

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

Form C-141

Revised August 8, 2011

AUG 25 2016

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

RECEIVED

Release Notification and Corrective Action

NAB1624239074 OPERATOR ☒ Initial Report ☐ Final Report

| | | | |
|-----------------|----------------------------------|----------------|-----------------|
| Name of Company | WPX Energy Inc/RKI <i>246289</i> | Contact | Karolina Blaney |
| Address | 5315 Buena Vista Dr. | Telephone No. | 970 589 0743 |
| Facility Name: | Sheep Draw 28 Federal 2 | Facility Type: | Well Pad |
| Surface Owner: | Private | Mineral Owner: | Federal |
| | | API No. | 30-015-27688 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| M | 28 | 22S | 26E | 660 | FSL | 660 | FEL | Eddy |

Latitude: 32.030564 N Longitude: -103.8912511 W

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release: produced water | Volume of Release: 10 Bbls | Volume Recovered: 5 Bbls |
| Source of Release Wellhead | Date and Hour of Occurrence 8/14/2016 | Date and Hour of Discovery 8/14/2016 - 9:30 hrs MT |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? NMOCD Heather Patterson and Michael Bratcher, and the land owner. | |
| By Whom? Karolina Blaney | Date and Hour 8/15/16- 10:50 hrs MT; OCD via Email & Landowner by phone call | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. N/A | |

If a Watercourse was Impacted, Describe Fully.* N/A

Describe Cause of Problem and Remedial Action Taken.*

The cause of this spill is equipment failure. An nipple on the bleed valve corroded allowing produced water and small volume of oil to spill on location. A significant stormwater event, which occurred before the discovery of the spill, saturated the ground and mobilized some of the spilled water into the field located northeast of the pad. The impacted soil was mixed with a bioremediation product and the area was fenced to keep the cows out.

Describe Area Affected and Cleanup Action Taken.*

The impacted area will be sampled for Chlorides, BTEX and TPH in accordance with NM OCD Guidelines for Remediation of Leaks, Spills, and Releases. The total ranking score for this site is 20 due to close proximity of surface water; the site will be remediated to levels specified in >20 column of the Guidelines document. This spill did not impact drainages or surface water.

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>Karolina Blaney</i> | | OIL CONSERVATION DIVISION | |
| Printed Name: Karolina Blaney | | Approved by Environmental Specialist: <i>[Signature]</i> | |
| Title: Environmental Specialist | | Approval Date: <i>8/26/16</i> | Expiration Date: <i>N/A</i> |
| E-mail Address: Karolina.blaney@wpenergy.com | | Conditions of Approval: Remediation per O.C.D. Rules & Guidelines Attached <input type="checkbox"/> | |
| Date: 8/24/2016 Phone: 970-589-0743 | | SUBMIT REMEDIATION PROPOSAL NO LATER THAN: <i>9/29/16</i> | |

* Attach Additional Sheets If Necessary

2RP-3845