

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

Release Notification and Corrective Action

OPERATOR

☐ Initial Report

☒ Final Report

Name of Company	PHOENIX HYDROCARBONS OPER	Contact	CLARENCE CRAIG
Address	P O BOX 3638, MIDLAND, TX 79701	Telephone No.	505-370-0825
Facility Name	NM STATE BB LEASE BATTERY	Facility Type	TANK BATTERY

Surface Owner	CARLE JOHNSON	Mineral Owner		Lease No.	N/A
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STATE OF NM

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	14	10-S	32-E					LEA CO, NM

Latitude 33°26' 65N Longitude 103° 38' 44W

NATURE OF RELEASE

Type of Release	CRUDE OIL	Volume of Release	25 BBLS	Volume Recovered	18
Source of Release	TANK OVERFLOWED	Date and Hour of Occurrence	1PM	Date and Hour of Discovery	3/23/07
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required				
By Whom?	If YES, To Whom?				
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.\*

Describe Area Affected and Cleanup Action Taken.\* Spill sited in initial C-141 dated 3/23/07 (attached) and inspection violation letter dated 8/7/07(attached); Phoenix plan (1) remove & replace oil stained dirt (aerially & vertically) in the area originally affected outside the battery including the area where flow lines enter the battery. (2) remove idle or junk equipment from the tank battery. (3) Phoenix feels this is an adequate plan given the small volume of oil released (7 barrels). Cleanup action to began upon approval by Oil Conservation Commission.

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: *Phyllis R. Gunter*

Printed Name: Phyllis R. Gunter

Title: Agent

E-mail Address: phygun@aol.com

Date: 8/13/07 Phone: 432-686-9869

OIL CONSERVATION DIVISION

DENIED

Approved By District Supervisor:

ENVIRONMENTAL ENGINEER

Approval Date:

Expiration Date: Sept 24, 2007

Conditions of Approval:

Attached ☐

\* Attach Additional Sheets If Necessary

FINAL REPORT CANNOT BE  
APPROVED UNTIL WORK IS  
COMPLETED & DOCUMENTATION  
IS SUBMITTED.

SOIL TESTING REQUIRED FOR  
CLOSURE. SUBMIT TESTS BY  
THIS WORK SHOULD HAVE BEEN  
COMPLETED BY 8-5-07

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☒ Initial Report ☐ Final Report

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Address	P O BOX 3638	Telephone No.	505-370-0825
Facility Name	NM STATE BB LEASE BATTERY	Facility Type	TANK BATTERY
Surface Owner	CARL L JOHNSON	Mineral Owner	STATE
		Lease No.	N/A

LOCATION OF RELEASE

Unit Letter	Section	TOWNSHIP	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	14	10-S	32-E					LEA NEW MEXICO

Latitude 33° 26' 55N Longitude 103° 38' 44W

NATURE OF RELEASE

Type of Release	CRUDE OIL	Volume of Release	25 BBLS	Volume Recovered	18 BBLS
Source of Release	TANK OVERFLOWED	Date and Hour of Occurrence	1PM	Date and Hour of Discovery	8 3/23/07
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	GARY WINK		
By Whom?	PHYLLIS R GUNTER	Date and Hour	12:47 PM	3/23/07	
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.\*

CIRCULATING PUMP MALFUNCTIONED AND FUELED TANK TO OVERFLOWING. 7 BARRELS WERE NOT RECOVERED MOSTLY INSIDE THE BERM. SMALL AREA OUTSIDE THE BERM WILL BE SCRAPED UP AND NEW SOIL BROUGHT IN. AREA INSIDE THE BERM WILL BE REMEDIATED USING PEAT SORB MATERIAL.

Describe Area Affected and Cleanup Action Taken.\*

AFFECTED AREA IS GRASSY (40'X 50') OUTSIDE TANK BATTERY - OIL SPRAY/MIST DUE TO WINDY CONDITIONS WHEN THE TANK OVERFLOWED. THIS AREA WILL BE TREATED WITH SOAPY FRESH WATER.

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>Phyllis R Gunter</i>	OIL CONSERVATION DIVISION	
Printed Name: PHYLLIS R GUNTER	Approved by District Supervisor <i>ENR 120 ENGR</i>	
Title: AGENT	Approval Date: 6.5.07	Expiration Date: 8.5.07
E-mail Address: PRGUNTER@AOL.COM	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 3/23/07 Phone: 432-686-9869	SUBMIT FINAL C-141 BY	

\* Attach Additional Sheets If Necessary

RP# 1387  
1419



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

*Field Inspection Program*

*"Preserving the Integrity of Our Environment"*

07-Aug-07

## PHOENIX HYDROCARBONS OPERATING CORP

PO BOX 3638

MIDLAND TX 79702

## LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

### INSPECTION DETAIL SECTION

**NEW MEXICO BB STATE No.002**

J-14-10S-32E

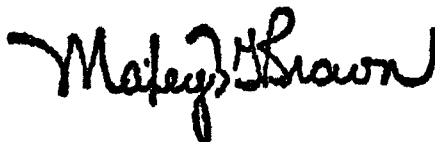
**30-025-21475-00-00**

Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
08/06/2007	Routine/Periodic	Maxey Brown	Yes	No	9/9/2007	iMGB0721857567
<b>Violations</b>						
Tank Battery Equipment (Rules 114, 115)						
Surface Leaks/Spills						

**Comments on Inspection:** FOLLOWUP ON SPILL OCCURRING IN MARCH 2007. NEED TO REMOVE SOIL CONTAMINATION OUTSIDE OF FENCE USING VERTICAL AND HORIZONTAL DELINIATION TO DETERMINE EXTENT OF EFFECTED AREA, SEND REPORT AND WORK PLAN TO LARRY JOHNSON HOBBS-OCD 505-393-6161 EXT.111 FOR APPROVAL. RULE 116. ALSO NEED TO REMOVE IDLE OR JUNK EQUIPMENT FROM TANK BATTERY. RULE 114, 115. (TANK, SEPERATOR, UNUSED HEATER TREATER). IF TIME EXTENSION IS NEEDED OR ADMINISTRATIVE CONFERENCE CONTACT CHRIS WILLIAMS DISTRICT SUPERVISOR, HOBBS-OCD 393-6161 EXT 102. THIS IS 1ST LETTER OF NON-COMPLIANCE.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,



**COMPLIANCE OFFICER**

Hobbs OCD District Office

**Note:** Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data  
\*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.