

RECEIVED

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 JUN 24 2010
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
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: Siana Operating LLC	Contact: Matt Doffer
Address: P.O. Box 10303, Midland, TX 79702	Telephone No.: 432/687-6600
Facility Name: Curry Federal #2	Facility Type: SWD
Surface Owner: Federal	Mineral Owner: Federal
Lease No.: LG-7641-1	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	22	23-S	34-E	660	South	1660	West	Lea

Latitude 103°17'5.21"N Longitude 103°27'39.82"W

NATURE OF RELEASE

Type of Release: Produced Water and Skim Oil	Volume of Release: 100 bbls	Volume Recovered: 60 bbls
Source of Release: Salt Water Disposal Well	Date and Hour of Occurrence: 6-15-2010 8:00 pm	Date and Hour of Discovery: 6-15-2010, 8:00 pm
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? E.L. Gonzales-OCD & Paul Swartz-BLM	
By Whom? Matt Doffer	Date and Hour 6-16-2010 8:00 am	
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.*
WATER @ 285'

Describe Cause of Problem and Remedial Action Taken.*
While controlling well with 13.5# mud and pulling packer and tubing string so that composite plug could be run in well to shut-off injection zone, well kicked on annulus. Before BOP could be shut-in and well controlled 100 bbls fluid spilled into concrete well cellar and over ran out onto surface location. 50 barrels was sucked out of concrete cellar and 10 barrels were sucked up on the northeast corner of the location where the water pooled.

Describe Area Affected and Cleanup Action Taken.*
Scrapped up contaminated soil and mud on surface and pushed into pile on location. Will sample and test soaked area and dig out and blend to below 1000 ppm chlorides or haul off to approved disposal site.

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>Matt Doffer</i>	OIL CONSERVATION DIVISION	
Printed Name: Matt Doffer	Approved by District Supervisor ENV ENGINEER : <i>Gregory L. King</i>	
Title: Manager of Drilling/Production	Approval Date: 06/24/10	Expiration Date: 08/24/10
E-mail Address: mdoffer@sianaoil.com	Conditions of Approval: DO NOT BLEND, DELIVERATE TO CLEAN +1, SUBMIT FINAL C-141 BY 08/24/10	Attached <input type="checkbox"/>
Date: 6/21/10 Phone: 432/687-6600		1RP-10-9-2621

* Attach Additional Sheets If Necessary