

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

APC # 30-045-07657

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Crownquest Operating	Contact	Jeremy Divine
Address	PO Box 2221 Farmington NM 87499	Telephone No.	505-325-5750
Facility Name	Zachary Federal #1	Facility Type	Production Battery

Surface Owner	BLM	Mineral Owner	BLM	Lease No.	SF 080724A
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	34	29N	10W	1850'	South	890'	West	San Juan

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Condensate	Volume of Release	15 bbls	Volume Recovered	¼ bbl
Source of Release	Production tank	Date and Hour of Occurrence	??	Date and Hour of Discovery	1/30/08 at 3 pm
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Brandon Powell		
By Whom?	Jeremy Divine	Date and Hour	1/31/2008 12 pm left message on voice mail		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

RCVD FEB 1 '08

If a Watercourse was Impacted, Describe Fully.*

OIL CONS. DIV.

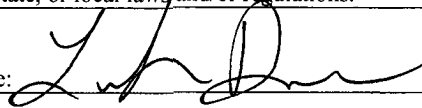

DIST. 3

Describe Cause of Problem and Remedial Action Taken.*

The 2" drain valve on the stock tank cracked due to cold weather. 15 bbls of condensate was released though the crack in the valve. All the condensate stayed within the fire walls. A vacuum truck was used to suck up any liquids, but only ¼ of a barrel was removed. The drain valve was also replaced.

Describe Area Affected and Cleanup Action Taken.*

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: 	OIL CONSERVATION DIVISION		
Printed Name: Luke Dunn	Approved by District Supervisor:  For: Charlie Perrin		
Title: Engineer	Approval Date: 2-1-08	Expiration Date:	
E-mail Address: ldunn@Crownquest.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 1/31/2008	Phone: 505-325-5750		

* Attach Additional Sheets If Necessary

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