

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

30-015-38144

nkmw 110262671a

OPERATOR

Initial Report Final Report

Name of Company Lynx Petroleum Consultants, Inc.	Contact Debbie McKelvey, Agent
Address P.O. 1708, Hobbs, NM 88241	Telephone No. 575-392-3575
Facility Name Eddy BD State #3	Facility Type Well

Surface Owner State	Mineral Owner State	Lease No. EO-0997
----------------------------	----------------------------	--------------------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	32	20S	30E	1980	NORTH	1980	EAST	EDDY

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Drilling Fluid	Volume of Release 20-25 bbls.	Volume Recovered 0
Source of Release Working pits ran over	Date and Hour of Occurrence 1/13/11 10 p.m.	Date and Hour of Discovery 1/13/11 10 p.m.
Was Immediate Notice Given? ___ Yes <u>X</u> No ___ Not Required	If YES, To Whom? Spoke to Mike Brasher	
By Whom? Larry Scott	Date and Hour 1/14/11 8 a.m. (estimated)	
Was a Watercourse Reached? ___ Yes <u>X</u> No	If YES, Volume Impacting the Watercourse	

RECEIVED
JAN 19 2011
NMOCD ARTESIA

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* **Reserved pits were not approved by OCD and sufficient storage was not provided by steel pits to accommodate gas kick. Fluid was removed from pits and the well was controlled.**

Describe Area Affected and Cleanup Action Taken.* **Drilling fluid escaped the location and ran down the hill approximately 50 yds. The area was scraped up. Further remedial action will be taken after the rig is removed.**

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>Debbie McKelvey</i>	OIL CONSERVATION DIVISION	
Printed Name: Debbie McKelvey	Approved by District <i>Mike Brasher</i>	Signed By: <i>Mike Brasher</i>
Title: Agent	Approval Date: 3/9/11	Expiration Date:
E-mail Address:	Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	Attached <input type="checkbox"/>
Date: 1/17/11 Phone: 575-392-3575	4/9/11	2 RP-583

* Attach Additional Sheets If Necessary