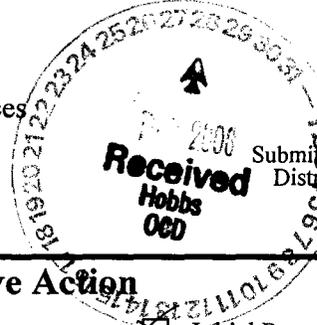


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 <u>John R. Stearns dba Stearns</u>	Contact <u>John R. Stearns</u>
Address <u>HC 65 Box 988, Crossroads, N.M. 88114</u>	Telephone No. <u>505-675-2356</u>
Facility Name <u>GRAY #1 SWD</u>	Facility Type <u>SWD</u>
Surface Owner <u>SHANNON KIZER</u>	Mineral Owner _____
Lease No. <u>API 30-025-23898</u>	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<u>C</u>	<u>18</u>	<u>9S</u>	<u>34E</u>	<u>660'</u>	<u>NORTH</u>	<u>3300'</u>	<u>EAST</u>	<u>Lea</u>

52' Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release <u>Lightning STRIKE TANKS BURNED</u>	Volume of Release <u>300 lbs</u>	Volume Recovered <u>260 lbs</u>
Source of Release <u>TANKS BURNED - Fiberglass TANKS</u>	Date and Hour of Occurrence <u>12-20-06</u>	Date and Hour of Discovery <u>12-21-06</u>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <u>Gray Wink</u>	
By Whom? <u>John R. Stearns</u>	Date and Hour <u>12-21-06</u>	
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.*

N/A

Describe Cause of Problem and Remedial Action Taken.* WATER # SPILL ON LOCATION AND ROAD. Picked up with vacuum truck and scraped & dug out and hauled to Gandy-Marley Land Farm

Describe Area Affected and Cleanup Action Taken.* Location and road. Has been cleaned up and dug out and new location being built.

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>[Signature]</u>	OIL CONSERVATION DIVISION	
Printed Name: <u>John R. Stearns</u>	Approved by District Supervisor: <u>[Signature]</u>	
Title: <u>owner</u>	Approval Date: <u>5-29-07</u>	Expiration Date: <u>7-29-07</u>
E-mail Address:	Conditions of Approval: <input checked="" type="checkbox"/> Attached <input type="checkbox"/>	
Date: <u>12-26-06</u> Phone: <u>505-675-2356</u>	<u>FINAL REPORT READ BY</u>	

* Attach Additional Sheets If Necessary

incident - NPAC 0715031184
application - PPAC 0715031290

ATTACH V&H DOCUMENTATION SAMPLES REPORT, BILLS OF LADING & CHEMICALS OF WATER SPILLED, RP # 1175