District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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

APR 2002 RECEIVED OILCON. DIV DIST. 3 Form C-141 Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action 01.81.11 DI **OPERATOR** Initial Report Final Report Name of Company: Markwest Resources, Inc ContactScott Daves Address: 155 Inverness Dr., Suite 200, Englewood, Colo. Telephone No.303-925-9258 Facility Name: Scott Federal 27-11 # 23-1 Facility TypeNew well Mineral Owner: BLM Surface Owner: BLM Lease No.NMSF-078089 LOCATION OF RELEASE Unit Letter Section Township Range Feet from the North/South Line Feet from the East/West Line County "H" North 360 23 27 N 11 W 1645 **Fast** San Juan **NATURE OF RELEASE** Volume of Release: 45 bbl Volume Recovered □ 0 bbl Type of Release: From wellhead Source of Release: Wellhead Date and Hour of Occurrence: Date and Hour of Discovery □2/26/02: 2/25/02; 15:00 07:00 If YES, To Whom? Was Immediate Notice Given? ☑ Yes ☐ No ☐ Not Required Mr. Denny Foust By Whom? | Frank McDonald Date and Hour 2/26/02: 07:30 If YES, Volume Impacting the Watercourse. Was a Watercourse Reached? Approx. 5 bbl If a Watercourse was Impacted, Describe Fully.* As the well blew, hydrocarbon deposits were found within a small drainage southeast of the location. Wind direction was to the southeast, spreading hydrocarbons up a small draw to the southeast. Distance from the well pad of impacted soils is approximately 400-feet from the location. Soils within the area were impacted to an approximate depth of 1/4-inch. Describe Cause of Problem and Remedial Action Taken.*: An N-80 sub failed during the "fracturing" of the well. As the sub failed, the "BOP" could not be closed. A second "BOP" was brought in and the well was closed in Describe Area Affected and Cleanup Action Taken.* A small drainage area southeast of the location was impacted. As the well was blowing to the atmosphere, winds pushed the hydrocarbons southeast of the location, impacting soil approximately 400-feet away. The hydrocarbons were limited to the top 0.25-inch of the impacted area. A berm was placed near the location blocking possible run-off of hydrocarbons. A 6-inch siphon was placed within the berm. The siphon will allow run-off water to flow below the blockage and retain hydrocarbons above the blocked area. Impacted soil on location has been placed within a landfarm on location. Soil impacted off of location will be hand sprayed with soil nutrients and a surfactant. The surfactant will help reduce surface tension allowing nutrients, necessary for bacterial growth, better access to impacted soil. The impacted soils off location will then be hand raked, mixing impacted soil with the necessary nutrients. The landfarm will be hand sprayed with nutrients and mixed as well. The landfarm will be analyzed every 6-weeks. Mixing of the soil within the landfarm will be accomplished every 2-weeks as necessary. 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. OIL CONSERVATION DIVISION Approved by District Supervisor: for Frank Charez Signature: Printed Name: Scott B. Daves Approval Date: 04/02/02 Expiration Date: Title: Sr. Operations Manager

* Attach Additional Sheets If Necessary

3/01/02

Date:

monitoring until remediated

Attached [

Phone: 303-925-9258 Conditions of Approval: Continued

NDGF0205752852