

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 | BC&D OPERATING, INC.    | Contact       | Donnie Hill                  |
| Address         | P.O. Box 302, Hobbs, NM | Telephone No. | 432-934-7164 OR 505-392-2887 |
| Facility Name   | PEOPLES SECURITY        | Facility Type | OIL PRODUCTION               |
| Surface Owner   | LARRY PARKER            | Mineral Owner | BC&D                         |
|                 |                         | Lease No.     |                              |

**LOCATION OF RELEASE**

API 30-025-07281

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| L           | 23      | 16       | 38    | 1980'         | SOUTH            | 660'          | WEST           | LEA    |

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

**NATURE OF RELEASE**

31 BBL EST BY OCD  
WTR 50'-60'

|                             |   |   |          |                            |         |
|-----------------------------|---|---|----------|----------------------------|---------|
| Type of Release             | OIL (20' GRAVITY)   | Volume of Release                         | ~18 bbls | Volume Recovered           | 15 bbls |
| Source of Release           | FACILITY VALVE  | 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.\*

NA

Describe Cause of Problem and Remedial Action Taken.\*

SEE ATTACHMENT

Describe Area Affected and Cleanup Action Taken.\*

SEE ATTACHMENT

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>Donnie Hill</i>            | <b>OIL CONSERVATION DIVISION</b>  |   |
| Printed Name:   | Donnie Hill                   | Approved by District Supervisor:  | <i>Chris Williams</i>   |
| Title:          | owner                         | Approval Date:                    | 7/24/08   |
| E-mail Address: | dhill_westernenergy@yahoo.com | Expiration Date:                  | -   |
| Date:           | 7/23/08                       | Conditions of Approval:           | SPE sampling: submit RESULTS & remove soil to guideline levels. |
| Phone:          | 432-934-7164                  | Attached <input type="checkbox"/> | IR# 1912  |

\* Attach Additional Sheets If Necessary

FGRL 0821731359

**Date and Hour of Occurrence:**

- Sometime between 7/17/08 @ 1800 hrs and 7/18/08 @ 0630 hrs.

**Date and Hour of discovery:**

- 7/18/08 @ 0630 hrs.

**Peoples Security # 1**  
**L, Sec 23, T16S, R38E**

**Describe Cause of Problem and Remedial Action Taken:**

- **Valve on frac tank developed a small leak.**
- **Replaced valve on tank. Also removed tank from location, it was not in use.**

**Describe Area Affected and Cleanup Action Taken:**

- **Area affected is along the west fence on the old road. Clay with rock no vegetations. The oil ran south on road app 20' wide x 100' long. Width varies from one foot to the 20' due to the nature of fluid flow. Oil exited the road at the southwest corner and contacted app 10' x 3' of slightly vegetated area. The soil is very hard with minimal oil saturation due to the low (20) gravity of the oil.**
- **The released was detected at 0630 hrs, leak was immediately repaired. Vacuum truck dispatched to location, arrived @ 1100 hrs and oil was picked up and surface area squeegeed to remove as much oil as possible. No produced water was released. Some soil was thrown on the surface to be used as an absorbent.**

**Proposed remediation:**

**Remediate surface soil in place by tilling weekly and adding fertilizer if approved by the NMOCD.**