

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

NM OIL CONSERVATION

ARTESIA DISTRICT

NOV 10 2014

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

RECEIVED

Form C-141  
Revised August 8, 2011

Release Notification and Corrective Action

*NA0143105 D115* OPERATOR ☒ Initial Report ☐ Final Report

|                 |   |               |                  |
|-----------------|---|---------------|------------------|
| Name of Company | RKI E&P, LLC <i>246289</i>              | Contact       | Zack Laird       |
| Address         | 210 Park Ave. - Ste. 900, OKC, OK 73102 | Telephone No. | 405-742-2696     |
| Facility Name   | Pecos Federal 001Y                      | Facility Type | Oil and Gas Well |
| Surface Owner   | Federal                                 | Mineral Owner | Federal          |
|                 |   | API No.       | 30-015-24875     |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| P           | 27      | 26S      | 29E   |               | 690 FSL          |               | 660FEL         | Eddy   |

Latitude 32.0072945706848 Longitude -103.965986188431

NATURE OF RELEASE

|                             |   |   |  |                            |                       |
|-----------------------------|---|---|--|----------------------------|-----------------------|
| Type of Release             | Produced Water  | Volume of Release                         | 25Bbls   | Volume Recovered           | 25Bbls                |
| Source of Release           | Transfer Pump Suction Line Leak   | Date and Hour of Occurrence               | 11/10/14 - prior to 0800hrs MT                   | Date and Hour of Discovery | 11/10/14 - 0800hrs MT |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?                          | Heather Patterson (Voicemail on mobile) <i>A</i> |                            |                       |
| By Whom?                    | Zack Laird - Sr. EHS Manager  | Date and Hour                             | 11/10/14 - 1727hrs (CT)                          | <i>4:43pm * attached</i>   |                       |
| 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.\* N/A

Describe Cause of Problem and Remedial Action Taken.\*

Transfer pump suction line from tank battery developed a leak and released 25Bbls of produced water to lined secondary containment. A vacuum truck was used to recover free liquids. The suction line, formerly rubber hose construction, will be replaced with steel line.

Describe Area Affected and Cleanup Action Taken.\*

All fluid remained in lined secondary containment and was able to be recovered with vacuum truck.

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.

OIL CONSERVATION DIVISION

|                                  |  |                            |
|----------------------------------|--|----------------------------|
| Signature: <i>[Signature]</i>    | Approved by Environmental Specialist: <i>[Signature]</i> |                            |
| Printed Name: Zack Laird         | Approval Date: <i>11/12/14</i>                           | Expiration Date: <i>NA</i> |
| Title: Sr. EHS Manager           | Conditions of Approval:                                  |                            |
| E-mail Address: ZLaird@rkixp.com | Attached <input type="checkbox"/>                        |                            |
| Date: 11/10/14                   | Phone: 405-987-2213                                      |                            |

\* Attach Additional Sheets If Necessary

*2RP-2595*