

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
 Revised August 8, 2011

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

Release Notification and Corrective Action

OPERATOR Initial Report Final Report

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|--|---|
| Name of Company: BOPCO, L.P. | Contact: Bradley Blevins |
| Address: 522 W. Mermod, Suite 704 Carlsbad, N.M. 88220 | Telephone No. 575-887-7329 |
| Facility Name: PLU #332H; 2RP#3686 | Facility Type: Exploration and Production |

| | | |
|------------------------|----------------|----------------------|
| Surface Owner: Federal | Mineral Owner: | API No. 30-015-39835 |
|------------------------|----------------|----------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| D | 3 | 24S | 30E | 1150 | North | 290 | West | Eddy |

Latitude: N 32.250927° Longitude: W 103.876671°

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release: Oil/Produced Water | Volume of Release: 2.5 bbls oil, 5.19 bbls produced water | Volume Recovered: 0.5 bbls oil, 1.5 bbls produced water |
| Source of Release: Flowline | Date and Hour of Occurrence: 5/4/16 @ 2:00 pm | Date and Hour of Discovery: 5/4/16 @ 2:30 pm |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? | Date and Hour: | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse: Not Applicable | |

If a Watercourse was Impacted, Describe Fully.* Not Applicable

Describe Cause of Problem and Remedial Action Taken.*
 EH&S was notified of a release at the PLU 332H flowline. The lease operator reported release due to flowline failure caused by external corrosion. The above-ground flowline had been buried and covered with caliche without being wrapped or coated. Majority of release was concentrated to pad but some fluid entered pasture. A vacuum truck was called to the location to recover standing fluid.

Describe Area Affected and Cleanup Action Taken.*
 Majority of release was concentrated to well pad but some fluid entered pasture. A response crew was sent to the location and conducted an initial scrape of the heavy saturated soils. Samples were collected, and based on laboratory analytical data and NMOCD approval: the contaminated soil was hauled to a state approved disposal facility and the excavation backfilled with clean soil.

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:  | <u>OIL CONSERVATION DIVISION</u> | |
| Printed Name: Bradley Blevins | Approved by Environmental Specialist: | |
| Title: Assistant Remediation Foreman | Approval Date: 7/14/2016 | Expiration Date: N/A |
| E-mail Address: bblevins@basspet.com | Conditions of Approval: FINAL | Attached <input type="checkbox"/> |
| Date: <u>7-13-16</u> Phone: 432-214-3704 | | |

* Attach Additional Sheets If Necessary