

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

**RECEIVED**

Form C-141  
Revised October 10, 2003

AUG 09 2010

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

**HOBBSOCD**

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report  Final Report

Name of Company Patterson UTI Drilling	Contact Leon Stanley
Address PO Box 1416 Snyder, TX	Telephone No. 325 574 6300
Facility Name Rig #46/Well EC C #3	Facility Type Drilling Location

Surface Owner Perry Dean Goff	Mineral Owner State of NM	Lease No. 30-025-39698
-------------------------------	---------------------------	------------------------

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	11	12S	32E	1680'	North	1680'	East	Lea

Latitude N32.29511 Longitude W103.68453

**NATURE OF RELEASE**

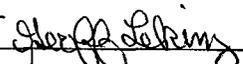
Type of Release Drilling Mud	Volume of Release 70bbls	Volume Recovered 30bbls
Source of Release Mud Tanks	Date and Hour of Occurrence 13 July 10	Date and Hour of Discovery 13 July 10 0800hrs
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoffery Leaking, NM OCD IRP 10-7-2582	
By Whom? Leon Stanley	Date and Hour 13 July 10 0826hrs	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.\*  
N/A

Describe Cause of Problem and Remedial Action Taken.\*  
Valve on hopper side of suction pit was left open causing drilling mud to overflow in hopper and run off location. Vacuum trucks were called to remove all freestanding liquid. A back hoe was used to scrape up and stock pile surface mud to prevent further run off into pasture.

Describe Area Affected and Cleanup Action Taken.\*  
The affected area was approximately 160' x 130' in the pasture off the SE corner of the drilling pad. The area was excavated to a depth of approximately 3' BGS at which point hard rock was encountered. Soil samples were obtained and analyzed for chlorides. Analysis indicated levels slightly above 250ppm. Geoff Leaking recommended further sampling of the rock layer to determine if penetration had occurred. Three sample points were chosen and hammered out to approximately 5'-5.5' BGS at which point samples were obtained for analysis. Lab results indicated chloride levels <250ppm on all three samples. Approval for closure was given by Geoff Leaking. The area was backfilled with clean material and contoured to match the surrounding terrain.  
\*\*\*\*\*See attached lab analysis.\*\*\*\*\*

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: 	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Leon Stanley	ENV. ENGINEER: Approved by District Supervisor: 	
Title: Safety Director	Approval Date: 08/09/10	Expiration Date: —
E-mail Address: Leon.Stanley@patenergy.com	Conditions of Approval:	
Date: 5 Aug 10 Phone: 325 207 1084	Attached <input type="checkbox"/> IRP-10-7-2582	

\* Attach Additional Sheets If Necessary





# CARDINAL LABORATORIES

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

Page \_\_\_ of \_\_\_

Company Name: <u>Hungry Horse Environmental Services</u>		<b>BILL TO</b>		<b>ANALYSIS REQUEST</b>					
Project Manager: <u>Vernon K. Black</u>		P.O. #:							
Address: <u>P.O. Box 1098</u>		Company: <u>SAME</u>							
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88241</u>		Attn:							
Phone #: <u>575-393-3386</u> Fax #: <u>575-391-4585</u>		Address:							
Project #: _____ Project Owner: <u>Datason UTI Drilling</u>		City:							
Project Name: <u>Rig #46 / Pelican Well ECC #3</u>		State: _____ Zip: _____							
Project Location: <u>West of Tucuman NM</u>		Phone #:							
Sampler Name: <u>Vernon K. Black</u>		Fax #:							

FOR LAB USE ONLY		# CONTAINERS	MATRIX					PRESERV.		SAMPLING		
Lab I.D.	Sample I.D.		GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACIDBASE	ICE / COOL	OTHER	DATE
H20444-1 2 3	Holes Hammered thru well	G G G										
	West Side 5.5' BGS		X								28 July	0900
	Middle 4.5' BGS		X								"	1000
	East Side 4.0' BGS		X							"	1100	

PLEASE 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 analysis. 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.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Sampler Relinquished: _____ Date: _____ Time: _____		Received By: _____ Date: _____ Time: _____		Phone Result: <input type="checkbox"/> No	Add'l Phone #: _____
Relinquished By: <u>[Signature]</u>		Received By: <u>Godi Benson</u>		Fax Result: <input type="checkbox"/> No	Add'l Fax #: _____
Delivered By: (Circle One)		Temp. <u>25</u>		REMARKS: <u>RUSH!</u> <u>[Signature]</u>	
Sampler: UPS - Bus - Other: _____		Sample Condition: Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
		CHECKED BY: <u>[Signature]</u>		575-631-2253	

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

#26





# CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Page \_\_\_ of \_\_\_

Company Name: <u>Hungry Horse Environmental Services</u>		<b>BILL TO</b>		<b>ANALYSIS REQUEST</b>											
Project Manager: <u>Vernon K. Black</u>		P.O. #:													
Address: <u>PO Box 1058</u>		Company: <u>SAME</u>													
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88241</u>		Attn:													
Phone #: <u>575-393-3386</u> Fax #: <u>575-391-4585</u>		Address:													
Project #: _____ Project Owner: <u>Patterson UT Drilling</u>		City:													
Project Name: <u>Drill Rig #46 / Pablin Well STAFF ECH#3</u>		State: _____ Zip: _____													
Project Location: <u>West of Tatum Lea County NM</u>		Phone #:													
Sampler Name: <u>Vernon K. Black</u>		Fax #:													

FOR LAB USE ONLY		# GRAB OR (COMP. CONTAINERS)	MATRIX					PRESERV.		SAMPLING		DATE	TIME	REMARKS
Lab I.D.	Sample I.D.		GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACIDBASE	ICE / COOL	OTHER			
H20371-1	NE Corner	C			X							7/5/11	1430	chlorides
-2	SE Corner	C			X							7/5/11	1400	

**PLEASE 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 analysis. 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 rendered by Cardinal regardless of whether such claim is based upon any of the above listed reasons or otherwise.

**Terms and Conditions:** Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Sampler Relinquished: _____ Date: _____		Received By: _____		Phone Result: <input type="checkbox"/> No <input type="checkbox"/> Add'l Phone #:	
Time: _____		Date: <u>7/5/11</u> Received By: <u>CB</u>		Fax Result: <input type="checkbox"/> No <input type="checkbox"/> Add'l Fax #:	
Relinquished By: <u>[Signature]</u>		Time: <u>1645</u>		REMARKS:	
Delivered By: (Circle One)		Temp. _____ Sample Condition _____		CHECKED BY: _____ (Initials)	
Sampler - UPS - Bus - Other: _____		# <u>26259</u>		Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

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





# CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2328 Fax (575) 393-2476

Page \_\_\_ of \_\_\_

Company Name: <u>Hungry Horse Environmental Services</u>				<b>BILL TO</b>		<b>ANALYSIS REQUEST</b>													
Project Manager: <u>Vernon K. Black</u>				P.O. #:															
Address: <u>PO Box 1058</u>				Company: <u>SAME</u>															
City: <u>Hobbs</u>		State: <u>NM</u>		Zip: <u>88241</u>															
Phone #: <u>575-393-3386</u>		Fax #: <u>575-391-4585</u>		Attn:															
Project #:		Project Owner: <u>Patterson UTE Drill</u>		Address:															
Project Name: <u>Ring #46 / Parkinwell State EUC #3</u>				City:															
Project Location: <u>West of Tatum NM</u>				State: <u>Zip:</u>															
Sampler Name: <u>Vernon K. Black</u>				Phone #:															
Fax #:																			
FOR LAB USE ONLY	Lab I.D.	Sample I.D.	# GRAB OR (COMP. #) CONTAINERS	MATRIX		PRESERV		SAMPLING											
				GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER		ACIDBASE ICE / COOL OTHER		DATE TIME											
	<u>H20598-1</u>	<u>SW Corner 3' BGS</u> <u>2 NW Corner 3' BGS</u>	<u>C</u>	<u>X</u> <u>X</u>				<u>2/5/10 11:30</u> <u>" "</u>		<u>Chlorides</u> <u>X</u>									

PLEASE 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 analysis. 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 rendered by Cardinal regardless of whether such claims are based upon any of the above stated reasons or amounts.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

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: <u>2/5/10</u>		Received By: <u>Jode Benson</u>		REMARKS:					
		Time: <u>1650</u>									
Delivered By: (Circle One)		Temp:		Sample Condition		CHECKED BY:					
		<u>240C</u>		Cool Intact		<u>[Signature]</u>					
Sampler - UPS - Bus - Other:				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							

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

#26

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

**RECEIVED**  
**JUL 21 2010**  
**HOBBSOCD**

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: Patterson UTI Drilling	Contact: Leon Stanley
Address: P.O. Box 1416	Telephone No. 325-574-6300
Facility Name: Rig 46 / Well EEC # 3	Facility Type: Drilling Location

Surface Owner: Perry Goff	Mineral Owner: State	Lease No. 30-025-39698
---------------------------	----------------------	------------------------

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	11	12S	32E	1680	North	1680	East	Lea

Latitude N33.29551 Longitude W103.68453

**NATURE OF RELEASE**

Type of Release: Drilling Mud	Volume of Release: 70 bbl.	Volume Recovered: 30 bbl
Source of Release: Mud Tanks	Date and Hour of Occurrence 7-13-2010	Date and Hour of Discovery 7-13-2010 8:00 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoffery Leking OCD IRP-10-7-2582	
By Whom? Leon Stanley	Date and Hour: 7-13-2010 8:26 AM MT	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully \*  
N/A  
*WATER @ 29'*

Describe Cause of Problem and Remedial Action Taken.\*  
Valve on hopper on side of suction pit was left open causing drilling mud to overflow in hopper and run off location Hungry Horse Environmental in Hobbs, New Mexico was called to location

Describe Area Affected and Cleanup Action Taken.\* Vacuum trucks were brought in to suck up standing fluid Location was scraped to help prevent further spreading of material

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>Leon Stanley</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Leon Stanley	Approved by <i>ENV. ENGINEER!</i> District Supervisor: <i>Geoffery Leking</i>	
Title: Safety Director	Approval Date <i>07/13/10</i>	Expiration Date <i>09/13/10</i>
E-mail Address: Leon.Stanley@patenergy.com	Conditions of Approval <i>SUBMIT FINAL C-141 BY 09/13/10</i>	Attached <input type="checkbox"/>
Date: 7-15-2010 Phone: 325-207-1084		<i>IRP-10-7-2582</i>

\* Attach Additional Sheets If Necessary