HÔBBS OCD

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 OCT 1 4 2014 Revised August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

RECEIVED

Release Notification and Corrective Action **OPERATOR** ☐ Final Report Initial Report Name of Company Resolute Natural Resources Co., LLC Contact Mike McKee, EH&S Coordinator Address 1675 Broadway, Suite 1950 Denver, CO 80202 Telephone No. 303 573 4886 x 1625 Facility Type Production Well Facility Name TD Pope 36-1 Well Surface Owner State of NM/Leased by Mineral Owner API No. 30-025-05209 Dickie Wheeler LOCATION OF RELEASE Unit Letter Township Feet from the North/South Line Feet from the East/West Line Section Range County 148 36 37F M Lea Latitude 33.05444 Longitude 103.160758 **NATURE OF RELEASE** Type of Release ~9 bbl oil and 20 bbl produced water Volume of Release ~29 bbl Volume Recovered None - Misted on to Surface Soil Source of Release A cow opened a bleeder valve on the wellhead Date and Hour of Occurrence Date and Hour of Discovery 4/26/14 8:30 am 4/26/14 ~8:00 am If YES, To Whom? Was Immediate Notice Given? (Not within 24 hours) ☐ Yes ☒ No ☐ Not Required Mr. Geoffrey Leking - District I Verbal Notice on 4/28/14 By Whom? Mike McKee Date and Hour 4/28/14 2:45 pm mountain time Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ⊠ No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* Resolute personnel discovered that a cow opened a bleeder valve on the wellhead spraying production fluid adjacent to the wellhead. The handle on the valve was removed to prevent future occurrences. Describe Area Affected and Cleanup Action Taken.* The sprayed fluid volume affected the area immediately adjacent to the wellhead. Cleanup of this affected area included utilizing a backhee to scrape surficial soils impacted by the spray and temporarily stockpiling. The surface area exposed by the scraping was sampled on May 7, 2014, with collected samples submitted for laboratory analysis of benzene, toluene, ethylbenzene, and total xylenes (BTEX), total petroleum hydrocarbons (TPH), and chlorides. The laboratory report dated May 14, 2014 is attached. Confirmation samples "NW" and "C" indicated elevated chloride and TPH concentrations in northwest corner and central locations of the areal extent of the excavation. Additional scraping efforts were implemented in these areas to further remove affected soils. A second round of confirmation samples were collected from these locations on May 22, 2014 and laboratory analysis indicated that the supplemental excavation efforts were successful in removing the impacted soils. The laboratory report dated June 3, 2014 is attached. Clean material was brought in and the stockpile of impacted soil was transported to Gandy-Marley for treatment. 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 Signature: Printed Name: Mike McKee Approved by Environmental Specialist: Approval Date: 10-14-14 **Expiration Date:** Title: Environmental, Health & Safety Coordinator

Conditions of Approval:

* Attach Additional Sheets If Necessary

E-mail Address: mmckee@resoluteenergy.com

10/13/14 Phone: 303 573 4886 x 1625

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Attached []