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DEC 14 2009

NMOCD ARTESIA

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

OPERATOR

☒ Initial Report ☐ Final Report

| | | | |
|-----------------|---------------------------------------|---------------|---|
| Name of Company | GP II Energy, Inc. 8359 | Contact | Joe Compton |
| Address | PO Box 50682 | Telephone No. | 432-684-4748 |
| Facility Name | Federal Littlefield "BO" Tank Battery | Facility Type | Tank Battery - Oil and Produced Water Storage |

| | | | | | |
|---------------|---------|---------------|---------|-----------|------------|
| Surface Owner | Federal | Mineral Owner | Federal | Lease No. | LC-065928A |
|---------------|---------|---------------|---------|-----------|------------|

LITTLEFIELD BO FEDERAL 002

30-015-24529

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|--------------------|------------------|--------------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| A | 34 | 26S | 29E | ~710 724 | N | ~750 660 | E | Eddy |

Latitude N 32 0' 12.10" Longitude W -103 57' 59.06"

NATURE OF RELEASE

night of Dec. 7, 2009

~11:00am Dec. 8, 2009

| | | | | | |
|-----------------------------|---|---|----------------------------|------------------|----------|
| Type of Release | Produced Oil | Volume of Release | ~92.5 Bbls. | Volume Recovered | 20 Bbls. |
| Source of Release | Oil Storage Tank | Date and Hour of Occurrence | Date and Hour of Discovery | | |
| Was Immediate Notice Given? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Bureau of Land Management notified GP II Energy | | | |
| By Whom? | that a spill had been reported by New Mexico OCD field inspector at the Federal Littlefield "BO" tank battery | | | | |
| Was a Watercourse Reached? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Date and Hour Check with BLM | | | |
| | | If YES, Volume Impacting the Watercourse. | | | |

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Worked over Federal "BO" #6. Well flowed during night and pushed water from the gun barrel into oil storage tank. Equalizer was unable to accommodate flow and oil ran over the storage tank. We are going to install a larger gun barrel capable of handling production surges of this volume.

Describe Area Affected and Cleanup Action Taken.* Please refer to attached google earth map. The green line marks the length and path of the spill. We are currently removing contaminated soil and cleaning up the road under the direct supervision of a BLM field agent. We will have the cut areas sampled and analyzed for contamination prior to backfilling with approved soil or road material.

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.

OIL CONSERVATION DIVISION

| | | | |
|-----------------|-----------------------|---|--------------|
| Signature: | | Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date | |
| Printed Name: | Joe L. Compton | Approved by District Supervisor: | |
| Title: | Agent | Approval Date: | 12-14-09 |
| E-mail Address: | compton@gp2energy.com | Expiration Date: | 02-16-2010 |
| Date: | 12-11-2009 | Phone: | 432-684-4748 |

* Attach Additional Sheets If Necessary

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NSEB0934847342
ISEB0934847746

Conditions of Approval: 01-21-2010
Within 30 days, on or before completion of a remediation work plan based on delineation should be finalized and submitted for approval to the Division summarizing all actions taken and/or to be taken to mitigate environmental damage.

NMOCD approval shall be obtained prior to any backfilling activities.

Notify OCD 48 hours prior to obtaining samples where analyses are to be presented to OCD

The plan must include general site characteristics, site ranking score, soil remediation action levels, soil remediation methods, and planned analytical testing for TPH, B-TX, Chlorides or any other COCs as applicable. Please use the "Guidelines for Remediation of Leaks, Spills, & Releases" as your guide. This document may be found at the following link:
<http://www.nmcd.state.nm.us/ocd/documents/70%20spill.pdf>



