

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	Read & Stevens, Inc	Contact	Will Palmer
Address	PO Box 1518, Roswell, NM 88202	Telephone No.	505.396.5391
Facility Name	North Lea Federal #9	Facility Type	oil well tubing head

Surface Owner	State of New Mexico	Mineral Owner	State of New Mexico	Lease No.	K-3836
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LOCATION OF RELEASE

API # 3002531819000

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	10	20S	34E	1800	North	990	East	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	produced oil & water	Volume of Release	70 bbls	Volume Recovered	60 bbls
Source of Release	flowline rupture	Date and Hour of Occurrence	03.12.06 overnight	Date and Hour of Discovery	03.12.06 1300 hours
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Message on phone of Environmental Dept at OCD			
By Whom?	Will Palmer	Date and Hour	03.13.06 0930 hours		
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.*

The subject well completed remedial operations on Saturday, March 12, 2006 and returned to production at approximately 1600 hours on same date. The flowline valve was inadvertently left closed. As the well pumped, the fluid could not enter the flowline and consequently blew past the packing in the stuffing box on the wellhead. Upon discovery, the valve was opened and the unit operation halted until clean-up operations could be completed.

Describe Area Affected and Cleanup Action Taken.*

The affected area covered 8 ft by 150 ft. The contaminated material was removed to a depth of 4" below surface and was shipped to an aerated land farm. Fresh, uncontaminated material was placed in the affected area and leveled to the contour of the land.

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>William V. Palmer</i>	OIL CONSERVATION DIVISION	
Printed Name: William V. Palmer	Approved by District Supervisor: <i>Paul Kelly</i>	
Title: Superintendent	Approval Date: <i>6-14-06</i>	ENVIRONMENTAL ENGINEER
E-mail Address: readandstevensinc@leaco.net	Conditions of Approval:	Attached <input type="checkbox"/>
Date: March 13, 2006 Phone: 505.396.5391	Delineation of: <i>CI, TPH, BTEX</i>	

- Attach Additional Sheets If Necessary

incident - NPAC0607450360
application - NPAC0607450660