

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company: Chuza Oil Company	Contact: Patrick Padilla
Address: 1000 Cordova Place #376	Telephone No.: 505-690-7803
Facility Name: Northeast Hogback Unit	Facility Type: Oil

Surface Owner: Federal	Mineral Owner: Federal	API No. 30-045-09656
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LOCATION OF RELEASE

Unit Letter N	Section 11	Township T30N	Range R16W	Feet from the	North/South Line	Feet from the	East/West Line	County: San Juan OIL CONS. DIV DIST. 3
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Latitude: approx 36.8235653655492 Longitude: approx 108.496172086409

JAN 27 2014

NATURE OF RELEASE

Type of Release: crude oil produced water spill
Source of Release: Steel flowline rupture at header due to subzero temperatures
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required
To Whom? Patrick Padilla, President, Chuza Oil Co.
Was a Watercourse Reached? ☒ Yes ☐ No
Volume of Release: +/-4.5bbls
Date and Hour of Occurrence: Approx. 12/09/13, 8:00am
If YES, To Whom? Mark Decker, BLM FFO
Date and Hour: 12/10/13, 9:00am
If YES, Volume Impacting the Watercourse: Approximately 1.5 bbls crude oil/produced water mix

If a Watercourse was Impacted, Describe Fully.*

The initial release origin was on the east side of an access road. The release occurred mainly on the access road and eastern side of the road, but there was a portion of the liquid (approx 1.5bbls) that traversed the road to the west side, flowed into a small gully of approximately 50' and eventually intersected with a larger wash running north to south, where it extended approximately a further 30'.

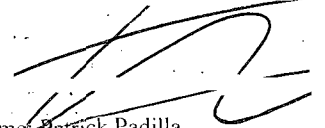
Describe Cause of Problem and Remedial Action Taken.*

On the day of the incident the overnight temperature dropped below zero, which caused a rupture in the flowline adjacent to a header due to the high water content of the surrounding wells. Upon discovery of the leak, Chuza personnel immediately found the source of the leak at the base of the header and fixed it. After that, a backhoe was used to remove the majority of the surface liquid and contaminated dirt for disposal.

Describe Area Affected and Cleanup Action Taken.*

After consulting with the BLM FFO, Chuza contracted Envirotech to spray the affected area with approximately 300 gallons of potassium permanganate to help break down the hydrocarbons. Chuza allowed the area to soak in the potassium permanganate for three weeks. Chuza then removed approximately 17 yards of contaminated dirt from the affected area and had it transported to the landfarm at Industrial Ecosystems Incorporated. A series of soil samples was then taken from the affected area for lab testing at Envirotech, and all samples tested below the maximum allowable concentrations of hydrocarbons as determined by the NM OCD and the BLM FFO.

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 or regulations.

Signature: 
Printed Name: Patrick Padilla

Title: President, Chuza Oil Company

E-mail Address: padilla@chuzaoil.com

Date: January 23, 2014

Phone: 505-690-7803

* Attach Additional Sheets If Necessary

Approved by Environmental

Approval Date:

Conditions of Approval:

OIL CONSERVATION DIVISION

DENIED

No Immediate Notice to NMOCD provided
BY: Jonathan Kelly, Release or alternative
DATE: 2/10/2014 (505) 334-6178 Ext. 122 Add
Remediation Required
Attached ☐ No sample included in the submission

Compliance: JK1424749732