

APPROVED

By OCD District 1 at 7:50 am, Jul 14, 2015

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-3593
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 "C" No. 003	Facility Type: Tank Battery

Surface Owner: State of New Mexico	Mineral Owner: State of new Mexico	API No. 30-025-01017-00-00
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LOCATION OF RELEASE

Unit Letter L	Section 35	Township 11S	Range 33E	Feet from the 1,980	North/South Line South	Feet from the 660	East/West Line West	County: Lea
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Latitude: N 33° 19' 0.4" Longitude: W 103° 34' 12"

NATURE OF RELEASE

Type of Release: Crude Oil and Produced Water	Volume of Release: 15bbl oil/ 40 bbl water	Volume Recovered: 7 bbl
Source of Release: Valve failure at free water knockout	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.*

RECEIVED

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Describe Cause of Problem and Remedial Action Taken.* Pop-off relief valve failed at free water knock out causing liquids to spill onto ground. Spill is limited to area inside firewall and no liquids escaped firewall. A vacuum truck was used to pick up free liquid. Backhoe and roust-a-bout crew picked up oil soil for disposal at OCD approved facility.

Describe Area Affected and Cleanup Action Taken.* Spill is limited to area inside firewall. Three (3) borings were drilled inside firewall to delineate the spill and 1 boring outside (southeast) to collect a groundwater sample. TPH was delineated with at least 2 clean samples from each boring. Chloride was delineated vertically to 250 mg/Kg. Groundwater not affected by spill with chloride being less than 50 mg/L. About 275 cubic yards of soil was excavated from inside firewall and hauled to Gandy Marley Landfill. Liner was installed in southeast corner of battery and excavations were filled with clean soil before replacing firewall.

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>Mickey Horn</i>	1RP-3593 OIL CONSERVATION DIVISION	
Printed Name: Mickey Horn (Paladin Energy Corp.)	Approved by: <i>[Signature]</i>	
Title: Sr. Project Manager / President, Larson and Associates, Inc.	Approval Date: 07/14/2015	Expiration Date: //
E-mail Address: paladinmid@suddenlink.net	Conditions of Approval: //	Attached <input type="checkbox"/>
Date: 06/26/2015	Phone: (432) 522-2162	

* Attach Additional Sheets if Necessary