

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

nJNW 1217334502 OPERATOR X Initial Report Final Report

Name of Company Read & Stevens, Inc 8917	Contact Will Palmer
Address PO Box 1719, Lovington, NM 88260	Telephone No. (575) 396-5391
Facility Name Saragossa 10 State Tank Battery	Facility Type tank battery

Surface Owner State of New Mexico	Mineral Owner State of New Mexico	Lease No. API 30-015-21071 BARBIT ST SW & #1
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LOCATION OF RELEASE

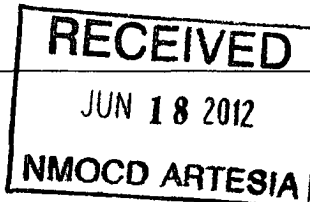
Unit Letter F	Section 10	Township 23-S	Range 26-E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release produced oil	Volume of Release ~140 bbls	Volume Recovered 10 bbls
Source of Release Tank bottom developed leak	Date and Hour of Occurrence Between 1000 hours 6.5.12 and 1000 hours 6.6.12	Date and Hour of Discovery 06.6.12 1000 hours
Was Immediate Notice Given? X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mr. Mike Bratcher, OCD	
By Whom? Mr. Will Palmer	Date and Hour 06.6.12 - 1145 hours	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*



Describe Cause of Problem and Remedial Action Taken.*

Pumper started the circulating pump at the facility. A hole developed in the circulating line after the pumper left the location. The bermed area was filled with produced oil which broke over the top of the berm. Remedial action being done involves replacing the leaking steel nipple.

Describe Area Affected and Cleanup Action Taken.*

The affected area is contained in a 150' x 150' tract. The affected soil is being removed and taken to an OCD approved land farm. Surface soil samples will be taken and checked for hydrocarbon contamination. Fresh topsoil will be purchased, hauled in, and contoured over area. Earthen berms will be rebuilt around the tank battery.

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>William V. Palmer</i>	OIL CONSERVATION DIVISION Signed By <i>Mike Bratcher</i>	
Printed Name: William V. Palmer	Approved by District Supervisor:	
Title: Manager, Production & Completions	Approval Date: JUN 21 2012	Expiration Date:
E-mail Address: <i>WPA@READ-STEVENSON.COM</i>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: June 11, 2012 Phone: 575.396.5391		

* Attach Additional Sheets If Necessary

Remediation per OCD Rules &
Guidelines. **SUBMIT REMEDIATION
PROPOSAL NOT LATER THAN:**

7/21/12

2RP-1180