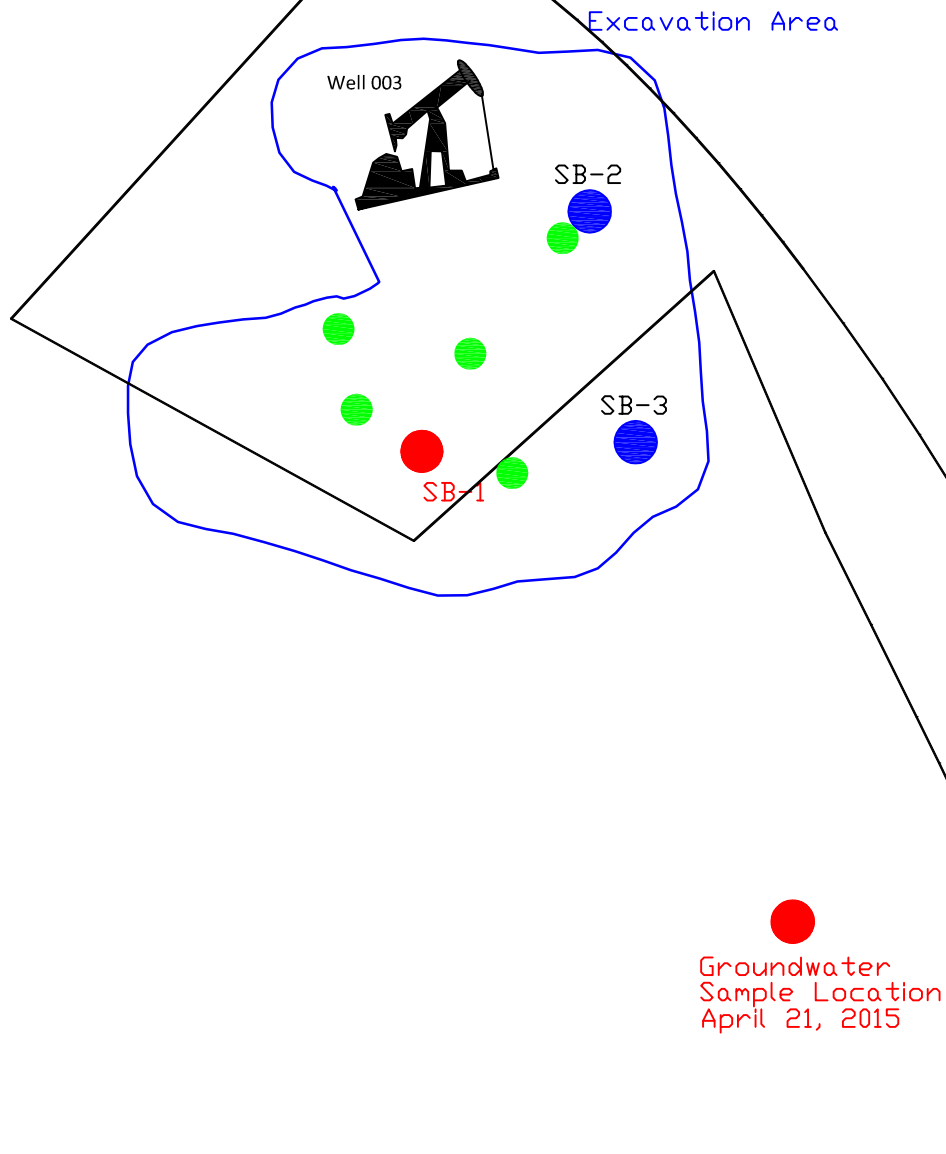


RECEIVED

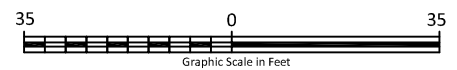
By OCD District 1 at 10:34 am, Jun 15, 2015

FOR PUBLIC RELEASE



LEGEND

- Composite A, April 7, 2015
- Soil Boring Location, May 26, 2015
- Excavated Area
- Soil Boring Location, April 20, 2015



Paladin Energy, Corp.
State BT D Well 003 Spill
Unit P, Sec 35, T.11S., R.33E.
Lea County, NM

33° 19' 00.340" N
103° 34' 41.390" W

Larson &
Associates, Inc.
Environmental Consultants

Figure 3 - Site Map

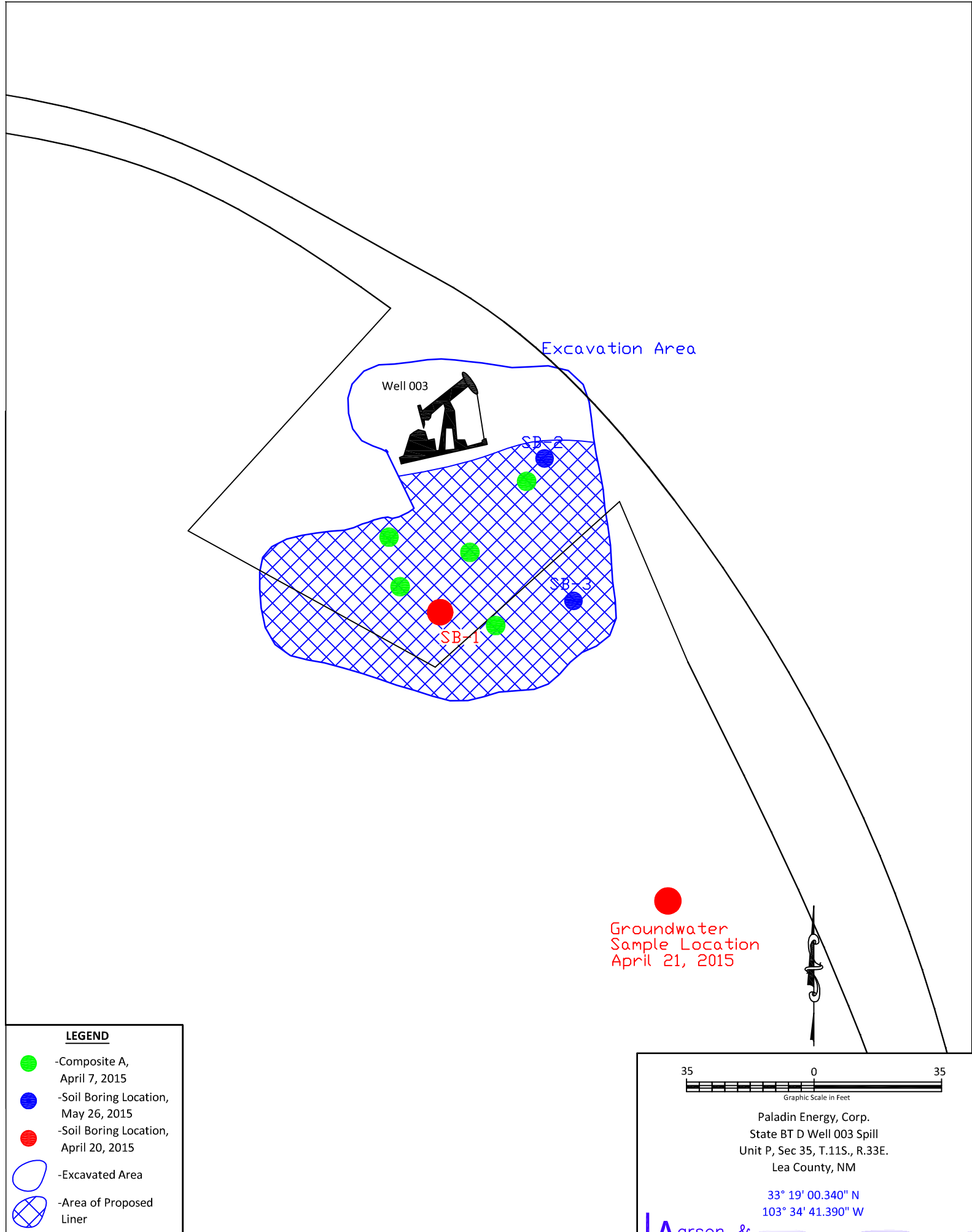


Figure 4 - Excavation and Liner Area

Table 2
Soil Boring Analytical Data Summary
Paladin Energy Corp., State BT "D" Well No. 003
Lea County, New Mexico
1RP-3594

Sample	Depth (Feet)	Collection Date	PID (ppm)	Benzene (mg/Kg)	BTEX (mg/Kg)	C6 - C12 (mg/Kg)	>C12 - C28 (mg/Kg)	>C28 - C35 (mg/Kg)	TPH (mg/Kg)	Chloride (mg/Kg)
OCD RRAL:			10		50	100				
SB-1	1	4/20/2015	0.0	--	--	<36.8	<36.8	<36.8	<36.8	3,270
	5		0.0	--	--	<35.2	<35.2	<35.2	<35.2	169
	10		0.0	--	--	<30.9	<30.9	<30.9	<30.9	18
	15		119.4	<0.00122	<0.0414.8	<30.5	<30.5	<30.5	<30.5	107
	20		38.0	--	--	<26.9	<26.9	<26.9	<26.9	22.4
	25		6.0	--	--	--	--	--	--	<1.37
	30		2.4	--	--	--	--	--	--	1.54
	35		0.8	--	--	--	--	--	--	67.9
SB-2	1	5/26/2015	0.0	--	--	<25.0	382	76.9	458.9	3,530
	5		4.0	--	--	<26.6	86.1	<26.6	86.1	11,000
	10		4.0	--	--	<25.8	<25.8	<25.8	<25.8	633
	15		0.0	--	--	<26.0	<26.0	<26.0	<26.0	565
	20		0.0	--	--	--	--	--	--	391
	25		6.0	--	--	--	--	--	--	215
SB-3	1	5/26/2015	0.0	--	--	<26.9	41.5	<26.9	41.5	10,600
	5		0.0	--	--	<27.8	<27.8	<27.8	<27.8	6,100
	10		0.0	--	--	<27.5	<27.5	<27.5	<27.5	8,840
	15		0.0	--	--	<26.9	<26.9	<26.9	<26.9	1,020
	20		0.0	--	--	--	--	--	--	391
	25		0.0	--	--	--	--	--	--	139

Notes: Laboratory analysis performed by Permian Basin Environmental Lab, Midland, Texas.

BTEX performed by laboratory method SW-8021B

TPH performed by laboratory method SW-846-8015

Chloride performed by laboratory method 300.0

Depth in feet below ground surface (bgs)

mg/Kg: milligrams per kilogram equivalent to parts per million (ppm)

Bold and highlighted denotes concentration exceeds remediation action level (RRAL)

Table 3
Groundwater Analytical Data Summary
Paladin Energy Corp., State BT "D" Well No. 003
Lea County, New Mexico
1RP-3594

Sample ID	Date	Benzene	Toluene	Ethylbenzene	Xylenes	Chlorides
WQCC Limit:		0.01	0.8	0.75	0.62	250
TMW-1	4/21/2015	<0.00100	<0.00100	<0.00100	<0.00300	221

Notes: Analysis performed by Permian Basin Environmental Lab (PBELAB), Midland, Texas
 Analysis performed by EPA method SW-846-8021B (BTEX) and 300.0 (chloride)
 All values reported in milligrams per liter (mg/L) equivalent to parts per million (ppm)
Bold indicates analyte was detected above reporting limit (RL) but below the regulatory limit

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

1RP-3594
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

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company: Paladin Energy Corp.		Contact: Mickey Horn	
Address: 10290 Monroe Dr., Ste. 301, Fort Worth, TX 75229		Telephone No.: (214) 352-7273	
Facility Name: State BT "D" Well No. 003		Facility Type: Well (Producer)	
Surface Owner: State of New Mexico		Mineral Owner: State of New Mexico	API No. 30-025-01021

LOCATION OF RELEASE

Unit Letter P	Section 35	Township 11S	Range 33E	Feet from the 660	North/South Line South	Feet from the 660	East/West Line West	County: Lea
------------------	---------------	-----------------	--------------	----------------------	---------------------------	----------------------	------------------------	-------------

Latitude: N 33° 19' 14.0" Longitude: W 103° 35' 03"

NATURE OF RELEASE

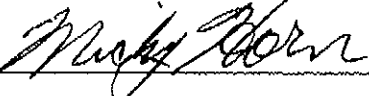
Type of Release: Crude Oil and Produced Water	Volume of Release: 4 bbl oil/2 bbl water	Volume Recovered: 0 bbl
Source of Release: Stuffing Box	Date and Hour of Occurrence: 03/15/2015	Date and Hour of Discovery: 03/16/2015
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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.* Leak from stuffing box flowed around and away from wellhead. Backhoe and rout-a-bout crew excavated soil to about 1 foot (top of caliche) and disposed at Lea Land Landfill, LLC.

Describe Area Affected and Cleanup Action Taken.* Area affected by spill is around and south of wellhead. Larson & Associates, Inc. collected an initial composite sample from bottom of excavation. Three (3) borings were drilled and samples analyzed for BTEX, TPH and chloride. Benzene and total BTEX not reported above RL in soil samples. Highest TPH concentration is 458.9 mg/Kg at 1 foot in SB-2. TPH below RL in samples from SB-2 (10' and 15') and SB-3 (5', 10' and 15'). Chloride decreases below 250 mg/Kg in samples from 5 feet (SB-1) and 25 feet (SB-2 and SB-3). A groundwater sample about 70 feet SE (down gradient) tested clean for BTEX and 221 mg/L for chloride. Recommend installing poly liner (20 mil) in bottom of excavation and backfilling with clean soil and restoring surface with caliche since spill occurred on pad.

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: 		1RP-3594 OIL CONSERVATION DIVISION	
Printed Name: Mickey Horn (Paladin Energy Corp.)		Approved by: :	
Title: Sr. Project Manager / President, Larson and Associates, Inc.		Approval Date:	Expiration Date:
E-mail Address: paladinmid@suddenlink.net		Conditions of Approval:	
Date: 06/05/2015 Phone: (432) 522-2162		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary