

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88311
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED

OCT 03 2008

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	Key Energy Services, Inc.	Contact	Sam Blevins
Address	2105 Ave O	Telephone No.	505-394-2581
Facility Name	Key Energy State "S" Brine and Water Station (BW-028)	Facility Type	Brine and Freshwater Station

Surface Owner	Millard Deck Trust	Mineral Owner	State of New Mexico	Lease No.	#1
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LOCATION OF RELEASE API# 30-025-06586-60-00

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	15	21s	37e	See attached map				Lea

Latitude N32° 29' 02.2" Longitude W103° 09' 28.8"

NATURE OF RELEASE

Type of Release	Brine	Volume of Release	300bbls	Volume Recovered	275bbls
Source of Release	Load line valve left open by unidentified 3 rd party driver.	Date and Hour of Occurrence	11/24/07 09:00	Date and Hour of Discovery	11/24/07 09:00, Clarence Fyte (Chevron)
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Pat Richards, OCD		
By Whom?	Edward (Ted) Philley, Key Energy Services	Date and Hour	11/26/07 10:25		
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.*

Brine valve was left open at load line at east end of water station by 3rd party, line drained into diked area. Dike gave way and ran down lease road onto Chevron well location.

Describe Area Affected and Cleanup Action Taken.*

Affected lease road, Chevron State S #1 Unit D, Sec15-T21S-R37E well site and area surrounding. Recovered 275bbls with vacuum trucks. Terracon removed and disposed of 1762 cubic yards of brine affected soils on behalf of Key Energy Services. Excavated areas were backfilled with landowner provided top soil (1,010 cubic yards) and landowner provided caliche (300 cubic yards) to repair affected roads. Remedial actions documented in Terracon report dated February 20, 2008 (Attached). Disturbed topsoil will be reseeded at the landowner's direction with a landowner selected seed mix.

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:		Approved by District Supervisor <i>[Signature]</i>	
Title:		ENVIRONMENTAL ENGINEER	
E-mail Address:		Approval Date: 10.8.08	Expiration Date: <i>[Signature]</i>
Date:		Conditions of Approval: <i>[Signature]</i>	Attached <input type="checkbox"/> IRP# 1672
Phone:			

* Attach Additional Sheets If Necessary

FGRL0833939548



Key Energy Services
6 Desta Drive
Suite 4400
Midland, Texas 79705

Telephone: 432.620.0300
Facsimile: 432.571.7173
www.keyenergy.com

October 2, 2008

Mr. Wayne Price
State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

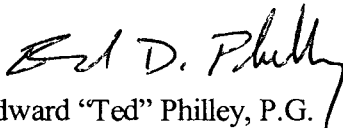
Re: Key Energy Services, Inc.
State S Brine Station

Dear Mr. Price:

Enclosed you will find documentation of the reseed activities at the State S Brine Station. I have included a copy of the C-141 form for your convenience along with the invoices from B&H Maintenance & Construction for the work at this site.

If you have any questions, please let me know.

Sincerely,


Edward "Ted" Philley, P.G.
Key Energy Services, Inc.

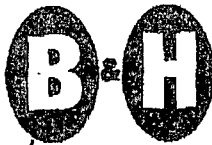
Enclosures

cc: Pat Richards
State of New Mexico
District 1
1625 N. French Drive
Hobbs, New Mexico 88240

RECEIVED

OCT 03 2008

HOBBS (11)



Maintenance & Construction

PIPELINE CONTRACTORS

57450 .C

COMPANY KeyDATE 9-5-08LEASE NAME Water Station north of TownCONTRACT JOB ☒ COST PLUS JOB ☐ JOB # 11012067COUNTY LeaSTATE N.M.

EQUIPMENT	NO.	TYPE	RENTED	OWNER	WORK IN 1/2 H	DRUM	CHUCK	WHL	SET UP & BREAK	LAY	TACK DOWN IN	REELS	CLEAN UP	RE- ROLL	TEST	PAID BY OTHER	ROAD BORNS	PAID	TOTAL HOURS	RATE	TOTAL AMOUNT
Truck & Lowboy																					
Truck & Float																					
JetCo Chain Trencher																					
7337 JetCo	1	FRM 03												9					8		
Dozer																					
Backhoe																					
Slide Booms																					
Air Comp.	1	PP												9					8		
Pickups	1	PU 255												9					8		
Welding Rigs																					
Poly Machines																					

EMPLOYEES	TYPE	PAID	RENTED	WORK IN 1/2 H	DRUM	CHUCK	WHL	SET UP & BREAK	LAY	TACK DOWN IN	REELS	CLEAN UP	RE- ROLL	TEST	PAID BY OTHER	ROAD BORNS	PAID	TOTAL HOURS	RATE	TOTAL AMOUNT
110553 Garcia T. F														9				8		
281581 Romo J. L.H														9				8		
405089 Castillo J. L														8				8		
110570 Gonzalez C. L														9				8		

Complete

PER-DIEM
MATERIAL
EQUIPMENT
LABOR
SUB-TOTAL
TAX
TOTAL

REMARKS: Reseed run disc broadcast seed run disc again

Company Representative

B & H Representative James Garcia

897-2084
**B & H MAINTENANCE
 & CONSTRUCTION, INC.**

PIPELINE AND PLANT CONSTRUCTION
 ENVIRONMENTAL AND REMEDIATION SERVICES

INVOICE

KEY ENERGY
 PO BOX 99

EUNICE, NM 88231

Invoice Number 426426
 Invoice Date 9/23/2008
 Customer 102336
 Job Number 11017067
 Key Energy- Re-seed
 P/O Number
 Terms Net 30 Days (Override)

Description:

RE-SEED WATER STATION NORTH OF TOWN

PO# 1219515

Pay Item Description

Date	Work Order #	Pay Item Description	Quantity	U/M	Billing Rate	Taxable Amount	Tax
9/23/2008		Contract Price				2,600.00	139.75
Total for Work Order #: Contract Price						2,600.00	139.75
Sub-total						2,600.00	
Less: Retainage							
Tax							139.75
Total Due							2,739.75

PO# 1219515

PLEASE INCLUDE CUSTOMER NUMBER AND INVOICE NUMBER WITH PAYMENT. THANK YOU!

Remit To: B & H Maintenance & Construction, P.O. Box 970, EUNICE, NM 88231

575-394-2586
 1-800-792-2501
 FAX 575-394-0299
 P.O. BOX 870
 EUNICE, NM 88231

575-887-8755
 575-887-7931
 FAX 575-887-0969
 P.O. BOX 88
 CARLSBAD, NM 88220

432-550-8210
 FAX 432-368-4031
 2550 STEVEN ROAD
 WEST LOOP 338
 ODESSA, TX 79769

505-834-0480
 FAX 505-834-0482
 P.O. BOX 185
 246 HWY. 544
 BLOOMFIELD, NM 87413

426426

Date: 9/23/08

JOB #: 11017067

Key Energy
P.O. Box 99
Eunice, N.M. 88231

PO# 1219515

RE: Rc-seed water station north of town

Total	\$ 2,600.00
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Tax	139.75
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TOTAL	<u>\$ 2,739.75</u>
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