

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 - #39	Facility Type: Oil
Surface Owner: Federal	Mineral Owner: Federal
API No. 30-045-09656	

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County:
N	11	T30N	R16W					San Juan

Latitude: approx 36.8235653655492 Longitude: approx 108.496172086409

**NATURE OF RELEASE**

Type of Release: crude oil/produced water spill	Volume of Release: +/-4.5bbls	Volume Recovered: +/-2.5bbls
Source of Release: Steel flowline rupture at header due to subzero temperatures	Date and Hour of Occurrence: Approx. 12/09/13, 8:00am	Date and Hour of Discovery: 12/09/13, 11:00am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mark Decker, BLM FFO	
By Whom? Patrick Padilla, President, Chuza Oil Co.	Date and Hour : 12/10/13, 9:00am	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. Approximately 1.5 bbls crude oil/produced water mix	

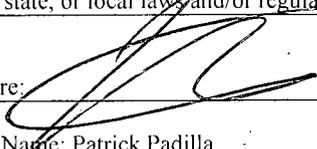
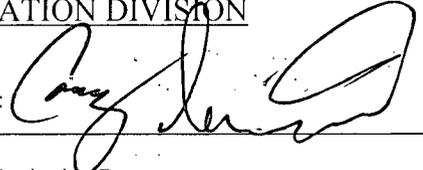
If a Watercourse was Impacted, Describe Fully.\*  
The initial release origin was on the east side of an access road. The release occurred mainly on the access road and eastern side of the road, but there was a portion of the liquid (approx 1.5bbls) that traversed the road to the west side, flowed into a small gully of approximately 50' and eventually intersected with a larger wash running north to south, where it extended approximately a further 30'.

RCVD JAN 28 '14  
OIL CONS. DIV.  
DIST. 3

Describe Cause of Problem and Remedial Action Taken.\*  
On the day of the incident the overnight temperature dropped below zero, which caused a rupture in the flowline adjacent to a header due to the high water content of the surrounding wells. Upon discovery of the leak, Chuza personnel immediately found the source of the leak at the base of the header and fixed it. After that, a backhoe was used to remove the majority of the surface liquid and contaminated dirt for disposal.

Describe Area Affected and Cleanup Action Taken.\*  
After consulting with the BLM FFO, Chuza contracted Envirotech to spray the affected area with approximately 300 gallons of potassium permanganate to help break down the hydrocarbons. Chuza allowed the area to soak in the potassium permanganate for three weeks. Chuza then removed approximately 17 yards of contaminated dirt from the affected area and had it transported to the landfarm at Industrial Ecosystems Incorporated. A series of soil samples was then taken from the affected area for lab testing at Envirotech, and all samples tested below the maximum allowable concentrations of hydrocarbons as determined by the NM OCD 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: 	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Patrick Padilla	Approved by Environmental Specialist: 	
Title: President, Chuza Oil Company	Approval Date: 9/2/14	Expiration Date:
E-mail Address: plpadilla@chuzaoil.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: January 23, 2014	Phone: 505-690-7803	

\* Attach Additional Sheets If Necessary

#ACS 14241540272

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## Analytical Report

### Report Summary

Client: Chuza Oil Company  
Chain Of Custody Number: 16488  
Samples Received: 1/7/2014 10:51:00AM  
Job Number: 13123-0001  
Work Order: P401010  
Project Name/Location: NEHU #39

Entire Report Reviewed By:

Date: 1/8/14

Tim Cain, Laboratory Manager

OIL CONS. DIV DIST. 3  
AUG 28 2014

The results in this report apply to the samples submitted to Envirotech's Analytical Laboratory and were analyzed in accordance with the chain of custody document supplied by you, the client, and as such are for your exclusive use only. The results in this report are based on the sample as received unless otherwise noted. Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc. If you have any questions regarding this analytical report, please don't hesitate to contact Envirotech's Laboratory Staff.



Chuza Oil Company 2844 E Main Suite 106-306 Farmington NM, 87402	Project Name: NEHU #39 Project Number: 13123-0001 Project Manager: Kris Bunce	<b>Reported:</b> 08-Jan-14 14:02
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### Analytical Report for Samples

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
Header System	P401010-01A	Soil	01/07/14	01/07/14	Glass Jar, 4 oz.
	P401010-01B	Soil	01/07/14	01/07/14	Glass Jar, 4 oz.
Wash	P401010-02A	Soil	01/07/14	01/07/14	Glass Jar, 4 oz.
	P401010-02B	Soil	01/07/14	01/07/14	Glass Jar, 4 oz.

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Chuza Oil Company 2844 E Main Suite 106-306 Farmington NM, 87402	Project Name: NEHU #39 Project Number: 13123-0001 Project Manager: Kris Bunce	Reported: 08-Jan-14 14:02
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**Header System**  
**P401010-01 (Solid)**

Analyte	Result	Reporting			Batch	Prepared	Analyzed	Method	Notes
		Limit	Units	Dilution					
<b>Volatile Organics by EPA 8021</b>									
Benzene	ND	0.05	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8021B	
Toluene	ND	0.05	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8021B	
Ethylbenzene	ND	0.05	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8021B	
p,m-Xylene	ND	0.05	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8021B	
o-Xylene	ND	0.05	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8021B	
Total Xylenes	ND	0.05	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8021B	
Total BTEX	ND	0.05	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8021B	
Surrogate: Bromochlorobenzene		102 %		80-120	1402012	01/07/14	01/08/14	EPA 8021B	
Surrogate: 1,3-Dichlorobenzene		106 %		80-120	1402012	01/07/14	01/08/14	EPA 8021B	

**Nonhalogenated Organics by 8015**

Gasoline Range Organics (C6-C10)	ND	4.98	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8015D	
Diesel Range Organics (C10-C28)	ND	30.0	mg/kg	1	1402011	01/07/14	01/08/14	EPA 8015D	
GRO and DRO Combined Fractions	ND	4.98	mg/kg		[CALC]	01/07/14	01/08/14	EPA 8015D	

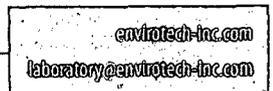
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Chuzza Oil Company 2844 E Main Suite 106-306 Farmington NM, 87402	Project Name: NEHU #39 Project Number: 13123-0001 Project Manager: Kris Bunce	Reported: 08-Jan-14 14:02
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**Wash  
P401010-02 (Solid)**

Analyte	Result	Reporting			Batch	Prepared	Analyzed	Method	Notes
		Limit	Units	Dilution					

**Volatile Organics by EPA 8021**

Benzene	ND	0.05	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8021B
Toluene	ND	0.05	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8021B
Ethylbenzene	ND	0.05	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8021B
p,m-Xylene	ND	0.05	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8021B
o-Xylene	ND	0.05	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8021B
Total Xylenes	ND	0.05	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8021B
Total BTEX	ND	0.05	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8021B
<i>Surrogate: Bromochlorobenzene</i>		101 %		80-120	1402012	01/07/14	01/08/14	EPA 8021B
<i>Surrogate: 1,3-Dichlorobenzene</i>		107 %		80-120	1402012	01/07/14	01/08/14	EPA 8021B

**Nonhalogenated Organics by 8015**

Gasoline Range Organics (C6-C10)	ND	4.99	mg/kg	1	1402012	01/07/14	01/08/14	EPA 8015D
Diesel Range Organics (C10-C28)	ND	29.9	mg/kg	1	1402011	01/07/14	01/08/14	EPA 8015D
GRO and DRO Combined Fractions	ND	4.99	mg/kg		[CALC]	01/07/14	01/08/14	EPA 8015D

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**Volatile Organics by EPA 8021 - Quality Control**  
**Envirotech Analytical Laboratory**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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**Batch 1402012 - Purge and Trap EPA 5030A**

<b>Blank (1402012-BLK1)</b>		Prepared: 07-Jan-14 Analyzed: 08-Jan-14								
Benzene	ND	0.05	mg/kg							
Toluene	ND	0.05	"							
Ethylbenzene	ND	0.05	"							
p,m-Xylene	ND	0.05	"							
o-Xylene	ND	0.05	"							
Total Xylenes	ND	0.05	"							
Total BTEX	ND	0.05	"							
Surrogate: 1,3-Dichlorobenzene	55.4		ug/L	50.0		111	80-120			
Surrogate: Bromochlorobenzene	53.2		"	50.0		106	80-120			

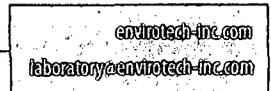
<b>Duplicate (1402012-DUP1)</b>		Source: P401010-01		Prepared: 07-Jan-14 Analyzed: 08-Jan-14						
Benzene	ND	0.05	mg/kg		ND					30
Toluene	ND	0.05	"		ND					30
Ethylbenzene	ND	0.05	"		ND					30
p,m-Xylenec	ND	0.05	"		ND					30
o-Xylene	ND	0.05	"		ND					30
Surrogate: 1,3-Dichlorobenzene	53.9		ug/L	50.0		108	80-120			
Surrogate: Bromochlorobenzene	52.7		"	50.0		105	80-120			

<b>Matrix Spike (1402012-MS1)</b>		Source: P401010-01		Prepared: 07-Jan-14 Analyzed: 08-Jan-14						
Benzene	43.9		ug/L	50.0	ND	87.7	39-150			
Toluene	45.6		"	50.0	ND	91.3	46-148			
Ethylbenzene	46.2		"	50.0	ND	92.4	32-160			
p,m-Xylene	92.5		"	100	ND	92.5	46-148			
o-Xylene	46.5		"	50.0	ND	93.0	46-148			
Surrogate: 1,3-Dichlorobenzene	49.6		"	50.0		99.2	80-120			
Surrogate: Bromochlorobenzene	50.1		"	50.0		100	80-120			

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Chuza Oil Company 2844 E Main Suite 106-306 Farmington NM, 87402	Project Name: NEHU #39 Project Number: 13123-0001 Project Manager: Kris Bunce	<b>Reported:</b> 08-Jan-14 14:02
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**Nonhalogenated Organics by 8015 - Quality Control**

**Envirotech Analytical Laboratory**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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**Batch 1402012 - Purge and Trap EPA 5030A**

<b>Blank (1402012-BLK1)</b>		Prepared: 07-Jan-14 Analyzed: 08-Jan-14								
Gasoline Range Organics (C6-C10)	ND	5.00	mg/kg							
<b>Duplicate (1402012-DUP1)</b>		<b>Source: P401010-01</b>		Prepared: 07-Jan-14 Analyzed: 08-Jan-14						
Gasoline Range Organics (C6-C10)	ND	5.00	mg/kg		ND				30	
<b>Matrix Spike (1402012-MS1)</b>		<b>Source: P401010-01</b>		Prepared: 07-Jan-14 Analyzed: 08-Jan-14						
Gasoline Range Organics (C6-C10)	0.41		mg/L	0.450	0.03	85.3	75-125			

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Chuza Oil Company 2844 E Main Suite 106-306 Farmington NM, 87402	Project Name: NEHU #39 Project Number: 13123-0001 Project Manager: Kris Bunce	<b>Reported:</b> 08-Jan-14 14:02
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**Nonhalogenated Organics by 8015 - Quality Control**  
**Envirotech Analytical Laboratory**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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**Batch 1402011 - DRO Extraction EPA 3550C**

<b>Blank (1402011-BLK1)</b>		Prepared: 07-Jan-14 Analyzed: 08-Jan-14								
Diesel Range Organics (C10-C28)	ND	29.9	mg/kg							
<b>Duplicate (1402011-DUP1)</b>		Source: P401011-01 Prepared: 07-Jan-14 Analyzed: 08-Jan-14								
Diesel Range Organics (C10-C28)	158	29.9	mg/kg		162			2.39	30	
<b>Matrix Spike (1402011-MS1)</b>		Source: P401011-01 Prepared: 07-Jan-14 Analyzed: 08-Jan-14								
Diesel Range Organics (C10-C28)	402	31.6	mg/kg	263	162	91.3	75-125			

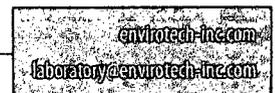
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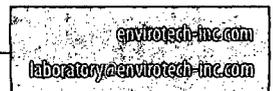


Chuza Oil Company	Project Name:	NEHU #39	<b>Reported:</b> 08-Jan-14 14:02
2844 E Main Suite 106-306	Project Number:	13123-0001	
Farmington NM, 87402	Project Manager:	Kris Bunce	

**Notes and Definitions**

- DET Analyte DETECTED
- ND Analyte NOT DETECTED at or above the reporting limit
- NR Not Reported
- dry Sample results reported on a dry weight basis
- RPD Relative Percent Difference

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# CHAIN OF CUSTODY RECORD

16488

Client: <i>Chuza Oil Company</i>	Project Name / Location: <i>NEHU #39</i>	ANALYSIS / PARAMETERS											
Email results to: <i>Kris@NRGTechnicians.com</i>	Sampler Name: <i>Kris Burre</i>	TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	CO Table 910-1	TPH (418.1)	CHLORIDE	Sample Cool	Sample Intact
Client Phone No.: <i>(505) 360-9425</i>	Client No.: <i>13123-0601</i>												

Sample No./ Identification	Sample Date	Sample Time	Lab No.	No./Volume of Containers	Preservative			TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	CO Table 910-1	TPH (418.1)	CHLORIDE	Sample Cool	Sample Intact
					HNO <sub>3</sub>	HCl													
<i>Header System</i>	<i>1/7/2014</i>	<i>10:00</i>	<i>P401010-01</i>	<i>2</i>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Wash</i>	<i>1/7/14</i>	<i>9:45</i>	<i>P401010-02</i>	<i>2</i>				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>									<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Relinquished by: (Signature) <i>Christopher R. Burre</i>	Date <i>1/7/14</i>	Time <i>1051</i>	Received by: (Signature) <i>Laine Babin</i>	Date <i>1/7/14</i>	Time <i>1051</i>
Relinquished by: (Signature)			Received by: (Signature)		
Sample Matrix Soil <input checked="" type="checkbox"/> Solid <input type="checkbox"/> Sludge <input type="checkbox"/> Aqueous <input type="checkbox"/> Other <input type="checkbox"/>					

Sample(s) dropped off after hours to secure drop off area.

