District I 1625 N. French Dr., Hobbs, NM 88240 District II
1301 W. Grand Avenue, 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

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Form C-141 Revised October 10, 2003

FEB **14** 2011

Submit 2 Copies to appropriate
NMOCD ARTESIA (with Rule 116 on back side of form

## **Release Notification and Corrective Action**

|   | AMLB 1030139182   |                                | OPERATOR     |                    |         | ☐ Initial Report ☒ Final Repo |   |                    |          |               |           |               |  |  |
|---|---|--------------------------------|--------------|--------------------|---------|-------------------------------|---|--------------------|----------|---------------|-----------|---------------|--|--|
| 1,  | Name of Company (   |                                | Contact Pa   |                    |         |                               |   |                    |          |               |           |               |  |  |
|   | Address 550 W. Texas, Suite 1300 Midland, Texas 79701   |                                |              |                    |         | Telephone No. (432) 230-0077  |   |                    |          |               |           |               |  |  |
|   | Facility Name Skelly  | Facility Name Skelly Unit #611 |              |                    |         |                               |   | Facility Type Well |          |               |           |               |  |  |
| •   | Surface Owner: Feder  | Lease No. (API#) 30-015-36887  |              |                    |         |                               |   |                    |          |               |           |               |  |  |
|   | Burrace Owner, 1 each   |                                |              | Mineral (          |         |                               |   |                    |          |               |           |               |  |  |
| _   |   | 1 77 1:                        |              |                    |         | N OF REI                      |   |                    |          | T             |           |               |  |  |
| n   | Unit Letter   Section   22  | Township<br>17S                | Range<br>31E | Feet from the 2380 |         | /South Line<br>SOUTH          | Feet from the 990   | East/We            |          | County        | Edd       |               |  |  |
|   | I 22  | 173                            | 3115         | 2360               |         | юютн                          | 990   | EA                 | 31       |               | Eddy      |               |  |  |
|   |   |                                | L            | atitude N 32.8     | 53001   | Longitud                      | e W 103.9591  | 50°                |          |               |           |               |  |  |
|   | NATURE OF RELEASE   |                                |              |                    |         |                               |   |                    |          |               |           |               |  |  |
|   | Type of Release: Produced Fluid   |                                |              |                    |         |                               | Volume of Release 15 bbls Volume Recovered 13 bbls                        |                    |          |               |           |               |  |  |
| ,   | Source of Release: Wellhead   |                                |              |                    |         |                               | Date and Hour of Occurrence Date and Hour of Discovery 07/20/2010 5:00a.n |                    |          |               |           |               |  |  |
|   | Was Immediate Notice Given?   |                                |              |                    |         |                               |   |                    | 7/20/201 | 0             | 5:00a.    | <u>.m.</u>    |  |  |
|   | was mineurate Notice C  | If YES, To Whom?               |              |                    |         |                               |   |                    |          |               |           |               |  |  |
|   | By Whom? Josh Russo   |                                |              |                    |         |                               | Date and Hour 3/15/10 4:59 p.m.   |                    |          |               |           |               |  |  |
|   | Was a Watercourse Reached?  |                                |              |                    |         |                               | lume Impacting t  | he Waterc          | ourse.   |               |           |               |  |  |
|   | ☐ Yes ☑ No N/A  |                                |              |                    |         |                               |   |                    |          |               |           |               |  |  |
|   | If a Watercourse was Impacted, Describe Fully.*   |                                |              |                    |         |                               |   |                    |          |               |           |               |  |  |
|   | N/A   |                                |              |                    |         |                               |   |                    |          |               |           |               |  |  |
|   |   |                                |              |                    |         |                               |   |                    |          |               |           |               |  |  |
|   | Describe Cause of Problem and Remedial Action Taken.*   |                                |              |                    |         |                               |   |                    |          |               |           |               |  |  |
|   |   |                                |              |                    |         |                               |   |                    |          |               |           |               |  |  |
| l   | There was a small hole in the ¼ inch nipple coming off the pumping tee. The defective nipple has been replaced with a new stainless steel nipple.   |                                |              |                    |         |                               |   |                    |          |               |           |               |  |  |
|   |   |                                |              |                    |         |                               |   |                    |          |               |           |               |  |  |
|   | Describe Area Affected a  | nd Cleanup A                   | ction Take   | en.#               |         |                               |   |                    |          |               |           |               |  |  |
| 1   | Majority of the spill staye   | d on the pad l                 | ocation an   | d measured appro   | ximate  | ly 60' x 110' y               | yards. Tetra Tech   | collected          | soil sam | ples to delir | ieate th  | ne spill area |  |  |
| -   | and submitted a work plan   |                                |              |                    |         |                               |   |                    |          |               | al. The   | e open        |  |  |
|   | excavations have been bac   | ckinied with c                 | nean son.    | A closure report   | was pre | pared and sub                 | mitted to the NM  | OCD and            | BLM (0)  | r review.     |           |               |  |  |
| Ī   | I hereby certify that the in  |                                |              |                    |         |                               |   |                    |          |               |           |               |  |  |
| 1   | 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   |                                |              |                    |         |                               |   |                    |          |               |           |               |  |  |
| L   | federal, state, or local laws and/or regulations.   |                                |              |                    |         |                               |   |                    |          |               |           |               |  |  |
| 1, 5                                      |   |                                |              |                    |         | OIL CONSERVATION DIVISION     |   |                    |          |               |           |               |  |  |
| Signature:                                |   |                                |              |                    |         |                               | 11  |                    |          |               |           |               |  |  |
| Γ   | A A   |                                |              |                    |         |                               | Approved by District Supervisor Mily Business                             |                    |          |               |           |               |  |  |
| $\vdash$                                  | Printed Name: Ike Tavarez   | Digital by 7-11/7 Normolesc    |              |                    |         |                               |   |                    |          |               |           |               |  |  |
| _   | Title: Project Manager Ap   |                                |              |                    |         |                               | Approval Date: 4/14/2011 Expiration Date: N/A                             |                    |          |               |           |               |  |  |
| E-mail Address: Ike.Tavarez@TetraTech.com |   |                                |              |                    |         | Conditions of Approval: N/4   |   |                    |          |               |           |               |  |  |
|   |   |                                |              |                    |         |                               | Attached  Attached  |                    |          |               |           |               |  |  |
|   | Date: 1-25-11   | 7037                           |              | 32) 682-4559       |         |                               | Frat  |                    |          |               |           |               |  |  |
| ٠,  | Attach Additional Sheets If Necessary  2RD //F2   |                                |              |                    |         |                               |   |                    |          |               |           |               |  |  |
|   |   |                                |              |                    |         |                               |   | $\sim$             | ///      | 7             | $\forall$ |               |  |  |