

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	Telephone No.	505-370-0825
Facility Name	PEGGY COM BATTERY	Facility Type	Oil Lease
Surface Owner	State	Mineral Owner	Lease No.

#### LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	29	11S	33E	1980'	North	660'	West	Lea Co., NM

Latitude 63' n/a Longitude n/a

#### NATURE OF RELEASE

Type of Release	prod wtr	Volume of Release	5 bbls	Volume Recovered	0
Source of Release	Storage tank split open	Date and Hour of Occurrence	8/20	Date and Hour of Discovery	8/20
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Gary Wink w/Hobbs office		
By Whom?	Chris Mitchell	Date and Hour	8/20/06	10:15	
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.\*

Storage tank containing 5 bbls prod wtr was split and ignited by lightning. The storage tank will be replaced.

Describe Area Affected and Cleanup Action Taken.\*

The event occurred at the tank battery located at the Peggy #1 which is P&A well. The production is from the Peggy #2 located 80' from the Peggy #1. The 5 bbls wtr quickly absorbed into the surrounding rock/no cleanup planned.

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>		<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Phyllis R. Gunter	Title: Agent	Approved by District Supervisor: <i>Chris Williams</i>	Approval Date: 10/23/06
E-mail Address: phygun@aol.com	Date: 8/25/06	Expiration Date:	Attached <input type="checkbox"/>
Phone: 432-686-9869		Conditions of Approval:	

\* Attach Additional Sheets If Necessary

facility - PPAC0629727466  
incident - nPPAC0629727562  
application - PPAC0629727460

RP# 1100