

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

211128

Release Notification and Corrective Action

3000560528

OPERATOR

Initial Report Final Report

Name of Company Tipton Oil & Gas Acquisition, Inc	Contact Jim Frazier or Mike Hughes
Address 1131 East Britton Road, Okc, OK 73131	Telephone No. 405-607-6020 or 405-323-8461
Facility Name O'Brian Fee 19 no. 001 api-30005-60528-0000	Facility Type Oil Lease & Battery
Surface Owner Vantan Springs Ranch	Mineral Owner Various
Lease No. 30005-60528-0000	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	19	8S	29E					Chaves

Latitude _____ Longitude _____

NATURE OF RELEASE

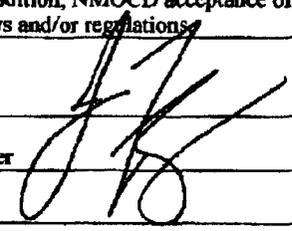
Type of Release Crude Oil	Volume of Release Aprox 20 Bar	Volume Recovered Aprox 20 Bar
Source of Release Tank	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	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.*

Describe Cause of Problem and Remedial Action Taken.*
Tank failed. Oil Spilled on surface. Rancher notified Producer and OCD. OCD and Producer inspected. Clean up initiated. Initially spill was thought to come from loction not owned or operated by Producer. Upon subsequent insepction, Producer confirmed spill location and initiated clean-up.

Describe Area Affected and Cleanup Action Taken.*
Approx 200 yards of surface area affected. Site is being remediated. Follow-up report will be submitted upon completion and inspection.

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: 	OIL CONSERVATION DIVISION	
Printed Name: Jim Frazier	Approved by District Supervisor: ACCEPTED FOR RECORD	
Title: President	PROCESSED Approval Date: 2-11-08	Expiration Date:
E-mail Address: jfrazier@orbitpetro.com	Conditions of Approval: REMEDATION Attached <input checked="" type="checkbox"/>	
Date: 2-1-2008 Phone: 405-607-6020	WORK PLAN DUE 2-29-08	

* Attach Additional Sheets If Necessary

NSEB 0804240934
P SEB 0804242396

2RP-126



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 11, 2008

Tipton Oil & Gas Acquisition, Inc
1131 East Britton Road
Oklahoma City, OK 73131

ATTN: Mr. Jim Frazier

Reference: O'Brian Fee 19 #1 19-8S-29E API: 30-005-60528 Chaves County New Mexico
2RP-126

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report Form C-141 reporting a release of crude oil that occurred at an undisclosed date and time at the above referenced site. As presented, the initial report C-141 stated 20 barrels of crude oil was released, 20 barrels of crude oil was recovered, and stated "...Site is being remediated. Follow-up report will be submitted upon completion and inspection". This initial report C-141 is **accepted for record** only. Rule 19.15.3.116.D states in part "...The responsible person must complete division approved, corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the division..."

To date, the clean up actions taken by Tipton Oil & Gas Acquisition, Inc are considered the initial, immediate response action to the release or spill. Additionally, to date, Tipton Oil & Gas Acquisition, Inc has not submitted a work plan (plan) to OCD for approval.

Please submit a work plan proposal for remediation, removal and/or clean up of contaminants that may be present at this site. The plan is to be formulated based on vertical and horizontal delineation of contamination, site ranking, and OCD Rules and Guidelines. Please submit this plan to the OCD District 2 office no later than **February 29, 2008**. Please include any remedial or clean up actions that have already been performed.

The publication *Guidelines for Remediation of Leaks, Spills and Releases* outlining OCD guidelines and requirements for site ranking and spill remediation can be found on the OCD website as follows:

<http://www.emnrd.state.nm.us/ocd/index.htm> Click on each of the following items as they appear:

- Publications
- Environmental Handbook
- Miscellaneous Guidelines
- Remediation of Leaks, Spills and Releases

Approvals and/or stipulations specific to the 2RP number can be found on the OCD website as follows:

<http://www.emnrd.state.nm.us/ocd/index.htm> Click on each of the following items as they appear:

- OCD Online
- Imaging
- Administrative & Environmental Orders

- Under Specific Information Heading, next to *Order Type*, click on drop down arrow and select 2R-Remediation Permit-Artesia-(2RP). Next to *Order Number/Amendment* in the **first** box only, type the digits following the 2RP (this 2RP number is listed beneath the facility name in the 'reference' section of this letter).
- Click on the continue button. You should be able to view documentation ie approvals, work plan approvals, stipulations, etc regarding this specific incident. Click on the document and click open. Due to the scanning process, should the document not be available, please check back later.

Remediation requirements may be subject to other federal, state, local laws and/or regulations. Additionally, please be advised that OCD approval does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment.

Thank you for your attention to these matters. If I can be of assistance, please don't hesitate to contact me at the contact information listed below.

Respectfully,



Sherry Bonham
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext.109
sherry.bonham@state.nm.us