

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

30-015-22089

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company Ameristate Exploration, L.L.C.	Contact John Houck
Address 410 Congress Avenue: Suite 2900	Telephone No. (512)391-0300
Facility Name East Millman Unit #218	Facility Type Producing Oil Well

Surface Owner State of New Mexico	Mineral Owner State of New Mexico	Lease No. 648
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LOCATION OF RELEASE

Unit Letter O	Section 14	Township 19S	Range 28E	Feet from the 1810	North/South Line South	Feet from the 1980	East/West Line East	County Eddy
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Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release Flowline leak.	Volume of Release 20 bbls.	Volume Recovered 0 bbls.
Source of Release Flowline	Date and Hour of Occurrence 11/27/2007 04:00	Hour of Discovery 11/27/2007 10:00 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? OCD inspector Kimberly Wilson	
By Whom? Richard Bookout	Date and Hour 11/27/2007 10:30	
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.\*

A plastic flowline developed a leak during the early morning hours. As soon as the leak was discovered, the well was shut down and a temporary patch stopped the leak. The well was left shut down while a new piece of flowline was installed. The remainder of the flowline was visually inspected for leaks & none discovered. The line was pressure tested to 75# successfully for 30 mins. before the well was returned to producing status.

Describe Area Affected and Cleanup Action Taken.\*

The release created an impacted area ranging in width of 6" to 3' along a path approximately 300 yards in length. The impacted soil was removed and taken to the CRI facility located approximately 30 miles east of Carlsbad, New Mexico. Since immediate clean-up was initiated, soil impact was minimal. No impacted soil remained after clean-up thereby negating any impact to the surrounding soils, ground water, human or animal activities. Natural vegetative cover is sparse and should return in the spring. The area will be monitored for vegetation growth in the spring of 2008.

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>Bill Pierce</i>	OIL CONSERVATION DIVISION	
Printed Name: Bill Pierce	Approved by District Supervisor: <i>Benny Sney</i>	
Title: Consulting Engineer	Approval Date: DEC 12 2007	Expiration Date:
E-mail Address: bill@dpps.us	Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: 12/10/2007	Phone: (432)570-6009	

\* Attach Additional Sheets If Necessary

## Guye, Gerry, EMNRD

**From:** Guye, Gerry, EMNRD  
**Sent:** Wednesday, December 12, 2007 9:58 AM  
**To:** 'bill@dpps.us'  
**Subject:** Release on E. Millman Ut #218 (30.015.22089)

This office is in receipt of your C-141 on the oil release, at this facility.

The inspection conducted by this office, including photographs of the area, dispute the volume of release. The C-141 indicated that immediate notice of the release was given to the OCD, when in fact it was the inspector that encountered the release, which disputes the date and hour of the release. Due to these circumstances the C-141 cannot be accepted as a final report nor can the proposed remediation be approved.

NMOCD Rule 19.15.3.116 states in part ... "The responsible person must complete **division approved corrective action** for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

Information and tools for proper corrective action may be found in the Environmental Handbook on our web site [www.emnrd.state.nm.us/ocd](http://www.emnrd.state.nm.us/ocd) under the heading publications.

Remediation requirements may be subject to other federal, state and local laws or regulations.

Within 30 days, **on or before December 27, 2007**, completion of a remediation work plan should be finalized and submitted to the Division, summarizing all actions taken or to be taken to mitigate environmental damage related to the leak, spill or release, for approval.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further service or if you have any questions please feel free to contact me.

**Gerry Guye**  
Compliance Officer  
NMOCD - Artesia  
Office (505)748-1283x105  
Mobile (505)626-0843  
E-Mail: [gerry.guye@state.nm.us](mailto:gerry.guye@state.nm.us)

12/12/2007