

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

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company: Chuza Oil Company	Contact: Patrick Padilla
Address: 1000 Cordova Place #376	Telephone No.: 505-690-7803
Facility Name: Northeast Hogback Unit #50 <u>66</u>	Facility Type: Oil

Surface Owner: Federal	Mineral Owner: Federal	API No. 30-045-29330
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LOCATION OF RELEASE

Unit Letter E	Section 11	Township T30N	Range R16W	Feet from the	North/South Line	Feet from the	East/West Line	County: San Juan
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Approx. 500' south of Latitude: 36.8306054023419 Longitude: 108.50198788943

NATURE OF RELEASE

Type of Release: crude oil/produced water spill	Volume of Release: +/-1.5bbls	Volume Recovered: +/-2.5bbls
Source of Release: poly flowline rupture due to coupling failure	Date and Hour of Occurrence: Approx. 2/18/14, 11:00am	Date and Hour of Discovery: 2/18/14, 2:15pm
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Shari Ketcham, BLM FFO and Jonathan Kelly, NMOCD	
By Whom? Patrick Padilla, President, Chuza Oil Co.	Date and Hour : 2/18/14, 3:30pm	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. Approximately 1.0 bbls crude oil/condensate/produced water mix	

If a Watercourse was Impacted, Describe Fully.*

The initial release origin was directly above a small sandstone wash. The coupling break occurred approximately 20' northwest of the center of the wash and the 1.25" flowline fell back into the wash (which was the geographic low point of the flowline's path) releasing the hydrocarbons and produced water in question. The area is very rocky with little soil or sand removal possible, and the entire release flow extended for approximately 100' from the point of origin.

RCUD FEB 26 '14
OIL CONS. DIV.
DIST. 3

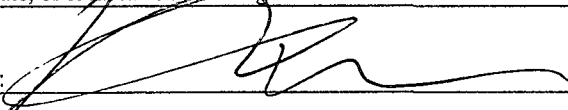
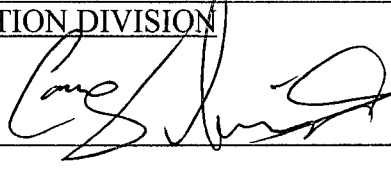
Describe Cause of Problem and Remedial Action Taken.*

Upon discovery of the leak, Chuza personnel immediately built a berm at the southern edge of the spill to prevent further spreading and then contacted BLM and NMOCD.

Describe Area Affected and Cleanup Action Taken.*

After consulting with the BLM FFO and NMOCD, Chuza has developed a plan to use a hydro-vac system, pressure washer and biodegradable degreaser to clean the sandstone affected by the spill, remove all contaminated dirt and have it hauled to a landfarm. Chuza will then have Envirotech test the affected area to ensure that hydrocarbon levels are below 100/ppm or at a rate acceptable to both the NMOCD and the BLM FFO.

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: 	OIL CONSERVATION DIVISION	
Printed Name: Patrick Padilla	Approved by Environmental Specialist: 	
Title: President, Chuza Oil Company	Approval Date: 4/28/14	Expiration Date:
E-mail Address: plpadilla@chuzaoil.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 02/21/14 Phone: 505-690-7803		

* Attach Additional Sheets If Necessary

Incident # NCS 141183 4772