

**RECEIVED**  
 JAN 10 2014  
**NMOCD ARTESIA**

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**

7MLB1401534243 OPERATOR  Initial Report  Final Report

|   |                              |
|---|------------------------------|
| Name of Company : KC Resources Inc 122912         | Contact : Ozzie Rea          |
| Address : PO Box 6749, Snowmass Village, CO 81615 | Telephone No. : 970-927-2764 |
| Facility Name : Jones D Tank Battery              | Facility Type: Tank Battery  |

|                         |               |                    |
|-------------------------|---------------|--------------------|
| Surface Owner : Private | Mineral Owner | API#: 30-015-00192 |
|-------------------------|---------------|--------------------|

**LOCATION OF RELEASE**

|                  |               |                 |              |               |                  |               |                |              |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|--------------|
| Unit Letter<br>H | Section<br>13 | Township<br>18S | Range<br>26E | Feet from the | North/South Line | Feet from the | East/West Line | County: Eddy |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|--------------|

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_  
 32.750622  
 104.330041

**NATURE OF RELEASE**

|  |   |                                      |
|--|---|--------------------------------------|
| Type of Release : Mix Fluids   | Volume of Release : Unknown               | Volume Recovered: Unknown            |
| Source of Release : Transmitter malfunction  | Date and Hour of Occurrence:<br>Unknown   | Date and Hour of Discovery: 8/292013 |
| Was Immediate Notice Given?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?                          |                                      |
| By Whom: Mike Bratcher   | Date and Hour : 8/29/2013                 |                                      |
| Was a Watercourse Reached?<br><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.\* A field inspection by Mike Bratcher of the NMOCD discovered a trench from the water tank to an open excavation. Talon/LPE was contacted to complete the site assessment and collect soil samples.

Describe Area Affected and Cleanup Action Taken.\* The area impacted was surrounding the water tank battery and off the east side of location 60' pooling in an area measuring 40'x30'.

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>Ozzie Rea</i>              | <b>OIL CONSERVATION DIVISION</b>   |                                   |
| Printed Name: Ozzie Rea                  | Signed By: <i>Mike Bratcher</i><br>Approved by District Supervisor:  |                                   |
| Title: Land Manager                      | Approval Date: <b>JAN 15 2014</b>  | Expiration Date:                  |
| E-mail Address: orea@crystalriveroil.com | Conditions of Approval:  | Attached <input type="checkbox"/> |
| Date: 1/8/2014 Phone: 970-927-2764       | Remediation per OCD Rule & Guidelines, & like approval by BLM. <b>SUBMIT REMEDIATION PROPOSAL NO LATER THAN:</b> |                                   |

\* Attach Additional Sheets If Necessary

**Remediation Proposal**  
 Rec'd 1/10/14

2RP-2143