

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

APR 23 2008
OCD-ARTESIA

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

5898

Release Notification and Corrective Action

SEB0811958378
NSEB0811957900

OPERATOR

Initial Report Final Report

Name of Company DAVID H. ARRINGTON OIL & GAS INC	Contact DEBBIE FREEMAN
Address PO BOX 2071 MIDLAND, TX 79702	Telephone No. (432)682-6685
Facility Name Federal 34 #1 3001522738	Facility Type Tank Battery

Surface Owner FEDERAL	Mineral Owner	Lease No. 21028
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	34	20S	26E	960	South	1980	West	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Condensate	Volume of Release 4 bbls	Volume Recovered 0
Source of Release Gun Barrel	Date and Hour of Occurrence 4/1/08	Date and Hour of Discovery 1000 hrs
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.*
Water dump on gas separator stuck open allowing gas to enter gun barrel. Gas pressure popped open thief hatch, allowing 4 bbls of condensate to run out on ground inside firewall. Repaired dump valve on gas separator.

Describe Area Affected and Cleanup Action Taken.*
15' X 40' area between gun barrel and stock tank. New Mexico Environmental has taken soil samples in firewall area under supervision of O.C.D.. Waiting on results.

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>David Burgen</i>	OIL CONSERVATION DIVISION	
Printed Name: David Burgen	Approved by District Supervisor: <i>TEUM by SB</i>	
Title: Production Foreman	Approval Date: <i>4-25-08</i>	Expiration Date:
E-mail Address: DavidB@ARRINGTONOIL.COM	Conditions of Approval: <i>REMEDIATION</i>	Attached <input checked="" type="checkbox"/>
Date: 04/18/2008 Phone: (432)208-3170	<i>WORK PLAN DUE MAY 26, 2008</i>	

* Attach Additional Sheets If Necessary

SEB0811958499

2RP-162

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



CERTIFIED MAIL—Return Receipt Requested
7007 3020 0000 6292 9049

April 28, 2008

David H Arrington Oil & Gas Inc
PO Box 2071
Midland, TX 79702

Reference: Federal 34 001 Battery N-34-20S-26E
API: 30-015-22738 Eddy County New Mexico
2RP-162

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 condensate that occurred on or about April 1, 2008 at the above referenced well site. Please submit a work plan proposal (plan) 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.

A publication 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

Please submit this plan to the OCD District 2 office no later than May 26, 2008. Please include any remedial or clean up actions that have already been performed.

Remediation requirements may be subject to other federal, state, local laws and/or regulations.

If I can be of assistance in this matter, my contact information is listed below.

Sincerely,

A handwritten signature in black ink, appearing to read "Sherry Bonham", is written over a horizontal line.

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

