

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

X 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	Shell State #3 flowline	Facility Type	flowline
Surface Owner	State of New Mexico	Mineral Owner	State of New Mexico
		Lease No.	K-3836

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	18	11S	33E	1480	North	510	East	Lea

Latitude _____ Longitude _____

WTR 40
30025230140000

NATURE OF RELEASE

Type of Release	produced oil & water	Volume of Release	10 bbls	Volume Recovered	-0- bbls
Source of Release	flowline rupture	Date and Hour of Occurrence	10.21.06 not sure of hour	Date and Hour of Discovery	10.21.06 1000 hours
Was Immediate Notice Given?	X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Buddy Hill, OCD		
By Whom?	Mr. Ricky Pearce	Date and Hour	10.21.06 1000 hours		
Was a Watercourse Reached?	<input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

The flowline carrying produced oil and water from the Shell State #3 well to the tank battery ruptured resulting in the release of approximately 10 barrels of produced fluid. The flowline was repaired and the leak stopped.

Describe Area Affected and Cleanup Action Taken.*

The affected area covered 20 ft by 60 ft. The contaminated material was removed to a depth of 5" 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. Grass seed, native to the area, was planted.

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>[Signature]</i>	
Title: Superintendent	Approval Date: 5.29.07	Expiration Date: 7.29.07
E-mail Address: readandstevensinc@leaco.net	Conditions of Approval: <input checked="" type="checkbox"/> Attached <input type="checkbox"/>	
Date: October 26, 2006 Phone: 505.396.5391	FINAL REPORT READ BY	

• Attach Additional Sheets If Necessary

incident - nPAC 0715030512
application - pPAC 0715030601

ATTACH ANALYTICALS,
BILLS OF LADEN

RPT# 1383

received
12345