

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 April 3, 2017

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

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company CHISHOLM ENERGY OPERATING, LLC	Contact TIM GREEN	
Address 801 Cherry St. Suite 1200-Unit 20, Ft Worth, TX 76102	Telephone No.	
Facility Name BLACK RIVER 3 FED #1	Facility Type GAS WELL	
Surface Owner	Mineral Owner	API No. 30-015-29259

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	3	24S	26E	1330	SOUTH	1650	WEST	EDDY

Latitude 32.23934 Longitude -104.32160 NAD83

(Lats & Longs taken from NMOCD GIS map)

NATURE OF RELEASE

Type of Release Produce Water	Volume of Release 130 bbls	Volume Recovered Approx. 80 bbls
Source of Release Ball Valve failure on Production Tank	Date and Hour of Occurrence 1/2/18	Date and Hour of Discovery 1400 1/3/18
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher-OCD Dist. 2 Shelly Tucker-BLM Carlsbad	
By Whom? TIM GREEN	Date and Hour 01/03/18	
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.*

THERE WAS A COMPLETE BALL VALVE FAILURE ON THE LOAD LINE OF THE PRODUCTION TANK WITHIN THE CONTAINMENT BERM, PRESUMABLE DUE TO FREEZING WEATHER CONDITIONS; BALL VALVE WAS REPLACED WITH NEW VALVE.

Describe Area Affected and Cleanup Action Taken.*

AFFECTED AREA WAS INSIDE CONTAINMENT BERM AS WELL AS AN AREA APPROXIMATELY 1900 SQ FT OUTSIDE OF THE CONTAINMENT ON LOCATION. ALL FLUID WAS PULLED OUT OF CONTAINMENT, THERE WAS NO STANDING FLUID OUTSIDE THE CONTAINMENT. CREW IS AT LOCATION TODAY, 01/04/2018 IN ORDER TO CONTINUE CLEANUP OF CONTAINMENT AREA AND TO ADD HEIGHT TO THE CONTAINMENT BERMS.

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: <i>Jennifer Elrod</i>		OIL CONSERVATION DIVISION	
Printed Name: Jennifer Elrod		Approved by Environmental Specialist: <i>[Signature]</i>	
Title: Sr. Regulatory Tech	Approval Date: 10/01/18	Expiration Date: N/A	
E-mail Address: jelrod@chisholmenergy.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 01/04/2018	Phone: 817-953-3728	2RP-4986	

* Attach Additional Sheets If Necessary

A#: pMAP1827458665

i#: NMAP1827460454