

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 <i>Ruth Co. O.I. LLC</i> | Contact <i>Josh Ruth</i> | |
| Address <i>P.O. Box 1212 Eunice N.M. 88231</i> | Telephone No. <i>575-631-0437</i> | |
| Facility Name <i>Hobbs East San Andres SWD</i> | Facility Type <i>Disposal System</i> | |
| Surface Owner | Mineral Owner | Lease No. |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|-----------|------------|------------|---------------|------------------|---------------|----------------|------------|
| <i>F</i> | <i>30</i> | <i>185</i> | <i>39E</i> | <i>1980</i> | <i>N</i> | <i>2310</i> | <i>W</i> | <i>Lea</i> |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release <i>Salt Water from Disposal</i> | Volume of Release <i>400 BSFW 200 ABL</i> | Volume Recovered <i>200 ABL</i> |
| Source of Release <i>Busted Poly line</i> | Date and Hour of Occurrence <i>6.8 p.m.</i> | Date and Hour of Discovery <i>6.8.08 p.m.</i> |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? <i>Josh Ruth</i> | |
| 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.*

none water @ 82'

Describe Cause of Problem and Remedial Action Taken.* *- Poly line blew out putting 200 ABL of water + 400L BSFW into field - used vacuum truck to pick up water, recovered 200 ABLs - used back hoe to dig out contaminated area and haul off*

Describe Area Affected and Cleanup Action Taken.* *Area south of Form Land was contaminated - dug & hauled out contaminated soil to around 10' & sampled - drilled 3 sample holes per OCD request Larry Johnson - samples came back clean was given approval to back fill. Hauled off 7,000yds hauled in 7200yds*

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>Josh Ruth</i> | OIL CONSERVATION DIVISION | |
| Printed Name: <i>Josh Ruth</i> | ENV. ENGINEER: Approved by District Supervisor: <i>Jeffrey Selim</i> | |
| Title: <i>Owner</i> | Approval Date: <i>03/24/10</i> | Expiration Date: <i>—</i> |
| E-mail Address: | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: <i>3.24.2010</i> Phone: <i>575-631-0437</i> | | <i>IRP-09-8-2277</i> |

* Attach Additional Sheets If Necessary

3-K Oil & Gas Services, L.L.C.
P.O. Box 1332
Jal, NM 88252
(575)395-2654

FIELD MEASUREMENT/OBSERVATION LOG

COMPANY:

Ruth Co.

PROJECT NAME:

Hobbs East San Andres SWP

PROJECT NUMBER:

PROJECT MANAGER:

Jacob Melancon

FIELD TECHNICIAN:

Jacob Melancon

DATE:

9.02.2009

| SAMPLE ID | SAMPLE DEPTH (FT) | COLLECTION TIME | PID ANALYSIS TIME | PID READING (PPM) | CHLORIDE ANALYSIS | | | | SOIL DESCRIPTION |
|-----------|-------------------|-----------------|-------------------|-------------------|-------------------|-----------|------------------------|--------------|------------------|
| | | | | | | | Titration Tube Reading | mg/Kg | |
| BH1 | 15-17 | 8:30 | | | 2 gms of soil | 40 ml H2O | 400+ | x 20 = 4000+ | White Caliche |
| | 20-22 | 8:35 | | | 2 gms of soil | 40 ml H2O | 80 | x 20 = 1600 | white Caliche |
| | 25-27 | 8:40 | | | 2 gms of soil | 40 ml H2O | 16 | x 20 = 320 | white Caliche |
| | 30-32 | 8:45 | | | 2 gms of soil | 40 ml H2O | 12 | x 20 = 240 | Tan Caliche |
| | 34-36 | 8:52 | | | 2 gms of soil | 40 ml H2O | 8 | x 20 = 160 | Tan Caliche |
| | | | | | 2 gms of soil | 40 ml H2O | | x 20 = | |
| BH2 | 15-17 | 9:10 | | | 2 gms of soil | 40 ml H2O | 40 | x 20 = 800 | white Caliche |
| | 20-22 | 9:21 | | | 2 gms of soil | 40 ml H2O | 20 | x 20 = 400 | Tan Caliche |
| | 25-27 | 9:29 | | | 2 gms of soil | 40 ml H2O | 8 | x 20 = 160 | Tan Caliche |
| | 29-31 | 9:40 | | | 2 gms of soil | 40 ml H2O | 8 | x 20 = 160 | Tan Caliche |
| | | | | | 2 gms of soil | 40 ml H2O | | x 20 = | |
| BH3 | 15-17 | 10:05 | | | 2 gms of soil | 40 ml H2O | 44 | x 20 = 880 | Tan Caliche |
| | 20-22 | 10:15 | | | 2 gms of soil | 40 ml H2O | 20 | x 20 = 400 | Tan Caliche |
| | 25-29 | 10:25 | | | 2 gms of soil | 40 ml H2O | 12 | x 20 = 240 | Tan Caliche |
| | 29-31 | 10:35 | | | 2 gms of soil | 40 ml H2O | 8 | x 20 = 160 | Tan Caliche |
| | | | | | 2 gms of soil | 40 ml H2O | | x 20 = | |
| | | | | | 2 gms of soil | 40 ml H2O | | x 20 = | |
| | | | | | 2 gms of soil | 40 ml H2O | | x 20 = | |
| | | | | | 2 gms of soil | 40 ml H2O | | x 20 = | |

PID CALIBRATION

WEATHER

| PID CALIBRATION | | | WEATHER | | |
|-----------------|-----------|----------|---------|-------|------|
| Time | Fresh Air | Span Gas | Time | Temp. | Misc |
| | | | | | |
| | | | | | |
| | | | | | |

CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240
 (575) 393-2326 Fax (575) 393-2476

| | | | | | | | | | | | | | |
|---|--------------------------|-------------------------|--|--|--|--|--|--|--|--|--|--|--|
| Company Name: Ruth Co. 3/K Oil and Gas | BILL TO | ANALYSIS REQUEST | | | | | | | | | | | |
| Project Manager: Jacob Melancon | P.O. #: Box # 1332 | | | | | | | | | | | | |
| Address: 101 E. Panther | Company: 3/K oil and gas | | | | | | | | | | | | |
| City: Jal | Attn: Jacob Melancon | | | | | | | | | | | | |
| State: N.M. Zip: 88252 | Address: 101 E. Panther | | | | | | | | | | | | |
| Phone #: 575-631-8037 Fax #: 575-395-2162 | City: Jal | | | | | | | | | | | | |
| Project #: 101 Project Owner: Ruth Co. | State: N.M. Zip: 88252 | | | | | | | | | | | | |
| Project Name: Hobbs East San Andres SWD | Phone #: 575-631-8037 | | | | | | | | | | | | |
| Project Location: Hobbs | Fax #: 575-395-2162 | | | | | | | | | | | | |
| Sampler Name: Jacob Melancon | | | | | | | | | | | | | |

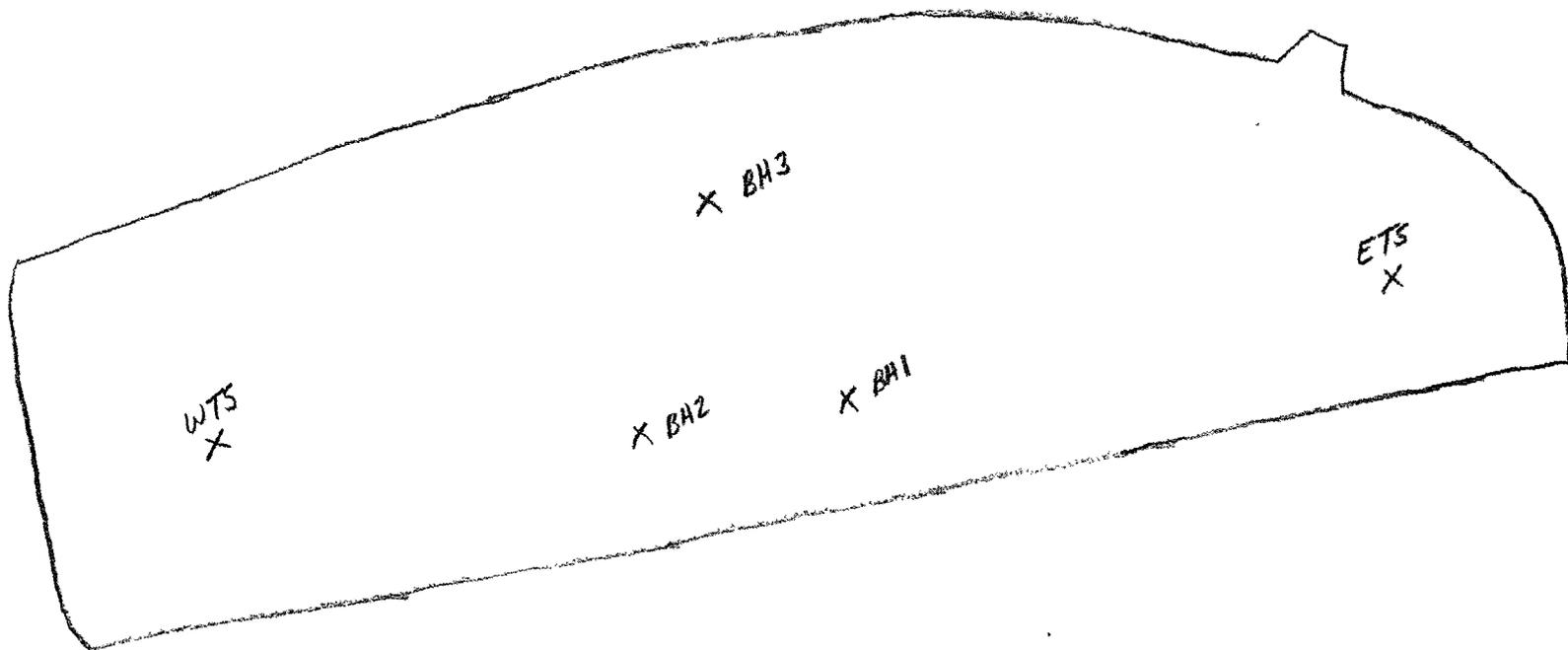
| Lab I.D. | Sample I.D. | (GRAB OR (C)OMP) | # CONTAINERS | MATRIX | | | | | | PRESERV. | | | SAMPLING | |
|----------|-------------|------------------|--------------|-------------|------------|------|-----|--------|-------|-----------|------------|-------|----------|-------|
| | | | | GROUNDWATER | WASTEWATER | SOIL | OIL | SLUDGE | OTHER | ACID/BASE | ICE / COOL | OTHER | DATE | TIME |
| | BH1 30'-32' | | 1 | | | X | | | | | | | 9-02-09 | 8:45 |
| | BH1 34'-36' | | 1 | | | X | | | | | | | 9-02-09 | 8:52 |
| | BH2 25'-27' | | 1 | | | X | | | | | | | 9-02-09 | 9:29 |
| | BH2 29'-31' | | 1 | | | X | | | | | | | 9-02-09 | 9:40 |
| | BH3 25'-27' | | 1 | | | X | | | | | | | 9-02-09 | 10:25 |
| | BH3 29'-31' | | 1 | | | X | | | | | | | 9-02-09 | 10:35 |

RELEASE NOTE: Liability and Damages: Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

| | | | | | |
|------------------------------|--------------|---|-----------------------------|-----------------------------|----------------|
| Sampler Relinquished: | Date: | Received By: | Phone Result: | <input type="checkbox"/> No | Add'l Phone #: |
| | Time: | | Fax Result: | <input type="checkbox"/> No | Add'l Fax #: |
| Relinquished By: | Date: 9/2/09 | Received By: | REMARKS: | | |
| | Time: 12:10 | | E-mail results to | | |
| Delivered By: (Circle One) | | | Jacob@ 3K Oil and Gas . com | | |
| Sampler - UPS - Bus - Other: | Temp. | Sample Condition | CHECKED BY: | | |
| | | Cool Intact | (Initials) | | |
| | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | MCSB | | |

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

oblas East Sam Andres SWD
Sept. 2nd 2009



WTS = cleaned up at 28'-29'
ETS = cleaned up at 14'-15'
BH1 = cleaned up at 30'-32'
BH2 = cleaned up at 25'-27'
BH3 = cleaned up at 25'-27'



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
3/K OIL & GAS
ATTN: JACOB MELANCON
P.O. BOX 1332
JAL, NM 88252
FAX TO: (575) 395-2162

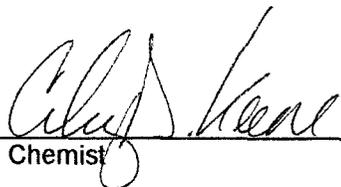
Receiving Date: 04/21/09
Reporting Date: 04/21/09
Project Number: 101 (RUTH CO.)
Project Name: HOBBS EAST SAN ANDRES SWD
Project Location: HOBBS

Analysis Date: 04/21/09
Sampling Date: 04/16/09
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: HM
Analyzed By: HM

| LAB NO. | SAMPLE ID | Cl ⁻ (mg/kg) |
|-----------------------------|-----------|----------------------------|
| H17279-1 | WTS 29' | 32 |
| H17279-2 | ETS 15' | 112 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Quality Control | | 500 |
| True Value QC | | 500 |
| % Recovery | | 100 |
| Relative Percent Difference | | < 0.1 |

METHOD: Standard Methods 4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.



Chemist



Date

H17279 3-K OIL & GAS

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