

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

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 Grey Wolf Drilling	Contact Chuck Bullard
Address 6 Desta Drive, Suite 5850	Telephone No. 432-684-6841
Facility Name south lusk 28 Fed #1 Drill Site	Facility Type Oil & Gas Well Location 30025.364920000
Surface Owner BLM	Mineral Owner BLM
Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
ULM	28	19S	32E	660	South	830	West	Lea

Latitude 32 37' 38.40" Longitude 103 46' 31.19"

NATURE OF RELEASE

Type of Release Diesel	Volume of Release 500 gal	Volume Recovered 100 gal.
Source of Release Rig Diesel Storage Tank	Date and Hour of Occurrence 1/06	Date and Hour of Discovery 1/06
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? BLM Carlsbad & OCD Hobbs	
By Whom? Grey Wolf	Date and Hour 1/05/06	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

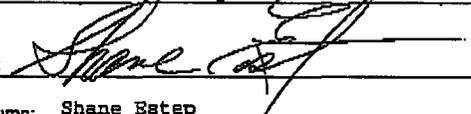
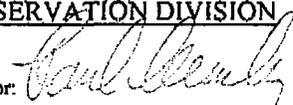
Describe Cause of Problem and Remedial Action Taken.*

Valve on diesel tank left open when pump was turned on resulting in diesel release.

Describe Area Affected and Cleanup Action Taken.*

An area on the drill pad measuring approximately 50 feet by 65 feet was affected.
Soil will be excavated & transported off-site for disposal in permitted landfill.

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: Shane Estep	Approved by District Supervisor: 	
Title: Consultant	Approval Date: 4-20-06	ENVIRONMENTAL ENGINEER
E-mail Address: shane@etechenv.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 03/28/06 Phone: 432-563-2213	April 12, 2006 attachment	

* Attach Additional Sheets If Necessary

incident - NPAC0611651502
application P PAC0611651709



April 12, 2006

Mr. Paul Sheeley
Oil Conservation Division
726 E. Michigan Drive, Suite 165
Hobbs, NM 88240-3456

Subject: South Lusk 28 Fed #1 Drill Site; Diesel Spill of 1/5/2006; Corrective Action Plan.

Dear Mr. Sheeley:

On behalf of our client, Grey Wolf Drilling, Etech Environmental and Safety Solutions (Etech) hereby submits for review this corrective action plan in addressing the diesel spill at the South Lusk Federal #1 Drill Site. The spill consisted of 400 gallons of diesel fuel which impacted the surrounding surface soils at the drilling site. Approximately 3,250 square feet of surface area were impacted by the spill. The vertical extent ranges from 2-3 inches to a maximum depth of 8 feet.

Corrective action will consist of off-site disposal for the soils that are impacted above regulatory levels. These soils will be excavated and transported to Controlled Recovery, Inc. The excavation will be backfilled with clean soils. Based on known water well information from the State Engineer's office, groundwater is deeper than 100 feet (bgs). Thus, a 5,000 ppm limit of Total Petroleum Hydrocarbons (TPH) will be used as final closure criteria for the site.

A final closure report will be issued once the project is completed. Should any questions arise, please do not hesitate to call me at (432) 563-2200. Thank you.

Sincerely,
Etech Environmental & Safety Solutions

Bo Vizcaino
Sr. Project Manager

Cc: Mr. Chuck Bullard, Grey Wolf Drilling
Mr. Terry Gregston, Bureau of Land Management
Mr. Shane Estep, Etech



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

FAX

TO: Bo Vizcaino
FROM: Paul Sheehey
RE: Corrective Action C-141 approval
DATE: 4-20-06

NO. OF PAGES 4 INCLUDING COVERSHEET