

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

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JUN 15 2010  
HOBBSDO

Form C-141  
Revised October 10, 2003

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

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Energex Resources	Contact	Andy Cobb
Address	3300 North A <sup>o</sup> Bldg 4, Ste 100 Midland, TX 79705	Telephone No.	432-687-1155
Facility Name	Baer #1	Facility Type	SWD

Surface Owner	Danny Watson	Mineral Owner	Energex	State No.	027801
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LOCATION OF RELEASE

API 30 025 29565

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	32	1S-S	35E	1900	North	1650	West	Lea

Latitude  $32^{\circ} 59' 32.7''$  Longitude  $103^{\circ} 25' 58.51''$

NATURE OF RELEASE

WTR 44-54

Type of Release	produced water	Volume of Release	10	Volume Recovered	9
Source of Release	well head	Date and Hour of Occurrence	6-11-10 @ 9:00 AM	Date and Hour of Discovery	6-11-10 @ 10:30
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?					
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*  
attempting to set packer on well; well flowed to surface. produced water leaked to surface, some volume of water (approx. 1 bbl.) spilled outside the containment berm on location.

Describe Area Affected and Cleanup Action Taken.\*  
Affected area inside containment berm located at battery facility. For affected area outside Containment at the battery none considered due to the volume.

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:	Andrew Cobb	OIL CONSERVATION DIVISION	
Printed Name:	Andrew Cobb	ENVIRONMENTAL ENGINEER	
Title:	Sr Safety & Environmental Spec.	Approved by District Supervisor:	
E-mail Address:	andy.cobb@energex.com	Approval Date:	6-18-10
Date:	6-14-10	Expiration Date:	8-18-10
Phone:	432-686-3599	Conditions of Approval:	
		Submitted Final C-141 w/DOCS BY	ICP# 10.6.2563

\* Attach Additional Sheets If Necessary

n LWT 101695 1614  
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