

District I
1225 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

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

APR 10 2008
OCD-ARTESIA

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

Release Notification and Corrective Action

18862
2 SEB0507442584
1 SEB0513051048

OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input checked="" type="checkbox"/> Final Closure
Name of Company	Ray Westall	Contact	Randall Harris
Address	P.O. Box 4, Loco Hills, NM 88255	Telephone No.	505.677.2370
Facility Name	Fore Hand Ranch No. 2	Facility Type	Well head

Surface Owner	Lisa Odgen	Mineral Owner	Ray Westall	API No.	30-015-21855
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3001521855

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	15	23S	27E	1980'	South	1980'	West	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Oil & Water	Volume of Release	1/2 bbl	Volume Recovered	None
Source of Release	pin hole in tubing	Date and Hour of Occurrence		Date and Hour of Discovery	3/3/2008
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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.*
Pin hole in pumping T allowing oil and water to mist in an area 10' X 10' around the well. Shut well in. Replaced pumping T.

Describe Area Affected and Cleanup Action Taken.*
Affected area was lightly misted, the stained soil was removed.

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:	Randall Harris	Approved by District Supervisor:	DENIED
Title:	Geologist	Approval Date:	N/A
E-mail Address:	rharrisnm@yahoo.com	Expiration Date:	N/A
Date:	04/07/2008	Phone:	505.677.2370
		Conditions of Approval:	SEE ATTACHED Attached <input checked="" type="checkbox"/>

* Attach Additional Sheets If Necessary

SEB0809349324

2RP-165

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 3029 7163

May 2, 2008

Ray Westall
Attn: Mr. Randall Harris
PO Box 4
Loco Hills, NM 88255

RE: Final Report C-141 Received by NMOCD District 2 April 10, 2008
Forehand 2 L-15-23S-27E Eddy County, New Mexico

Operator;

The New Mexico Oil Conservation Division District 2 office (OCD) is in receipt of an Initial/Final Report C-141 (report) requesting closure to the incident for a produced fluids release that was discovered March 3, 2008.

The report states ½ barrel of oil and water were released and no volume was recovered. The report also states there was a "Pin hole in pumping T allowing oil and water to mist in an area 10' X 10' around the well. Shut well in. Replacing pumping T. Affected area was lightly misted, the stained soil was removed."

A site inspection was conducted on March 14, 2008 at the above referenced site. This inspection revealed duct tape was applied to the pumping tee. At that time, no misting was observed. Free fluids were present. It appeared fluids were emanating from around the well head. The fluids were actively bubbling which caused concern regarding casing integrity. Additionally, there was a path of fluids flowing from the well head area towards the east and north. Hydrocarbon and chloride stained soils were observed on the northwest area of the pump jack.

A subsequent inspection was conducted March 18, 2008. This inspection revealed no free fluids around the wellhead. The duct tape was still applied to the pumping tee. Hydrocarbon and chloride staining was evident around the wellhead. Stained soils were also present to the east and north of the wellhead and to the northwest of the pump jack.

OCD sent a letter to operator dated April 1, 2008 (certified letter number 7007 3020 0000 6292 9001) requesting the following:

1. Submit C-103 of intention to perform remedial work by April 7, 2008
2. Submit C-103 Subsequent report of remedial work by May 2, 2008
3. Submit Initial Report C-141 by April 23, 2008
4. Remediation work plan by May 2, 2008

A third inspection was conducted April 23, 2008. The pumping tee had been replaced. Visible staining is present at and around the well head and northwest of the pump jack.

On a April 29, 2008 phone call with Mr. Randall Harris, Mr. Harris stated there was a pin hole in the casing approximately six inches down. Mr. Harris stated he had submitted a C-141 with the casing information. However, OCD is not in receipt of said form C-141 presenting casing information.



The requested C-103 Sundry Notices have not been received. Disposal information such as volume of soil removed or disposal facility was not made available. Soil delineation data or soil analyses reports were not submitted. No subsequent report of remedial work and/or corrective actions taken has been received. Therefore the submitted Final Report C-141 requesting closure to the incident is denied.

OCD rules and regulations require prompt reporting of intent to perform remedial work on any possible defective casing. Additionally, OCD rules and regulations require proper reporting of releases, site investigation and clean-up of those releases. As such, all actions for this incident shall be completed in accordance with the rules and regulations. Please submit the following:

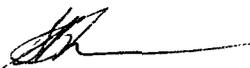
1. Resubmit an Initial Report C-141 no later than May 9, 2008.
2. Submit detailed, written documentation as to actions taken in response to possible defective casing no later than May 9, 2008.
3. Areas of contamination are to be delineated for vertical and horizontal extent and type of contaminants present. Delineation operations are to commence no later than May 15, 2008.
4. As warranted, a remediation work plan is to be formulated based on the site ranking, delineation results, and submitted to the OCD for review. This remediation work plan is to be submitted to the OCD no later than May 30, 2008.
5. The OCD is to be notified 48 hours prior to obtaining samples where analyses of such samples are to be submitted to the OCD.
6. Results of analytical data obtained through sampling shall be forwarded to OCD for approval **prior** to any backfilling activities.
7. Depending upon the contractual obligation, the operator may be required to obtain like approval from the surface owner. Should like approval be required, it is the operator responsibility per the contractual obligation to obtain this approval.

Please be advised that NMOCD acceptance of any and all documentation 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 documentation does not relieve the operator of responsibility for compliance with any other federal, state, local laws and /or regulations.

In the event that a satisfactory response is not received to this letter of direction by the dates indicated, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe. Such a hearing may result in imposition of CIVIL PENALTIES for your violation(s) of OCD rules.

Thank you for your attention to this matter. If I can be of further assistance, please contact me.

Respectfully,



Sherry Bonham
NMOCD District 2
1301 W Grand Avenue
575.748.1283 Ext. 109
sherry.bonham@state.nm.us