

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

DEC 26 2007

SMOCD-ARTESIA

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

30-015-35673

OPERATOR

☒ Initial Report

☒ Final Report

Name of Company	Reef Exploration, L.P.	Contact	Ronald M. Sentz
Address	1901 N Central Expy, Ste 300, Richardson TX 75080	Telephone No.	972-437-6792
Facility Name	State "36"	Facility Type	Oil

Surface Owner	State of New Mexico	Mineral Owner	State of New Mexico	Lease No.	36570
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	36	22S	31E	660	South	660	West	Eddy

Latitude 32° 20' 32.69" N Longitude 103° 44' 14.76" W

NATURE OF RELEASE

Type of Release Oil & Salt Water	Volume of Release 3 BO, 40 BW	Volume Recovered All
Source of Release Heater treater vent line	Date and Hour of Occurrence 11/22/2007 Unknown	Date and Hour of Discovery 11/22/2007 Unknown
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Tim Gum	
By Whom? Ronald M. Sentz	Date and Hour 11/ 24/2007 @ 1:30 p m.	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken *

Someone closed in the vent line for the heater treater causing the system to overload. A small amount of the spill (approximately 1 barrel) breached the fire wall on to the location The remainder of the spill remained within the fire wall area

Describe Area Affected and Cleanup Action Taken.*

The affected area was within the firewall and small area of location. A vacuum truck was brought in to pick up the oil and water and put it back in the tanks. The area outside the fire wall was dug up and placed on plastic for NMOCD inspection and will be hauled off to a disposal as directed. Well was shut in till the clean up and repair of fire wall was done.

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>Rosalind W. Mercer</i>	OIL CONSERVATION DIVISION	
Printed Name: Rosalind W. Mercer	Approved by District Supervisor <i>[Signature]</i>	
Title: Regulatory Analyst	Approval Date: JAN 02 2008	Expiration Date:
E-mail Address: rosalind@reefogc.com	Conditions of Approval: See Attached Stipulations	Attached <input checked="" type="checkbox"/>
Date: 12/07/2007	Phone: 972-437-6792	

* Attach Additional Sheets If Necessary

***Conditions of Approval
Remediation Work Plan***

Soils/wastes within and beneath the area of the leak, spill or release should be evaluated to determine the type and extent of contamination at the site. In order to assess the level of contamination, observations should be made of the soils at the surface and samples of the impacted soils should be taken in the leak, spill or release area. Observations should note whether previous leaks, spills or releases have occurred at the site. Additional samples may be required to completely define the lateral and vertical extent of contamination. Soil samples should be obtained according to the sampling procedures in Sections V.A. and V.B. This may be accomplished using a backhoe, drill rig, hand auger, shovel or other means.

Samples taken must be approved by OCD prior to authorizing any back fill of the area.