

BASELINE SOLUTIONS, LLC

**P. O. BOX 8061
Midland, TX 79708**

Phone 432-352-6400

Fax 432-682-7722

July 30th, 2014

Mr. Tomas Oberding
NMOCD
Hobbs, NM

RE: EnerVest Operating, LLC

Field evaluation for spill occurrence
on 7/24/14
Blue Quail Federal #1
Sharbro Federal #1

Dear, Mr. Tomas Oberding

Mr. Elroy Ardoin, EnerVest Environmental Director (713- 495 6534), contracted Baseline Solutions to conduct a field evaluation for the spill occurrence listed in this report. This report is to present the data gathered during the field evaluation for the spill occurrence conducted on 7/25/14. The field evaluation was conducted by Andy Price/Baseline Solutions and Terry Crawford with EnerVest Operating. The spill occurrence took place on July 24th, 2014.

Spill Report to NMOCD Hobbs office

I contacted you, on 7/24/14. I gave you a verbal spill report for the Sharbro #1. I had not been to the site yet and therefore did not have all the data. At the time I was not aware that the Blue Quail #1 was the main reportable spill. We agreed the formal c141 spill report would follow within a few days.

I contacted BLM Carlsbad office, Jim Amos on 7/24/14 and called him on 7/25/14. I told him I would send an update with the field evaluation data within a few days.

Spill Occurrence details:

Sharbro #1 Tank Battery

A testing unit was in use at the Sharbro Tank Battery, separator. The testing unit had a failure resulting in elevated pressure from fluid being pumped from the Blue Quail #1.

- The testing unit developed a leak resulting in a minor spill of mainly produced water at approximately 5bbbls.
- The affected surface area is considered to be 1,017sq.ft. or an area about 10ft by 100ft. Please see photos.

- There is minor impact to the area outside of the location pad.
- This is not considered to be a reportable spill but will be remediated at the same time as the reportable spill located at the Blue Quail #1, nearby.

Blue Quail #1

The Blue Quail #1 feeds into the Sharbro #1 tank battery. The testing unit at the Sharbro #1 had a failure and would not allow the fluid to flow into the separator. The Blue Quail well continued to pump and pressure built up resulting in a polyline failure and the spill occurrence. William Pilkington (production foreman), went by to check on the testing operation, found the leak and shut the Blue Quail well in. This prevented a much larger spill.

- An estimated 30bbls of oil and produced water were spilled.
- The affected area is considered to be 10,125 sq. ft. or an area 225ft long and an average of 45ft wide.
- The spill was contained in close proximity of the well location, resulting in less impact to the local environment. Please see photos.
- This is a reportable spill.

Plan of Action:

1. Complete and submit formal c141 spill report for the Blue Quail #1 to NMOCD
2. Compile a plan of action
3. Conduct a sampling investigation
4. Present sampling investigation results to NMOCD and BLM
5. Conduct "dig and haul" operations
6. Present sampling analysis to NMOCD and BLM for approval to backfill
7. Conduct backfill and seeding.
8. Present closing report to regulatory NMOCD and BLM

Thank you.

Andy B. Price



Registered Environmental Manager

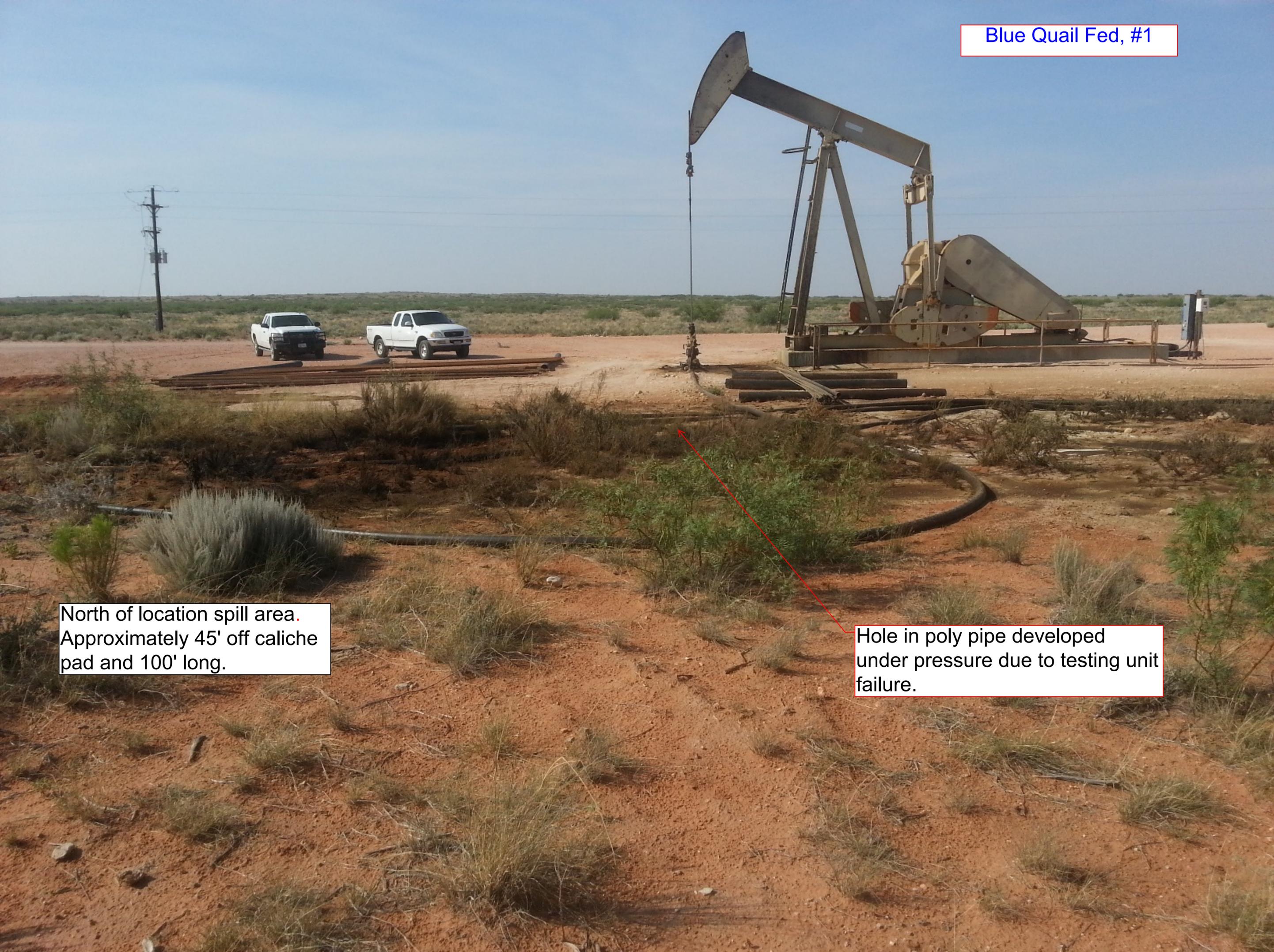


East side of spill area



North of location spill area.
Approximately 45' off caliche pad and 100' long.

Hole in poly pipe developed
under pressure due to testing unit
failure.



Blue Quail Fed, #1

North of location spill area. West side.





Well head developed leak under pressure.



Center east area of spill. North side of location

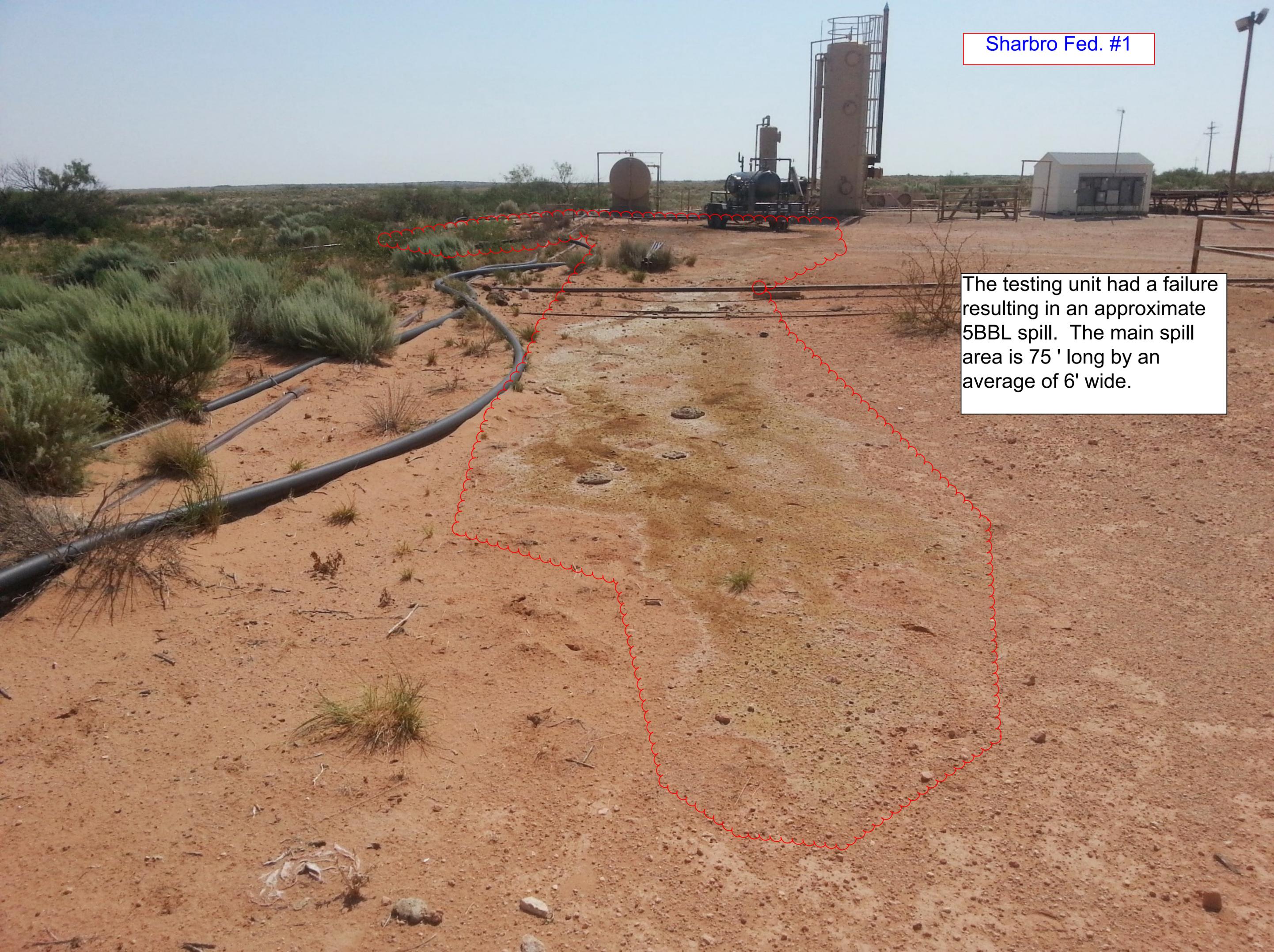
Center west area of spill,
north side of location.



West side of spill. North side of location.



The testing unit had a failure resulting in an approximate 5BBL spill. The main spill area is 75 ' long by an average of 6' wide.



The testing unit had a failure resulting in a light spray of oil and produced water in the area immediately north of the location. This area is 27' long by 21' wide.





The testing unit had a failure resulting in a light spray of oil and produced water in the area immediately north of the location. This area is 27' long by 21' wide.

Sharbro Fed. #1

Minor historic leak which will be remediated with current minor spill.

