

RECEIVED

APR 01 2013

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 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company: Bluestem Holdings, LLC	Contact: Jim Mason
Address: 400 W. Illinois #900 Midland TX 79701	Telephone No.: 432-685-0134
Facility Name: Flint -2	Facility Type: Oil Well

Surface Owner: Estate of JW Gissler	Mineral Owner	API No. 30-015-21559
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	25	19s	25e	660'	South	2310'	West	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release: Oil and Produced Water	Volume of Release 5bbl Oil & 4 bbl Water	Volume Recovered: Not recoverable
Source of Release: Wellhead valve open	Date and Hour of Occurrence 2-24-13 approx 1:30 pm	Date and Hour of Discovery: 2-24-13 approx 4:45pm
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Randy Dade, Artesia OCD	
By Whom? Jim Mason	Date and Hour: 2-24-13 approx 4:45pm	
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.*

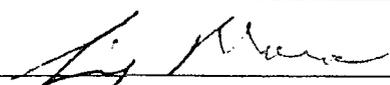
Describe Cause of Problem and Remedial Action Taken.*

Valve left open by lease operator-On February 27, 2013, Mr. Bob Allen, SESI representative was onsite to assess the impacted area. Mr. Allen observed spray from the compressor traveling northeast of location approximately 360 ft., with no pooling areas. According to Mr. Mike Bratcher, NMOCD Artesia representative, and Mr. Allen's onsite conversation, a Micro blaze application will be applied over the entire impacted vegetation.

Describe Area Affected and Cleanup Action Taken.*

On March 5, 2013, SESI was onsite at the Bluestem Energy Flint #2 to obtain soil samples of the release area near the compressor. Back hoe and Roustabout crew of three were onsite excavating the release area removing all the staining to one and a half foot in depth. Three (3) auger holes were installed at a depth of two (2) ft. and soil samples were retrieved at that depth. The excavated soils were transported to an NMOCD approved facility for disposal. On March 8, 2013, SESI arrived at the Bluestem Flint #2 and set up equipment and divided the impacted spray area into three sections using white pin flags. The micro blaze application was applied on the impacted area. The results of the final sampling show all TPH levels to be below the target level of 1,000 ppm therefore, the excavation was backfilled with clean soils contoured to match the surrounding area. The secondary containment onsite was also free of all liquids.

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: Jim Mason	Approved by Environmental Specialist: 	
Title: Operations Manager	Approval Date: 5/6/15	Expiration Date: N/A
E-mail Address: jmason@bluestemenergy.com	Conditions of Approval: <i>Final</i>	Attached <input type="checkbox"/>
Date: 3/15/2013 Phone: 432.682.0134 or 432.770.8322		

* Attach Additional Sheets If Necessary

2AP-1574