. More details to follow.

Describe Cause of Problem and Remedial Action Taken.* On 6/6/17 approximately 2:30 p.m. working on a lateral line from the Martin Whitaker 57 and the AXI H-9 DJR discovered what appeared to be discolored soil near the pipeline we were working on. The soil had a foul odor, reported to DJR supervisor Allen Lain. Reported to DJR Health, Safety & Environmental rep on 6.7.17. Dianna Hamilton notified Jicarilla rep, Hobson Sandoval. Soil sampling will be conducted on 6.13.17. More details to follow.

Describe Area Affected and Cleanup Action Taken.* TBD
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>Dianna Hamilton</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Dianna Hamilton | Approved by Environmental Specialist: <i>[Signature]</i> | |
| Title: HSE Coordinator | Approval Date: 8/4/17 | Expiration Date: |
| E-mail Address: dhamilton@djrlc.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: June 12, 2017 Phone: 505-330-2736 | | |

* Attach Additional Sheets If Necessary #nes 17216 36937

OIL CONS. DIV DIST. 3
JUL 27 2017

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