

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

Form C-141
Revised August 8, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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 EOG Resources Inc. | Contact Zane Kurtz |
| Address 5509 Champions Drive, Midland, TX 79706 | Telephone No. (432) 686-3667 |
| Facility Name Dragon 36 State 502 | Facility Type Flowback line |
| Surface Owner NMSLO | Mineral Owner NMSLO |
| API No. 30-025-42501 | |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| A | 36 | 24S | 33E | 555 | North | 1145 | East | Lea |

Latitude 32.179760 Longitude -103.521006

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release Produced water | Volume of Release 150 BBLs | Volume Recovered 23 BBLs |
| Source of Release Open Flowback line valve | Date and Hour of Occurrence 7/15/2015 Time unknown. | Date and Hour of Discovery 7/16/2015 at approximately 2:00 PM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? 2:43 PM on 7/16/2015 to Kellie Jones with the NMOCD | |
| By Whom? | Date and Hour | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

RECEIVED
By OCD District 1 at 7:51 am, Jul 22, 2015

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
A flowback line valve was opened anonymously causing flowback water to flow from site into pasture. . A vacuum truck was mobilized to the site to recover fluids.

Describe Area Affected and Cleanup Action Taken.*
Approximately 150 BBLs of produced water were released and 23 BBLs were recovered. The unrecovered barrels of produced water ran out into the pasture and were not recovered. Assessment and excavation of the soil in the area will take place in the near future.

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>Zane Kurtz</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Zane Kurtz | Approved by Environmental Specialist: <i>Jane [Signature]</i> | |
| Title: EOG - Sr. Environmental Rep. | Approval Date: 07/22/2015 | Expiration Date: 09/22/2015 |
| E-mail Address: zane_kurtz@eogresources.com | Conditions of Approval: Discrete site samples required. Delineate and remediate per NMOCD guides. Geotagged photos of remediation required. | |
| Date: 7-20-2015 Phone: 432 425 2023 | Attached <input type="checkbox"/> ogrid 7377 IRP 3745 | |

* Attach Additional Sheets If Necessary

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nJXK1520328322