

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

30-039-27485

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company <u>BH&B</u>	Contact <u>Doug Zentz / Randy Thompson</u>
Address	Telephone No. <u>505 947-2401</u> <u>505-486-0331</u>
Facility Name	Facility Type <u>Gas Well</u>

Surface Owner	Mineral Owner	Lease No. <u>Jic 29-03-12 #3</u>
---------------	---------------	----------------------------------

LOCATION OF RELEASE

Unit Letter	Section <u>NW 1/4 Sec 12</u>	Township <u>29N</u>	Range <u>3W</u>	Feet from the	North/South Line	Feet from the	East/West Line	County <u>Rio Arriba</u>
-------------	------------------------------	---------------------	-----------------	---------------	------------------	---------------	----------------	--------------------------

Latitude 36°44'41"N Longitude 107°05'59"W

NATURE OF RELEASE

Type of Release <u>Potential Water</u>	Volume of Release <u>Est 10 BBL</u>	Volume Recovered
Source of Release <u>Cap & PP Check 30</u>	Date and Hour of Occurrence	Date and Hour of Discovery <u>10:00 AM 1-24-11</u>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <u>Doug Zentz / Dixon Sanchez / Brice Hammond</u>	
By Whom? <u>Randy Thompson</u>	Date and Hour <u>1-24-11 10:00 AM</u>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

RCVD JAN 26 '11
OIL CONS. DIV.
DIST. 3

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Check valve froze on water line ~~causing~~ check valve came off causing water release

Describe Area Affected and Cleanup Action Taken.*

Location

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: <u>Randy Thompson</u>		OIL CONSERVATION DIVISION	
Printed Name: <u>Randy Thompson</u>		Approved by District Supervisor: <u>[Signature]</u>	
Title: <u>Lead Pump</u>		Approval Date: <u>1/26/11</u>	Expiration Date:
E-mail Address: <u>rthompson@blackhillsco.com</u>		Conditions of Approval:	Attached <input type="checkbox"/>
Date: <u>1-24-11</u> Phone: <u>505 486-0331</u>		<u>12K 1122339314</u>	

Attach Additional Sheets If Necessary

Manus, Daniel

From: Dixon Sandoval [dksandoval2010@gmail.com]
Sent: Tuesday, January 25, 2011 7:03 PM
To: Zentz, Doug; Manus, Daniel
Cc: Kurt Sandoval; Bryce Hammond; Hobson Sandoval
Subject: Jicarilla 29-03-12#3 Water Spill

Doug & Daniel,

On 1/24/11, I inspected the reported water spill at the Jicarilla 29-03-12#3 location as reported by Randy Thompson of BHGR. The result of the spill was due to a ruptured check valve at the well location. Randy Thompson estimate less than 10 barrel of produced water flowed on location and off location 75 feet west (C-141 report of incident will be forthcoming). A small residue product of iron sulfide remain of location in a small pond, the majority of product has dissipated. The coarse of action for clean up is to vacuum up the standing water and scoop the stained soil in a pile north away from a drainage path. Any additional soil test will be conducted later in the spring when weather condition improves. One matter of concern that needs to be addressed in the future is the volume of water that flows in the pipeline system and the pressures within the system. The corrosive nature of the water warrants a further review on the integrity of the lines at different receiving points where steel lines interconnect the plastic lines.

1/26/2011