

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

Form C-141
Revised April 3, 2017

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.

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

| | | | |
|-----------------|---|---------------|---------------------|
| Name of Company | OWL SWD Operating LLC | Contact | Mr. Phillip Sanders |
| Address | 8214 Westchester Drive, #850 Dallas, TX 75225 | Telephone No. | 210-906-3551 |
| Facility Name | N/A | Facility Type | N/A |
| Surface Owner | Fulfer Cattle Company | Mineral Owner | Federal |
| | | API No. | N/A |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| B | 25 | 25S | 36E | | | | | |

Latitude 32.1052 Longitude -103.2154 NAD83

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|-----------------|----------------------------|----------------|
| Type of Release | Produced water | Volume of Release | 95 bbls | Volume Recovered | 45 bbls |
| Source of Release | Pump failure | Date and Hour of Occurrence | 8/6/18 12:00 AM | Date and Hour of Discovery | 8/6/18 5:05 AM |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | Olivia Yu | | |
| By Whom? | Dena Vandenberg | Date and Hour | 8/7/18 10:20 AM | | |
| Was a Watercourse Reached? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | N/A | | |

RECEIVED

By Olivia Yu at 11:49 am, Aug 21, 2018

If a Watercourse was Impacted, Describe Fully.*

N/A

Describe Cause of Problem and Remedial Action Taken.*

The receiving tanks were below normal fluid levels causing the pump to run dry and build pressure, ultimately resulting in the pump to mechanically fail and release approximately 95 barrels of produced water.

Describe Area Affected and Cleanup Action Taken.*

Mr. Phillip Sanders had a vacuum truck brought on-site to remove liquids within earth berm. Vacuum truck removed 45 bbls.

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>Phillip Sanders</i> |
| Printed Name: | Phillip Sanders |
| Title: | Safety Director |
| E-mail Address: | psanders@oilfieldwaterlogistics.com |
| Date: | 8/15/18 |
| Phone: | 210-906-3551 |

OIL CONSERVATION DIVISION

Approved by Environmental Specialist:

Approval Date: 8/21/2018

Expiration Date:

Conditions of Approval:

Attached ☐

NMAC 19.15.29 effective August 14, 2018. Complete release characterization before any significant remediation.

1RP-5164

nOY1823344288

pOY1823344745

fOY1823343121

* Attach Additional Sheets If Necessary