District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rto 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

DEC 5 2007

Form C-141 Revised October 10, 2003

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 OCD-ARTES District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action 30-015-20673 **OPERATOR** M Initial Report Final Report Contact M. A. Sirgo, Name of Company CBS Operating Corp. Telephone No. 432/685-0878 Address P O Box 2236 Midland TX 79702 Facility Name Loco Hills B 6 Facility Type Producer well- wellhead Surface Owner BLM Lease No. IC-029342B Mineral Owner **LOCATION OF RELEASE** Unit Letter Section Feet from the North/South Line | Feet from the East/West Line County Township Range 9 0 1980 17S 30E 660 south east Eddy Latitude Longitude NATURE OF RELEASE Oil and water Type of Release Volume of Release Volume Recovered Source of Release Stuffing box leak Date and Hour of Occurrence Date and Hour of Discovery Was Immediate Notice Given? If YES, To Whom? ☐ Yes ☐ No ☒ Not Required Date and Hour By Whom? Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. Yes No If a Watercourse was Impacted, Describe Fully.* NA Describe Cause of Problem and Remedial Action Taken.* Leaking stuffing box. Repair stuffing box. Describe Area Affected and Cleanup Action Taken.* Remove oil and contaminated soil. Replace affected area with clean dirt. Take to disposal. 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. OIL CONSERVATION DIVISION Signature⁻ Approved by District Supervisor: Printed Name: M. A. Sirgo, Approval Date C 7 2007 Title: Engineer Expiration Date: E-mail Address Mastres@aol.com Conditions of Approval: 4- MACHED Attached 432/685-0878 Date:December 5, 2007

^{*} Attach Additional Sheets If Necessary

Guye, Gerry, EMNRD

From: Guye, Gerry, EMNRD

Sent: Thursday, December 06, 2007 2.30 PM

To: 'mastres@aol.com'

Cc: 'James_Amos@nm blm gov'
Subject: C-141 on Loco Hills B #6

This office is in receipt of your C-141 on the oil and produced water release, at this facility.

The inspection revealed some historical spill in addition to the recent release. The quantities indicated more than 5 bbls had been allowed to release, which was not indicated on your C-141, this requires notification to the Division, and Remediation. In addition to hauling and disposal of the contaminated soil a complete delineation of the area, with samples, must be accomplished.

NMOCD Rule 19.15.3.116 states in part ..."The responsible person must complete **division approved corrective action** for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

Information and tools for proper corrective action may be found in the Environmental Handbook on our web site www.emnrd.state.nm.us/ocd under the heading publications.

Remediation requirements may be subject to other federal, state and local laws or regulations.

Within 30 days, on or before January 5, 2008, completion of a remediation work plan should be finalized and submitted to the Division, summarizing all actions taken or to be taken to mitigate environmental damage related to the leak, spill or release, for approval.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further service or if you have any questions please feel free to contact me.

Sincerely,

Gerry Guye
Compliance Officer
NMOCD District II, Artesia
(505) 748-1283 ext 105
Cell (505) 626-0843
F-mail: gerry guye@state.n.

E-mail: gerry.guye@state.nm.us

Gerry Guye

Compliance Officer NMOCD - Artesia Office (505)748-1283x105 Mobile (505)626-0843 E-Mail: gerry.guye@state.nm.us