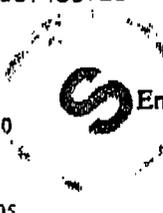


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
700 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505



State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

OCT 23 2008  
Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form  
Form C-141  
Revised October 10, 2003

**Release Notification and Corrective Action**

**OPERATOR**  Initial Report  Final Report

Name of Company: <u>McKay Oil Corp.</u>	Contact: <u>Jim Robinson</u>
Address: <u>PO Box 2014, Roswell, NM 88201</u>	Telephone No: <u>575-626-4563</u>
Facility Name: <u>I Chaves 3 Compressor Station</u>	Facility Type: <u>Compressor Station, Central Point Delivery</u>

Surface Owner: <u>State</u>	Mineral Owner:	Lease No: <u>n/a</u>
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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
	36	6S	22E					Chaves

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

**NATURE OF RELEASE**

Type of Release: <u>Water Fluids from produced wells</u>	Volume of Release: <u>20BBL</u>	Volume Recovered: <u>20BBL</u>
Source of Release: <u>Two (2) Water Storage Tanks</u>	Date and Hour of Occurrence: <u>10/19/08 9:45am</u>	Date and Hour of Discovery: <u>9/19/08 9:45am</u>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <u>OCD, Artesia Field Office; BLM, Roswell Field Office</u>	
By Whom? <u>Chris Smith, Contract Welder</u>	Date and Hour <u>10/01/08 12:00pm</u>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <u>N/A</u>	

a Watercourse was impacted, Describe Fully.\*

N/A

Describe Cause of Problem and Remedial Action Taken.\*

10/19/08: Flash back from gas produced fire. Two (2) water tanks burned to ground. Pumper happened to be on location at time of incident and took immediate action by turning gas supply off, calling fire department and notifying Supervisor.

Describe Area Affected and Cleanup Action Taken.\*

Both water tanks were underpinned with two 20mil liners. Same liner extends across the berm (surrounding perimeter of water tanks). All fluids released were contained in berm. No contamination to any part of location.  
10/20/08: All fluids vacuumed from berm.

*fixed to Oct 08*  
*clean up actions completed 10/24/08. Liners not damaged. Final Report*

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: <u>Carol Shanks</u>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: <u>Carol Shanks</u>	Approved by District Supervisor: <u>T. E. ... SB</u>	
Title: <u>Regulatory Specialist</u>	Approval Date: <u>11-26-08</u>	Expiration Date: <u>N/A</u>
E-mail Address: <u>carol@mckayoil.com</u>	Conditions of Approval: <u>N/A</u>	Attached <input type="checkbox"/> <u>N/A</u>
Date: <u>10/20/08</u>	Phone: <u>575-623-4735</u>	

\* Attach Additional Sheets if Necessary