

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
HOEBS OGD
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

OPERATOR **Initial Report** **Final Report**

| | |
|--|--|
| 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
GW @ 270'

Describe Cause of Problem and Remedial Action Taken.*
TOP HATCH JUL 7/5/13
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 FRAC TANK AREA. | Attached <input type="checkbox"/> IRP-7-13-2935 |
| Date: July 1, 2013 Phone: 817-692-7333 | MUST BE SUBMITTED NO LATER THAN 9/5/13 | |

* Attach Additional Sheets If Necessary

7/24/13
CONFIRMATION SAMPLING DISPLAYED CLOSURE 7/30/13 JRC h
JUL 08 2013 1127114

JAN 28 2014