

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

RECEIVED

MAY 26 2011

NMOCD 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

9 MCB 1115432582

Release Notification and Corrective Action

n MCB 1115432886

OPERATOR

☐ Initial Report ☒ Final Report

|  |                             |
|--|-----------------------------|
| Name of Company: Arapahoe Oil Field Services | Contact: Stephen Callaway   |
| Address: PO Box 1127 Hobbs, NM 88241         | Telephone No.: 575-441-2159 |
| Facility Name: Remuda Basin 31-1             | Facility Type: Well         |

|                        |                                  |                                 |
|------------------------|----------------------------------|---------------------------------|
| Surface Owner: Federal | Mineral Owner: State and Federal | Lease No.: API No. 30-015-28137 |
|------------------------|----------------------------------|---------------------------------|

LOCATION OF RELEASE

|                  |               |                 |              |                       |                           |                       |                        |                |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter<br>F | Section<br>31 | Township<br>23S | Range<br>37E | Feet from the<br>1980 | North/South Line<br>North | Feet from the<br>1980 | East/West Line<br>West | County<br>Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|

Latitude N 32.25373350 Longitude W 103.92984150

NATURE OF RELEASE

|  |   |   |
|--|---|---|
| Type of Release: Produced Water  | Volume of Release 120 bbl                                   | Volume Recovered 0 bbl                        |
| Source of Release: Transport Truck   | Date and Hour of Occurrence<br>7/3/10 0800 hrs              | Date and Hour of Discovery<br>7/3/10 0800 hrs |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>Mike Bratcher, OCD Artesia Field Office |   |
| By Whom? Bradley Blevins, Chesapeake Oil Co.   | Date and Hour 7/3/10 10:00 am                               |   |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | If YES, Volume Impacting the Watercourse.<br>N/A            |   |

If a Watercourse was Impacted, Describe Fully. N/A

Describe Cause of Problem and Remedial Action Taken.\* Arapahoe truck was hauling water from Chesapeake Pierce Canyon well and spilled it's load at the Remuda Basin 31-1 Site. No liquid was recovered. Spill was reported to Mike Bratcher OCD. BBC International was contacted to take soil samples and advise on cleanup standards and procedures.

Describe Area Affected and Cleanup Action Taken.\* An area approximately 100' X 100' (see attached diagram) was impacted from the spill. Soil samples were taken by BBC International at surface and 1' bgs to determine impact (see analytical). Ocotillo Environmental was contacted to perform cleanup activities. Between the dates of August 2, 2010 and September 4, 2010 a total of 1,045 cy of impacted material was excavated and transported to Controlled Recovery, Inc.. BBC was then contacted to conduct confirmation samples. After submittal of analytical (see attached) to OCD w/ approval to backfill, Diamondback Disposal Services, Inc was employed to backfill excavation. Between the dates of May 1, 2011 and May 6, 2011 a total of 1,200 cy were purchased from the BLM, and transported to the excavation, placed and the site was contoured and seeded with BLM #2 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: <i>Stephen Callaway</i>     |                             | OIL CONSERVATION DIVISION                             |  |
| Printed Name: Stephen Callaway         |                             | Approved by District Supervisor: <i>Mike Bratcher</i> |  |
| Title: Manager/owner                   | Approval Date: 6/3/2011     | Expiration Date: N/A                                  |  |
| E-mail Address: S.Callaway21@gmail.com | Conditions of Approval: N/A | Attached <input type="checkbox"/>                     |  |
| Date: 5-25-11                          | Phone: 441-2159             | <i>Final</i>  |  |

\* Attach Additional Sheets If Necessary

2RP-793