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

30 045 33074

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company Key Energy Inc.	Contact Danny Juckes
Address 5651 US HWY 64 Farmington, NM 87401	Telephone No. (505) 566-5315
Facility Name Key Energy Farmington NM office	Facility Type Well Servicing

Surface Owner Conoco Phillips	Mineral Owner Conoco Phillips	Lease No. San Juan Federal 14 #1

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	14	32 north	9 west					San Juan

Latitude 36 Degrees, 59 Min. 19.93 Sec. North **Longitude** 107 Degrees, 44 Min. 37.14 Sec West

NATURE OF RELEASE

Type of Release Diesel Fuel	Volume of Release 40-50 Gallons	Volume Recovered 8 Gallons
Source of Release Diesel Hose	Date and Hour of Occurrence 7/30/05 7:45 am	Date and Hour of Discovery 7/30/05 8:30 am
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Telesforo Varela	
By Whom? Jose Munoz	Date and Hour 7/30/05 8:45 am	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
The 1" ball valve on the diesel hose was not completely closed after filling up the diesel tanks on the carrier and the light plant. The area affected was a 10' by 20' rectangle in-between the light plant and the accumulator on Conoco Phillips location.

Describe Area Affected and Cleanup Action Taken.*
The rig crew placed oil soakers on the diesel spill immediately after the spill was noticed. Approximately 8 gallons of diesel was recovered by squeezing the diesel soaked soakers into 5 gallon buckets. Envirotech was immediately dispatched out to location to remove the contaminated soil

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: Danny Juckes	OIL CONSERVATION DIVISION
Printed Name: Danny Juckes	Approved by District Supervisor: Jerry Sout for Charlie Perrin
Title: HSSE Specialist	Approval Date: 8/8/05 Expiration Date:
E-mail Address: djuckes@keyenergy.com	Conditions of Approval: Attached ☐
Date: 8/2/05 Phone: 566-5315	

* Attach Additional Sheets If Necessary

nDGF0522040470

INTRODUCTION

Envirotech, Inc. of Farmington, New Mexico, was contracted by Key Energy Services to clean up a diesel spill at a Conoco Phillips well site where drilling activities were being performed. Activities included excavation of contaminated soil, confirmation sampling, backfill, and site restoration. The spill was located at the COPC well site San Juan 32 Fed 14 No. 1, N36° 59' 19.93" W107° 44' 37.14". This location is approximately twenty miles northeast of Aztec off of the Hart Canyon turnoff in San Juan County, New Mexico; see ***Figure 1, Vicinity Map.***

ACTIVITIES PERFORMED

Envirotech, Inc. was contacted on Saturday, July 30, 2005, with a request to provide emergency spill response to an incident at a Conoco Phillips well site involving the Key Rig 940. The incident resulted in the release of approximately 40 gallons of diesel at the above referenced location. Envirotech Personnel arrived on site at approximately 3:30 pm on July 30, 2005 for site assessment and remediation activities. Also on site was Mr. Danny Juckes, of Key Energy Services, to assist in locating and assessing the contaminated area. The contamination zone encompassed 25 feet by 15 feet averaging 6 inches deep and was located approximately 90 feet south of the wellhead, see ***Figure 2, Site Map.***

A New Mexico One-Call was made, but the only agencies to respond were El Paso and Conoco Phillips. Both company line locators cleared the site. Envirotech Personnel began excavation of the area utilizing a backhoe and hand shovels. All associated drilling machinery had already been relocated by Key Energy personnel to facilitate and expedite cleanup efforts. Soil was removed until visible staining and odor were no longer present in the impacted area. The final dimensions of the excavation were 26 feet by 16 feet to a maximum depth of 10 inches.

Following New Mexico Oil Conservation Division ranking criteria and cleanup standards, it was determined that a standard of 1000 ppm for Total Petroleum Hydrocarbons (TPH) would be used for confirmation samples. Upon completing the removal of visibly stained soil, field headspace measurements were performed on a 5 point composite sample (S-1) using an organic vapor meter (OVM). After this sample was screened, it was analyzed for Total Petroleum Hydrocarbons (TPH) by USEPA Method 418.1, see ***Appendix A, TPH Analysis Documentation***. Analysis of this sample passed NMOCD standards with a result of 48 ppm TPH.

The excavated area was backfilled using a backhoe and restored to match original grade, see ***Appendix C, Site Photography.*** Approximately 18 cubic yards of contaminated material were removed and transported to Envirotech Landfarm No. 2 and 18 cubic yards of clean virgin fill were utilized from the COPC site for backfill and grade restoration, see ***Appendix B, Bills of Lading***.

RECOMMENDATIONS

Contaminated soil was excavated to the extents of the contamination zone and the site was restored to pre-accident grade and conditions. Envirotech recommends that no further action be taken with regard to this incident.

STATEMENT OF LIMITATIONS

Envirotech has excavated soil impacted by diesel at the COPC well site San Juan 32 Fed 14 No. 1, N36° 59' 19.93" W107° 44' 37.14", approximately twenty miles northeast of Aztec in San Juan County, New Mexico. The work and services provided by Envirotech were in accordance with New Mexico Oil Conservation Division guidelines. All observations and conclusions provided here are based on the information and current site conditions found during this investigation.

The undersigned has conducted this service at the above referenced site. This work has been conducted and reported in accordance with generally accepted professional practices in geology, engineering, environmental chemistry, and hydrogeology.

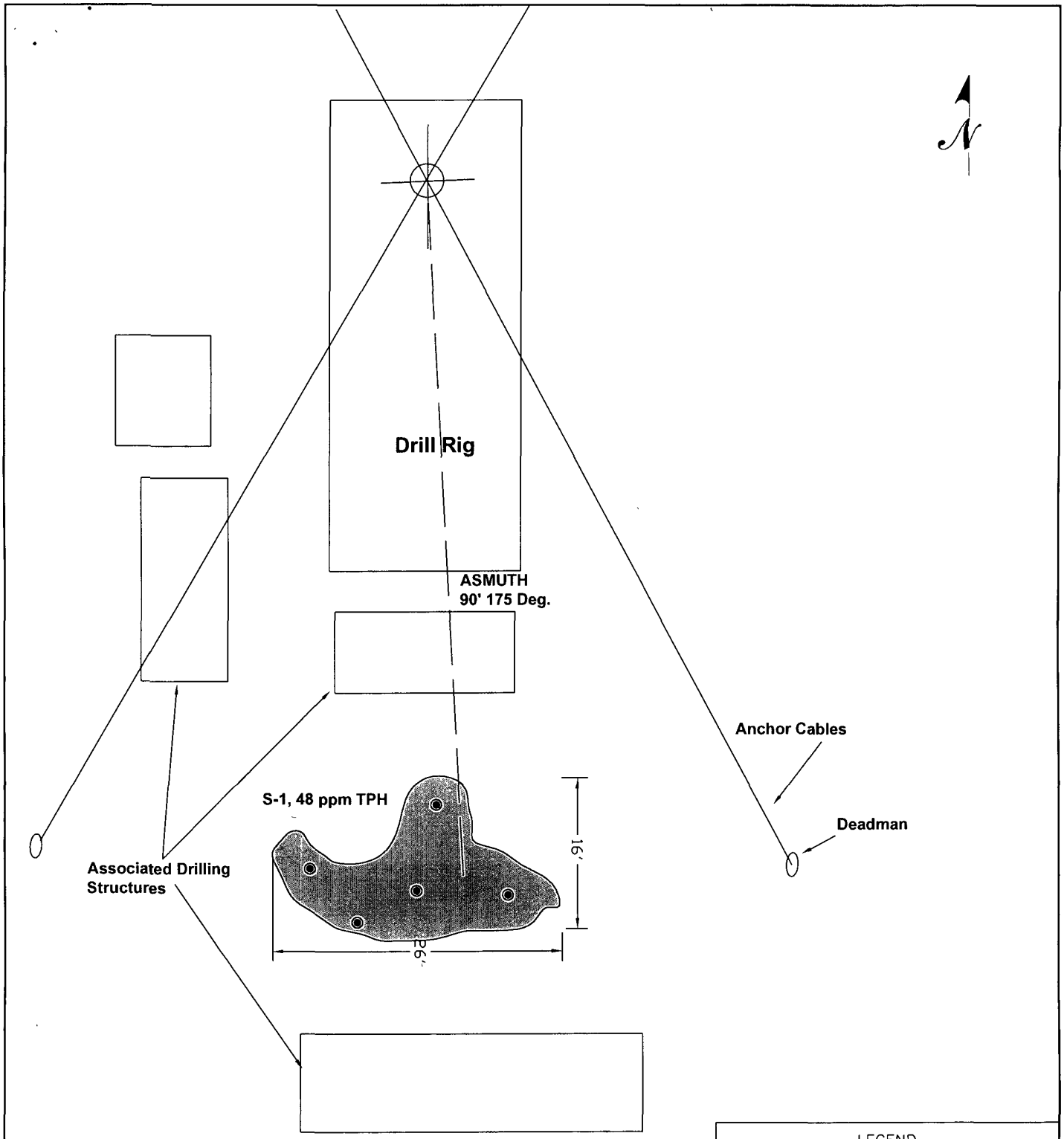
We appreciate the opportunity to be of service. If you have any questions or require any additional information, please contact our office at 505-632-0615.

Respectfully Submitted,
ENVIROTECH, INC.

David M. Young
Sr. Environmental Technician
dyoung@envirotech-inc.com

Reviewed by:

Morris D. Young
President
NMCES #098
myoung@envirotech-inc.com



LEGEND

Wellhead — Spill Area

Asmuth

S-1 TPH Composite TPH Sample

Key Energy
C.P. SJ 32 Fed 14#1
San Juan County, New Mexico

REVISIONS
BY XXX DATE XX/XX/XX
BY XXX DATE XX/XX/XX

PROJECT # 98065-011

ENVIROTECH INC.

ENVIRONMENTAL SCIENTISTS & ENGINEERS
5796 U S HIGHWAY 64-3014
FARMINGTON, NEW MEXICO 87401
(505) 632-0615

SITE MAP

DATE 08/03/05 DRAWN DMY
SCALE NTS APPROVED MDY

FIGURE 2

ENVIROTECH INC.

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS

Client:	Key Energy Serv.	Project #:	98065-011
Sample No.:	1	Date Reported:	8/3/2005
Sample ID:	5pt Comp, Exc. Extent	Date Sampled:	7/30/2005
Sample Matrix:	Soil	Date Analyzed:	7/30/2005
Preservative:	Cool	Analysis Needed:	TPH-418.1
Condition:	Cool and Intact		

Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Total Petroleum Hydrocarbons	**48**	**5.0**

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: **San Juan 32-Fed 14 No. 1**

Instrument callibrated to 200 ppm standard. Zeroed before each sample

Analyst

Review

796 U.S. Highway 64 • Farmington, NM 87401 • Tel 505 • 632 • 0615 • Fax 505 • 632 • 1865