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 Revised August 8, 2011

Form C-141

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

## **Release Notification and Corrective Action**

|  |               |  | OPERATOR XX Initia                        |   |               |                         | al Report                                    |            | Fina          | ıl Report       |         |          |           |
|--|---------------|--|---|---|---------------|-------------------------|--|------------|---------------|-----------------|---------|----------|-----------|
| Name of Co   | ompany Ke     | ey Energy Se   | LC  | Contact Mike Slaughter or Wayne Price-Price LLC |               |                         |  |            |               |                 |         |          |           |
|  |               | ley St Brow  | Telephone No. 505-715-2809                |   |               |                         |  |            |               |                 |         |          |           |
| Facility Na  | me BKE        |  | Facility Type SWD                         |   |               |                         |  |            |               |                 |         |          |           |
| Surface Ow   | ner Privat    | te   | API No. 30-015-23493                      |   |               |                         |  |            |               |                 |         |          |           |
|  |               |  |   | LOCA  | ATIO          | N OF REI                | LEASE  |            |               |                 |         |          |           |
| Unit Letter  | Section       | Township   | Range                                     | Feet from the                                   |               | /South Line             | Feet from the                                | Fast/V     | West Line     | County          |         |          |           |
| Н  | 13            | 23S  | 27E                                       | 2310  | N             | Woodin Eme              | 860  | E          | V est Eme     | Eddy            |         |          |           |
|  | 1             |  | La  | titude  | Longitud      | le                      |  |            |               |                 |         |          |           |
| NATURE OF RELEASE  |               |  |   |   |               |                         |  |            |               |                 |         |          |           |
| Type of Release- Produced Water & Small Amount of Skim Oil Volume of Release: Volume Recovered- 250 bbl's  |               |  |   |   |               |                         |  |            |               |                 |         |          |           |
| Source of Re   | lease: Inj    | Raw Estimate 250-296***  Date and Hour of Occurrence  Date and Hour of Discovery |   |   |               |                         |  |            |               |                 |         |          |           |
|  |               | Nov 9 or 10, 2014 Night Time Nov 10, 2014, Morning Hours                         |   |   |               |                         |  |            |               |                 |         |          |           |
| Was Immedi   | ate Notice (  | If YES, To Whom?<br>OCD-Artesia  |   |   |               |                         |  |            |               |                 |         |          |           |
| By Whom?   |               | Date and Hour Nov 10 E-mail  |   |   |               |                         |  |            |               |                 |         |          |           |
| Was a Water  | course Read   | ched?  | If YES, Volume Impacting the Watercourse. |   |               |                         |  |            |               |                 |         |          |           |
|  |               | NA   |   |   |               |                         |  |            |               |                 |         |          |           |
| If a Watercourse was Impacted, Describe Fully.* NA   |               |  |   |   |               |                         |  |            |               |                 |         |          |           |
|  |               |  |   |   |               |                         |  |            |               |                 |         |          |           |
|  |               |  |   |   |               |                         |  |            |               |                 |         |          |           |
| Describe Cause of Problem and Remedial Action Taken. Tank overflowed, possible stuck check valve, ran produced water and skim oil into berm area. It   |               |  |   |   |               |                         |  |            |               |                 |         |          | area. It  |
| appears a sm   | all amount    | ran over the b   |   |   |               |                         | e to recent heavy                            |            |               |                 |         |          |           |
| backside of b  | oattery. See  | Photos.  |   |   |               |                         |  |            |               |                 |         |          |           |
|  |               |  |   |   |               |                         |  |            |               |                 |         |          |           |
| Describe Are   | a Affacted    | and Cleanup  | Action Tal                                | zan Vay yacınım                                 | truoka        | nicked un flui          | ds and put back in                           | n other t  | anks on sit   | a Incida ha     | rm ore  | na has i | zome.     |
|  |               |  |   |   |               |                         |  |            |               |                 |         |          |           |
| oily & salt stain. See Photos. Note: *** The level of the spill measured about 6-8 inches and it pooled mostly on the west side inside of the berm area. Calculating the worst-case volume using 8" would be 296 barrels. So a good estimate of the release is 250-296 bbls. |               |  |   |   |               |                         |  |            |               |                 |         |          |           |
|  |               |  |   |   |               |                         |  |            |               |                 |         |          |           |
|  |               |  |   |   |               |                         |  |            |               |                 |         |          |           |
|  |               |  |   |   |               |                         | e and understand that<br>leases which may er |            |               |                 |         |          | operators |
| acceptance of  | a C-141 repor | rt by the NMOO   | CD marked                                 | as "Final Report" de                            | oes not i     | elieve the opera        | tor of liability shoul                       | ld their o | perations hav | ve failed to ac | lequate | ly inves |           |
|  |               | 1  |   | ,   | ,             |                         | e environment. In a                          | iddition,  | NMOCD acc     | ceptance of a   | C-141   | report d | loes not  |
| relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.  OIL CONSERVATION DIVISION  |               |  |   |   |               |                         |  |            |               |                 |         |          |           |
| ,  | 7 0           |  |   |   |               |                         |  |            |               |                 |         |          |           |
| G: J   | Wayno Prio    |  | Approved by Environmental Specialist:     |   |               |                         |  |            |               |                 |         |          |           |
| Signature:   |               |  | Approved by Environmental Specialist.     |   |               |                         |  |            |               |                 |         |          |           |
| Printed Name:  | Wayne Pric    | e-Price LLC  |   |   |               |                         |  |            |               |                 |         |          |           |
| Title: NM Age  | ent/Consultan | t  |   |   | Approval Date | Approval Date: Expirat  |  |            | n Date:       |                 |         |          |           |
| E-mail Address: wayneprice77@Earthlink.net   |               |  |   |   |               | Conditions of Approval: |  |            |               | Attached        |         |          |           |
| Date: Nov 19   | 9, 2014       | Phone:   |   |   |               |                         |  |            |               |                 |         |          |           |

Attach Additional Sheets If Necessary-Photos Attached