

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 CrownQuest Operating LLC	Contact Luke Dunn
Address 303 Veterans Airpark Lane, Suite 5100 - PO Box 53310 Midland, TX 79710	Telephone No. 432-818-0300
Facility Name Abandoned buried line (Federal 20 #1)	Facility Type Water Transfer Line
Surface Owner Norman Hahn	Mineral Owner State
Lease No. ??	

LOCATION OF RELEASE

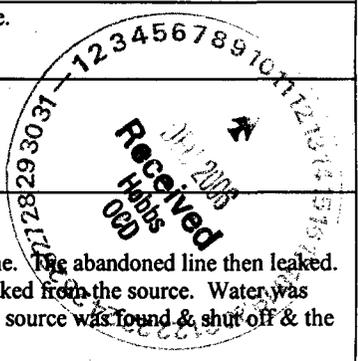
Unit Letter	Section 21	Township 13S	Range 33E	Feet from the 10	North/South Line South	Feet from the 2130	East/West Line East	County Lea
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Latitude 33.170144 Longitude -103.617425

WTR 1001

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release ?	Volume Recovered 210 bbls
Source of Release Water Transfer Line	Date and Hour of Occurrence	Date and Hour of Discovery 12/5/06 3pm
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Maxie Brown	
By Whom? Luke Dunn	Date and Hour 12/6/06 10am CST	
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.*
Check valve gave out that allowed the produced water being transferred to a disposal well to divert to the abandoned line. The abandoned line then leaked. Approximate effected area is 300 yards along the road by 10 yards wide. Most of the area is spotty where the water snaked from the source. Water was picked up with vacuum truck & hauled off to disposal. The truck stayed & sucked for several hrs at the source until the source was found & shut off & the leak stopped.

Describe Area Affected and Cleanup Action Taken.*
Water was picked up with a vacuum truck & a temporary fence was built to protect livestock. A work plan will be built based on the testing that will be done.

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>Luke Dunn</i>	OIL CONSERVATION DIVISION	
Printed Name: Luke Dunn	ENVIROENGR Approved by District Supervisor <i>[Signature]</i>	
Title: Consultant <i>incident - application - PAC0634850388</i>	Approval Date: 12.12.06	FOR APPROVAL PLAN Expiration Date: 3.12.07
E-mail Address: ldunn@crowquest.com	Conditions of Approval: ① PROVIDE WORK PLAN w/ FULL HORIZ & VERTICAN DELINEATION	
Date: 12/8/2006	Phone: 432-818-0300	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

RPT# 1146

*TO 250 PPM CHLORIDE
① PROVIDE CHLORIDE CONTENT OF WTR SPICED
② SUBMIT WORK PLAN TO OCP BY 3.12.07 FOR CLEANUP*