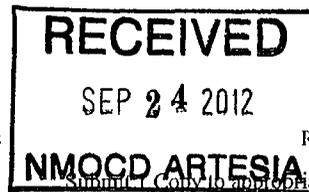


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-141
Revised August 8, 2011
Submit Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

nJMW 122904/1186 246289 OPERATOR Initial Report Final Report

Name of Company	RKI Exploration & Production LLC	Contact	Charles K. Ahn
Address	210 Park Avenue, #900, Okla. City, OK 73102	Telephone No.	405-996-5771
Facility Name	Saragossa/Happy Valley Compressor Station	Facility Type	Compressor Station (in the proximity of Saragossa 16 State # 2 well)
Surface Owner	Bill Gillock	Mineral Owner	Bill Gillock
		API No.	30-015-31584

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	16	23S	23E	660	North	990	East	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Pipe line water	Volume of Release	2 bbls	Volume Recovered	2 bbls
Source of Release	Open top Storage tank	Date and Hour of Occurrence	9/20/2012 3:00 p.m.	Date and Hour of Discovery	9/20/2012 3:00 p.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mike Bratcher, Artesia District OCD Office		
By Whom?	Danny Emerson	Date and Hour	9/20/2012 3:15 p.m. (approximate)		
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.*					
None					
Describe Cause of Problem and Remedial Action Taken.*					
Pipeline Water Storage Tank caught on fire due to static electricity. Spill occurred inside secondary containment and immediately recovered by RKI crew					
Describe Area Affected and Cleanup Action Taken.*					
Fluid was recovered from the spill area (inside the containment area) as well as from inside the compromised tank by a vacuum truck. Backhoe was use to dismantle/dispose the tank and to excavate the impacted soils. Confirmation soil samples were taken per Mr. Bratcher's directives. New tank will be installed following satisfactory soil analyses results.					
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>Charles K. Ahn</i>				
Printed Name:	Charles K. Ahn	OIL CONSERVATION DIVISION			
Title:	EH&S/Regulatory Manager	Signed By <i>Mike Bratcher</i>			
E-mail Address:	cahn@rkixp.com	Approved by Environmental Specialist:			
Date:	9/24/2012	Approval Date:		Expiration Date:	
Phone:	405-996-5771	OCT 16 2012			
Conditions of Approval:			Attached <input type="checkbox"/>		

* Attach Additional Sheets If Necessary

Remediation per OCD Rules & Guidelines. **SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: Nov. 16, 2012**

ZRP-1323

Bratcher, Mike, EMNRD

From: Charles Ahn <cahn@rkixp.com>
Sent: Monday, September 24, 2012 8:51 AM
To: Bratcher, Mike, EMNRD
Cc: Danny Emerson; Sharp, Karen, EMNRD
Subject: spill at Saragossa Compressor Station on 9/20/12
Attachments: Saragossa comp. station release form (92012).pdf

Mr. Bratcher:

Please find attached a scanned version of the spill report form pursuant to the minor spill which occurred at the referenced compressor station last Thursday afternoon. As detailed in the report, the spill has been sufficiently cleaned up and we are currently awaiting analytical results for the soil samples taken after the removal of the tank/impacted soils. A hard copy of the form is also headed your way. Please do not hesitate to call if you have any questions.

Regards,

Charles K. Ahn
HS&E/Regulatory Manager
RKI Exploration & Production, LLC
210 Park Avenue, Suite 900
Oklahoma City, OK 73102
405.996.5771 (w)
405.496.4912 (c)
405.996.5772 (f)
cahn@rkixp.com