

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

*Ridgeway?*

*which one?* OPERATOR

Initial Report  Final Report

Name of Company	EOR Operating Co.	Contact	Andy Chalker
Address	200 N. Loraine Ste 1440, Midland, TX 79701	Telephone No.	(432) 687-0303
Facility Name	Hailey Chavcroo Unit #10	Facility Type	Water Injection Well

Surface Owner	State of New Mexico	Mineral Owner	State of New Mexico	Lease No.	KO-1369
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API # 30-041-10165

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Foot from the	North/South Line	Foot from the	East/West Line	County
N	34	7S	33E		1320/3960		3000/2280	Roosevelt

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	50 BBL.	Volume Recovered	0
Source of Release	Injection Line Leak	Date and Hour of Occurrence	11/1/2007	Date and Hour of Discovery	11/1/2007
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Rainey McKay			
By Whom?	MG Brown	Date and Hour			
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.\*  
*\* DEPTH TO GROUNDWATER*

Describe Cause of Problem and Remedial Action Taken.\*  
Valve was stolen off of well head and produced water was released. Valve was replaced.  
*\* DIMENSIONS OF SPILL AREA?*  
*\* NEED CHLORIDE CONTENT OF PRODUCED WATER*

Describe Area Affected and Cleanup Action Taken.\*  
Clean up of affected area was started, 11/5/2007. We were unable to recover any fluid from the ground. Have backhoe out to clean up affected area. We will attempt to remediate affected area on site.  
*\* WORKPLAN REQUIRED FOR REMOVAL TO APPROVED DISPOSAL OF CHLORIDES*  
*\* FULL HORIZONTAL & VERTICAL DELINEATION REQUIRED*

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: Andy Chalker	<i>Andy Chalker</i>	OIL CONSERVATION DIVISION <i>Johnson</i>	
Printed Name: Andy Chalker		Approved by District <b>ENVIRONMENTAL ENGINEER</b>	
Title: Sr. Operations Supervisor		Approval Date: 11.13.07	Expiration Date: 12.31.07
E-mail Address: andy.chalker@art.net		Conditions of Approval:	Attached <input type="checkbox"/> RP# 1655
Date: 11/12/2007	Phone(432) 556-7954	<i>* SEE ABOVE DUE</i>	

\* Attach Additional Sheets If Necessary