

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

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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 DABB Energy Company	Contact Philip Edmondson
Address 6608 Bryant Irvin Road, Fort Worth, Texas 76132	Telephone No. 817-263-3512
Facility Name Evans State #4	Facility Type Tank Battery Facility for Oil Production
Surface Owner Larry Strange	Mineral Owner State of New Mexico
Lease No. OGRID # 4323	

API 30-025,20009

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	3	21S	36E	3150	South	1980	East	Lea

Latitude N/A Longitude N/A

WTR 150'

NATURE OF RELEASE

Type of Release Hydrocarbon & Produced Water	Volume of Release 214 bbls.	Volume Recovered 10 bbls.
Source of Release Produced water backed up into our heater treater from Rice Operating's saltwater disposal lines.	Date and Hour of Occurrence 6/10/08 @ 10:00 am	Date and Hour of Discovery 6/10/08 @ noon
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Cindy Herrera (extension 100) & Paul (District Geologist @ Extension 104) in the District Office @ 1-575-393-6161 and Wayne Price, Division's Environmental Bureau Chief.	
By Whom? Philip Edmondson	Date and Hour 6/10/08 @ 3:00 p.m.	
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.*

RECEIVED

Describe Cause of Problem and Remedial Action Taken.*

See Attached Sheet

JUN 17 2008
HOBBS OCD

Describe Area Affected and Cleanup Action Taken.*

See Attached Sheet

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: Philip Edmondson	 Approved by District Supervisor ENVIRONMENTAL ENGINEER	
Title: Geologist	Approval Date: 8.8.08	Expiration Date: 9.8.08
E-mail Address: pedmondson@ddgenergy.com	Conditions of Approval:	
Date: June 13, 2008 Phone: 817-263-3512	Attached <input type="checkbox"/> SUBMIT FINAL C-141 W/ DOCUMENTATION & TESTING By 9.8.08	

1 RP # 1899

* Attach Additional Sheets If Necessary

FGRL0821953001

USE THIS #
ADDED TO FINAL C-141



DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN

The Evans State lease has been shut in since May 31, 2008 and as of the date of this letter, still shut in due to Targa's Gas Plant in Eunice, New Mexico undergoing repairs. As a matter of fact, all operators are shut in until repairs are finalized. On Monday, June 9, 2008, Targa instructed a hand full of operators (not DABB Energy Company) to turn their wells back on in order for Targa to evaluate their repairs at the gas plant. On Tuesday, June 10, 2008, Targa instructed the operators to shut their wells back in. Sometime during this 24 hour period, approximately 150-200 barrels of produced water backed up into our heater treater on the Evans State lease and overflowed our oil storage tank. Rice Operating collects and disposes of all produced water from approximately 900 wells in the field. As of this date, Rice Operating can not explain from a mechanical point of view, why produced water would back up into our heater treater. Rice Operating has instructed our office that they have recently "pigged" their lines. Since there are no check valves installed on any of Rice Operating's disposal lines to prevent any backflow, DABB Energy Company has now installed a check valve at our heater treater.

DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN

The size of the affected area was approximately 1' to 2' in width by 1000' in length. The affected area was completely isolated only to the tank battery site and our lease road. No spillage encountered any pasture land or anyone's property, it was strictly confined to our site. Immediately, our pumper (Mark Dean @ 505-441-2730) called on June 10, 2008 a vacuum truck to pick up any free standing fluid. Then a backhoe tilled and turned the soil as to allow aeration. Then fresh soil was added and the process of tilling and turning the soil was repeated. This process occurred several more times and the area was contoured back to it's original shape. The site will be monitored for any further remediation.

DRIVING DIRECTIONS

Go 1 mile north of Oil Center. On the east side of the road will be an old white house, turn east into the gate with a cattle guard. Go approximately ½ mile to the tank battery site.