

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: Rice Operating Company | Contact:                                  |
| Address: 122 West Taylor                | Telephone No.: 505-393-9174               |
| Facility Name: EME <i>I-1 SWD Fire</i>  | Facility Type: Salt Water Disposal System |

|   |                |            |
|---|----------------|------------|
| Surface Owner: State land leased to ROC | 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 |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| I           | I       | 20S      | 36E   |               |                  |               |                | Lea    |

*26'*

Latitude: 32°36.062N Longitude: 103°18.056W

**NATURE OF RELEASE**

|  |  |  |
|--|--|--|
| Type of Release: Produced Water  | Volume of Release: 440 barrels                   | Volume Recovered: 440 barrels                  |
| Source of Release: Tank Battery  | Date and Hour of Occurrence:<br>N/A              | Date and Hour of Discovery:<br>2:30 pm 7/05/06 |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Gary Wink                       |  |
| By Whom? Jennifer Johnson / Scott Curtis   | Date and Hour: 7/05/06 5:30 pm / 7/05/06 3:00 pm |  |
| Was a Watercourse Reached?<br><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.\* The battery was struck by lightning causing it to catch on fire, thus releasing produced water to spill into the dike area.

Describe Area Affected and Cleanup Action Taken.\* The Monument Fire Department was called to extinguish the fire. Vacuum trucks were used to pick up the produced water, which was hauled to a NMOCD approved disposal facility. The extent of impact was contained in ~~Rice Operating Company's~~ dike area. *Produced water released was held in ROC's secondary containment area.*

*designed for*

*the tank*

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>Jennifer A Johnson</i>        |                     | <b>OIL CONSERVATION DIVISION</b>  |                  |
| Printed Name: Jennifer Johnson              |                     | Approved by District Supervisor:  |                  |
| Title: Environmental and Field Technician   |                     | Approval Date:                    | Expiration Date: |
| E-mail Address: <i>jjohnson@riceswd.com</i> |                     | Conditions of Approval:           |                  |
| Date: 7/10/06                               | Phone: 505-393-9174 | Attached <input type="checkbox"/> |                  |

\* Attach Additional Sheets If Necessary

*facility # PAC0627241071  
incident - # PAC0627241171  
application - # PAC0627241273*

*RP# 1051*