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 Revised October 10, 2003

Form C-141

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

Release Notification and Corrective Action OPERATOR X Final Repo X Initial Report Contact: Doug Vaughan Name of Company: CrownQuest Operating, LLC Telephone No.: 432-818-0310 Address: PO Box 53310, Midland, TX 79710 Facility Name: New Mexico AQ State NCT II Battery Spill Facility Type: Tank Battery Mineral Owner: State of New Mexico Lease No. 30-025-21916/30-025-28819 LOCATION OF RELEASE East/West Line Feet from the North/South Line Feet from the Section Township Range NA G 3 **14S** 33E NA NA NA Lea

Surface Owner: Norman Hahn Unit Letter Latitude Longitude NATURE OF RELEASE Volume Released: Approx. 40 Volume Recovered: Approx. 35 bbls. Type of Release: Produced Water from water tank at battery. bbls. Date and Hour of Occurrence: Date and Hour of Discovery: Source of Release: Cow rubbed against valve causing it to open. Unknown 31 March 2008 at 1130 Hours If YES, To Whom? Was Immediate Notice Given? X Yes No Not Required Cindy @ OCD because Larry Johnson out of office. By Whom? C. Winkler Date and Hour: 31 March 08 Approx. 1420 Hours Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes X No N/A If a Watercourse was Impacted, Describe Fully.* N/A Describe Cause of Problem and Remedial Action Taken.* Cattle were in the area and a cow apparently rubbed against the valve causing it to open. Consequently once it was discovered and closed, the spill ceased immediately. A vacuum truck was called to the location to remove standing liquid. Once this was completed, contaminated soil was removed from the ground and stockpiled on the road for transport to disposal. Approximately, 30 yards were hauled to disposal. Severely high winds and inbound storms were expected so every effort was being made to isolate the potential for any precipitation to affect the spill. Describe Area Affected and Cleanup Action Taken.* Samples were taken in the cleanup areas as well as a composite of the original spill from the stockpile ready to be removed to disposal. The contaminated soil was removed to disposal. The samples were sent to Trace Analysis. Later when the laboratory confirmed infield analyticals, NMOCD was contacted for permission to close. Permission was given. (This battery is currently in the process of being generally up graded.) Laboratory analyticals showed that the site was now in compliance. See attached sample verifications. 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. OIL CONSERVATION DIVISION Signature: Approved by District MANAGONMENTAL ENGINEER'S Printed Name: Doug Vaughan Approval Date: 4.18.03 **Expiration Date:** Title: Drilling/Production Superintendent E-mail Address: dvaughan@crownquest.com Conditions of Approval: Attached

* Attach Additional Sheets If Necessary

Phone: 432-818-0310

Date: 11 April 2008

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