

District I  
1625 N. Freich 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

Form C-141  
Revised October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

30-015-37781

Release Notification and Corrective Action

NMLB/113027936

246289

OPERATOR

☒ Initial Report ☐ Final Report

|                 |                                  |               |              |
|-----------------|----------------------------------|---------------|--------------|
| Name of Company | RKI EXPLORATION & PRODUCTION     | Contact       | GENE SIMER   |
| Address         | P.O. BOX 370, CARLSBAD, NM 88221 | Telephone No. | 575-885-1313 |
| Facility Name   | RDX 21-13                        | Facility Type | OIL WELL     |
| Surface Owner   | BLM                              | Mineral Owner | BLM          |
|                 |                                  | Lease No.     | NM-102917    |

LOCATION OF RELEASE

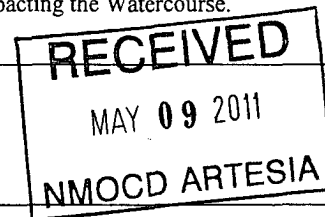
|             |         |          |       |               |                  |               |                |        |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| B           | 21      | 26S      | 30E   | 500           | NORTH            | 2200          | EAST           | EDDY   |

Latitude N32°02'02.05" Longitude W103°53'05.33"

NATURE OF RELEASE

|                             |   |   |                          |                            |                               |
|-----------------------------|---|---|--------------------------|----------------------------|-------------------------------|
| Type of Release             | FRAC WATER & OIL  | Volume of Release ESTIMATE:               | 100-150 BBLS TOTAL FLUID | Volume Recovered           | 20 BBLS OF OIL & WATER, MIXED |
| Source of Release           | FAULTY BOP  | Date and Hour of Occurrence               | 3-22-11 OVERNIGHT        | Date and Hour of Discovery | 3-22-11 @ 0700                |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?                          | JIM AMOS W/ BLM          | OCD 3/24/11 7:25 AM        |                               |
| By Whom?                    | GENE SIMER  | Date and Hour                             | 3-22-11 @ 1100           |                            |                               |
| 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.\*

PULLING UNIT CREW CLOSED BLIND RAMS ON BOP. THE BLINDS LACKED 1 1/4" CLOSING FOR UNKNOWN REASON. PULLING UNIT CREW LEFT LOCATION AND AT SOME TIME AFTER 9:30 PM THE WELL STARTING FLOWING UP THE CASING.

Describe Area Affected and Cleanup Action Taken.\*

THE OIL & WATER RAN SEVERAL HUNDRED FEET TO THE SOUTHWEST OF LOCATION. USED VACUUM TRUCK TO PICK UP ALL STANDING FLUID. CALLED GRANDO'S LLC TO START EXCAVATING CONTAMINATED SOIL. GRANDO'S DUG OUT APPROX 1500 CU YDS OF DIRT. SAFETY & ENVIRONMENTAL SOLUTIONS, INC. COLLECTED SAMPLES THROUGHOUT THE SPILL AREA AND DELIVERED THOSE SAMPLES TO CARDINAL LABORATORIES FOR ANALYSIS.

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:                       | OIL CONSERVATION DIVISION   |                                   |
| Printed Name: GENE SIMER         | Approved by District Supervisor   |                                   |
| Title: PRODUCTION SUPERINTENDENT | Approval Date: 5/10/2011  | Expiration Date:                  |
| E-mail Address: gsimer@rkixp.com | Conditions of Approval:   | Attached <input type="checkbox"/> |
| Date: 5-2-11                     | Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: 6/10/2011 |                                   |

\* Attach Additional Sheets If Necessary

2RA-778