

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

MAY 14 2008

OCD-ARTESIA

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 Basic Energy Service Contact Steve Prather
Address Belco #1 SWD Telephone No. 390.1435
Facility Name Belco #1 SWD Facility Type SWD

Surface Owner Henry R. Donald Mineral Owner Lease No.

LOCATION OF RELEASE

Unit Letter F Section 20 Township 23 Range 28 Feet from the 28E North/South Line Feet from the East/West Line County

NATURE OF RELEASE

Type of Release Sub 62 Volume of Release 35.7046 Volume Recovered 1045
Source of Release Value of SWD System Date and Hour of Occurrence 5/8 Date and Hour of Discovery 5/8 1PM
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required If YES, To Whom? 5/8 OCD
By Whom? Eddie W. Sean Date and Hour 5/8 4:00
Was a Watercourse Reached? ☐ Yes ☒ No If YES, Volume Impacting the Watercourse.

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Value broke on line, allowing salt water to run out on location and approx 8 to 10 bbl of location / Pick up what was available, stabilize. Repair Value

Describe Area Affected and Cleanup Action Taken.*

10x20 area of location & the rest was contained on location. Will evaluate & file Work Plan for remediation.

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: Eddie W. Sean OIL CONSERVATION DIVISION
Printed Name: Eddie W. Sean Approved by District Supervisor: T. Cumby SB
Title: Agent Approval Date: 5.22.08 Expiration Date:
E-mail Address: sean.ow@leaco.net Conditions of Approval: WORK PLAN AND WORK PLAN APPROVAL WITH STIPULATIONS Attached ☒
Date: 5/9/2008 Phone: 390.2454

* Attach Additional Sheets If Necessary

SEB0814340402

JRP-170

**BASIC ENERGY SERVICES
BELCO #1 SWD
SECTION 19, TWS. 23 S., RNG. 28 E.**

MAY 21 2008
OCD-ARTESIA

WORK PLAN

**Prepared By
Eddie Seay Consulting
May 2008**

2RP-170

May 19, 2008

NMOCD Environmental
ATTN: Sherry Bonham
1301 W. Grand Avenue
Artesia, NM 88210

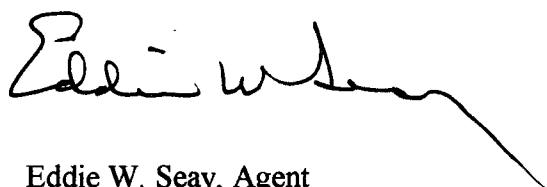
RE: Basic Energy Services
Belco #1 SWD
Line Leak

Ms. Bonham:

Basic Energy had a valve break while truck was unloading. Most fluid was contained to location, and as much as possible was vacuumed up. A C-141 was filed and notice was given. Attached is workplan and copy of C-141.

Call if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Eddie W. Seay", with a long, sweeping horizontal line extending to the right.

Eddie W. Seay, Agent
601 W. Illinois
Hobbs, NM 88242
(575)392-2236
seay04@leaco.net

cc: Basic Energy

WORK PLAN

General:

Leak occurred 5/9/08, losing approximately 35 bls. of salt water recovering approximately 10 bls. The fluid was picked up and work began to stabilize area. Most of the leak stayed on location, except an area 10 x 12 on East side.

Groundwater:

According to State Engineer and Groundwater information, the depth of water occurs at approximately 50 to 60 feet below surface, and water is brackish.

Remediation Proposal:

All available fluid was picked up immediately. Our cleanup will be to excavate and scrape contaminated soil, haul to an OCD approved facility and replace with clean caliche.

The OCD will be notified of all activities and a report will be filed upon completion.

Ranking Criteria Score - 20

This site has a 100 ppm TPH cleanup and will cleanup BTEX and Chloride per OCD.

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Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Basic Energy Service	Contact	Steve Prather
Address		Telephone No.	390.1435
Facility Name	Balco #1 SWD	Facility Type	SWD
Surface Owner	Henry McDonald	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
	19	23	28					

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Salt Water	Volume of Release	35.4046	Volume Recovered	1045
Source of Release	Value of SWD System	Date and Hour of Occurrence	5/8	Date and Hour of Discovery	5/8 PM
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	5/8 OGD		
By Whom?	Eddie W. Sean	Date and Hour	5/8 4:00		
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.*

Value broke on line, allowing salt water to run out on location and approx 8 to 10 bbls off location / Pick up what was available, stabilize. Repair Value

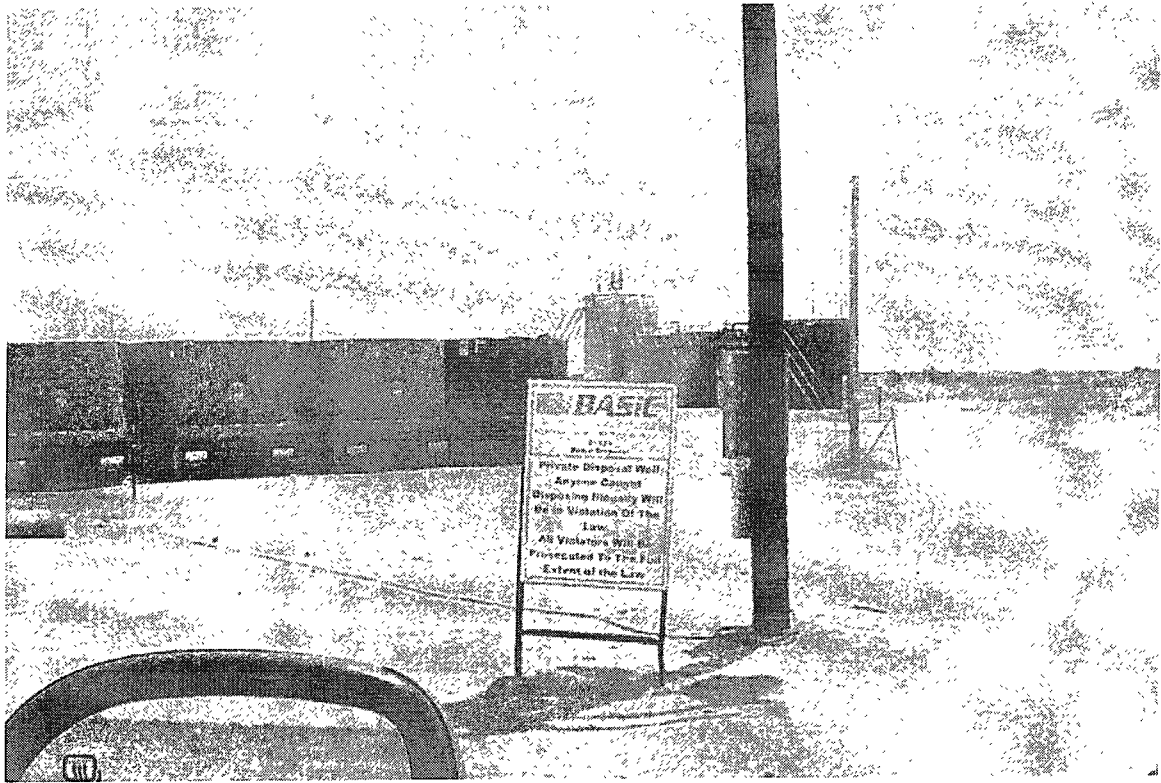
Describe Area Affected and Cleanup Action Taken.*

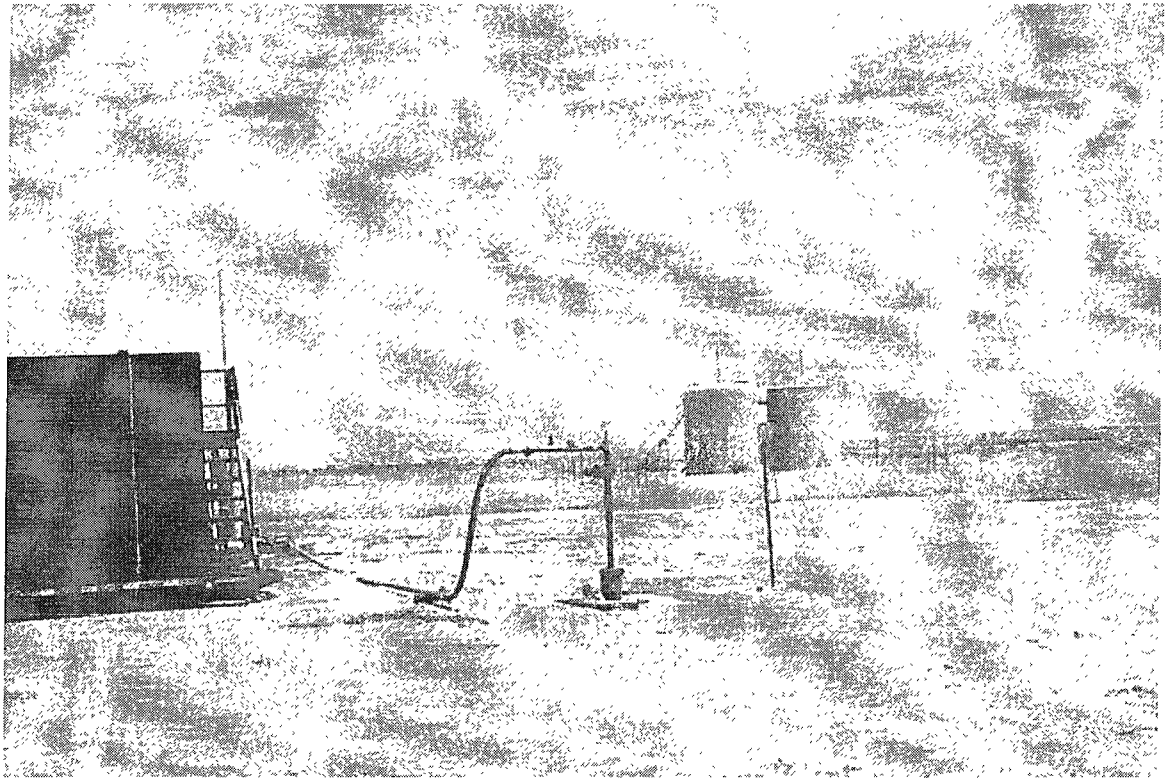
10x20 area of location & the rest was contained on location.
Will evaluate & file Work Plan for remediation.

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: Eddie W. Sean		OIL CONSERVATION DIVISION	
Printed Name: Eddie W. Sean		Approved by District Supervisor:	
Title: Agent	Approval Date:	Expiration Date:	
E-mail Address: sean.ew@leaco.net	Conditions of Approval:	Attached <input type="checkbox"/>	
Date: 5/9/2008	Phone: 390.2454		

* Attach Additional Sheets If Necessary





New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



CERTIFIED MAIL—RETURN RECEIPT REQUESTED
7007 2680 0001 6451 2629

May 22, 2008

Basic Energy Services, LP
PO Box 10460
Midland, TX 79702

Reference: Belco 001 SWD E-20-23S-28E Eddy County, New Mexico
2RP-170

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report C-141 for a release of salt water occurring at the above referenced facility on or about May 8, 2008. OCD is also in receipt of a remediation work plan (plan) submitted on behalf of operator by Eddie Seay Consulting Services.

The plan is approved with the following stipulations:

- Confirmation soil analyses will be required upon completion of excavation and prior to proposed soil replacement.
- Please notify OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.
- Remediation requirements may be subject to change as site conditions warrant.
- Remediation actions are to be completed on or before July 28, 2008.

Remediation requirements may be subject to other federal, state, local laws and/or regulations. Additionally, please be advised that OCD approval does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment.

Thank you for your attention to these matters. If I can be of assistance, you may reach me at the contact information listed below.

Respectfully,

Sherry Bonham
NMOCD District 2
1301 West Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext.109
sherry.bonham@state.nm.us

cc: Eddie Seay, Eddie Seay Consulting Services

