

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

RECEIVED
By JKeyes at 2:44 pm, Jan 29, 2016
Revised August 8, 2011

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

| | | |
|---|----------------------------|----------------------|
| Name of Company Mack Energy Corporation | Contact Matt Buckles | |
| Address PO Box 960 Artesia, NM 88211-0960 | Telephone No. 575-748-1288 | |
| Facility Name Mars St #1 Tank Battery | Facility Type Tank Battery | |
| Surface Owner Darr Angel | Mineral Owner Mack Energy | API No. 30-025-23172 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| H | 5 | 14S | 34E | 1980 | FNL | 554 | FEL | Lea |

Latitude 33.13519 Longitude -103.52582

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release Oil | Volume of Release 5-6 BBls | Volume Recovered N/A |
| Source of Release 1" on Pumping T | Date and Hour of Occurrence 1/25/16 @ approx. 10pm | Date and Hour of Discovery 1/26/16 7:00 am |
| 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.*

On the Mars State Tank Battery a spill occurred due to a leaking valve. We immediately shut well in upon discovery. Removed one foot of contaminated dirt/caliche. Hauled off location to proper disposal. Will fill in with caliche.

Describe Area Affected and Cleanup Action Taken.*

The area affected was an area of 10 feet directly around the wellhead with a spray/mist towards the tank battery approx. 20' all on the 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: Matt Buckles | OIL CONSERVATION DIVISION | |
| Printed Name: Matt Buckles | Approved by Environmental Specialist: <i>Jani Keyes</i> | |
| Title: Environmental | Approval Date: 01/29/2016 | Expiration Date: 03/29/2016 |
| E-mail Address: mattbuckles@mec.com | Conditions of Approval: Discrete site samples only. Delineate and remediate per NMOCD guidelines. Geotagged photos of | Attached <input type="checkbox"/> 1RP 4122 |
| Date: 1/28/2016 Phone: 575-748-1288 | remediation recommended. | |

* Attach Additional Sheets If Necessary

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