

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  
220 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

Name of Company: Crain Hot Oil Service, Inc.		Contact: Todd Crain
Address: PO Box 5846, Granbury, Texas 76049		Telephone No.: 817-692-7333
Facility Name: Gulf Deep No. 1 SWD		Facility Type: SWD Disposal
		API NO.: 30-005-01210
Surface Owner: State of New Mexico		Mineral Owner:
		Lease No.:

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	34	14	31	660'	FNL	1980'	FWL	Chaves

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE


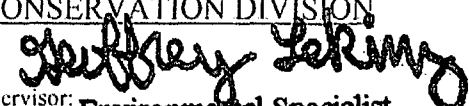
Type of Release: Hydrocarbon and produced water	Volume of Release: 6 -8 bbls.	Volume Recovered: Unknown
Source of Release: Manway hatch had a split rubber seal likely pulled apart by the buildup of frac sand under it.	Date and Hour of Occurrence: February 2013	Date and Hour of Discovery: February 2013
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour: N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.\*  
N/A

Describe Cause of Problem and Remedial Action Taken.\*  
TOP HATCH JUL 1/5/13  
The manway cover (back hatch) on the frac tank began to leak due to a split rubber seal, probably caused by frac sand entering the edges of the rubber and eventually splitting it apart. Due to this, an estimated 6 to 8 barrels of fluid were discharged onto the ground in the immediate vicinity of the manway cover. The operator responded by discontinuing operations and addressing infield responses for cleaning up the spill.

Describe Area Affected and Cleanup Action Taken.\*  
The frac tank was cleaned out and removed to the north end of the battery alongside 2 other tanks. The ground around the spill site was excavated until the contaminated material was completely removed and hauled to Gandy Disposal. The run tickets are attached for evidence of disposal at this facility.

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: 	OIL CONSERVATION DIVISION	
Printed Name: Todd Crain	Approved by District Supervisor:  Environmental Specialist	
Title: President	Approval Date: 7/5/13	Expiration Date: 9/5/13
E-mail Address: tcrain3981@aol.com	Conditions of Approval: CONFIRMATION SAMPLE TO VERIFY CLEAN CLOSURE OF TANK AREA	Attached <input type="checkbox"/> IRP-7-13-2935
Date: July 1, 2013	Phone: 817-692-7333	

\* Attach Additional Sheets If Necessary

MUST BE SUBMITTED NO LATER  
THAN 9/5/13

JUL 08 2013

Mr. Todd Crain, President  
CRAIN HOT OIL SERVICE, INC.  
PO Box 5846  
Granbury, Texas 76049

HOBBS OCD

JUL 05 2013

RECEIVED

July 1, 2013

Mr. Geoffrey Leking  
NEW MEXICO OIL CONSERVATION DIVISION  
1625 North French Drive  
Hobbs, New Mexico 88240

Re: Gulf Deep No.1 SWD Unauthorized Discharge API No.: 30-005-01210 *IRP-7-13-2935*  
U/L C S34 T14S R31E 660' FNL 1980' FWL Chaves County, New Mexico  
*Corrective Action Plan/Final Remediation Report* and C-141 (Initial/Final)

Dear Mr. Leking:

Crain Hot Oil Service, Inc. herewith submits its *Corrective Action Plan (CAP)*, *Final Remediation Report (FRR)* and C-141 (Initial/Final) form for the Gulf Deep No. 1 SWD remediation of the non-reportable, unauthorized discharge of approximately 6 to 8 barrels of hydrocarbon and produced water from the manway hatch on a storage frac tank located on the south end of the existing battery in mid-February 2013. Depth to groundwater in this area is approximately 260'. Caprock is present at approximately 10 to 12 feet on the average.

The discharge occurred when the rubber seal around the manway hatch split, likely due to the fact that the frac sand within the frac tank eventually worked itself under the rubber seal causing the rubber to finally expand from the pressure of the additional circumference created by the sand pushing on the rubber ring. Subsequently, the manway hatch became the point of discharge to the ground. Trucks and heavy equipment were used to clean out the frac tank, haul contaminated material to disposal and reseal the manway hatch.

A total of 280 yards of contaminated soils created by the hydrocarbon and produced water footprint around the frac tank, including the contents of the frac tank, were hauled to Gandy Disposal. This process took approximately 5 days beginning on February 26th and running through March 1, 2013.

Previous conditions within the footprint following excavation were no longer visible nor did they have odor. Should additional sampling be found necessary by the NMOCD, Crain Hot Oil Service will conduct it at the time other remediation work is being done on the location in the near future. It is our opinion; there is no longer a problem in this area. Today green grasses and non-indigenous species populate the site where the infield activities were most aggressive and the footprint is gone.

Should you have question, please call (817-692-7333).

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Crain". The signature is fluid and cursive, with a long horizontal stroke at the end.

Todd Crain, President

HOBBS OCD

JUL 07 2013

RECEIVED