

District I
1625 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

30-045-30520

Release Notification and Corrective Action

30 045 30520

OPERATOR

☒ Initial Report ☐ Final Report

| | | | |
|-----------------|---|---------------|----------------|
| Name of Company | Richardson Operating Company | Contact | Tom Bergin |
| Address | 3100 La Plata Hwy, Farmington, NM 87401 | Telephone No. | (505) 564-3100 |
| Facility Name | NV Navajo 27-4 | Facility Type | Gas Well |

| | | | | | |
|---------------|--------------|---------------|--------------|-----------|----------------|
| Surface Owner | Navajo Tribe | Mineral Owner | Navajo Tribe | Lease No. | 14-20-603-2168 |
|---------------|--------------|---------------|--------------|-----------|----------------|

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|----------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| N/A P | 27 | 29N | 14W | 1278 | South | 1211 | East | San Juan |

Latitude _____ Longitude _____

NATURE OF RELEASE Eight 70 bbl loads, six on 7-31-04 & two on 8-2-04

| | | | | | |
|-----------------------------|---|---|-----------------|----------------------------|---------------------|
| Type of Release | Coal Water | Volume of Release | 560 bbl | Volume Recovered | None |
| Source of Release | Water Truck | Date and Hour of Occurrence | 7-31-04, 8-2-04 | Date and Hour of Discovery | 8/2/04 @ 11:00 a.m. |
| Was Immediate Notice Given? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | | | |
| By Whom? | N/A | Date and Hour | | | |
| 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

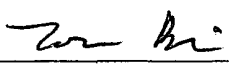
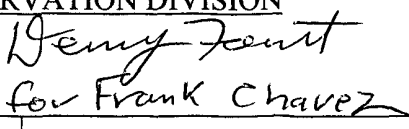
Describe Cause of Problem and Remedial Action Taken.*

I, Tom Bergin, on 7-31-04, told Harpole water truck to spread coal water from NV Navajo 27-4 on roads at Navajo 26-1; 26-4; 36-1; 36-2; 35-3; 35-1. Our Sattelite Battery was full, so I made a rash decision and told Harpole Truck to spread water. On 8-2-04, Bruce Martin saw truck and stopped him.

Describe Area Affected and Cleanup Action Taken.*

Water was spread on roads (see map attached). Water stayed on roads.

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: Tom Bergin | Approved by District Supervisor:  | |
| Title: Operations Superintendent | Approval Date: 8/5/04 | Expiration Date: |
| E-mail Address: ropcorpe@digii.net | Conditions of Approval: NOV to follow | Attached <input type="checkbox"/> |
| Date: August 3, 2004 Phone: (505) 564-3100 | | |

* Attach Additional Sheets If Necessary

NDGF 0421851037



6

Key Energy Services
Water Analysis Result Form
708 S. Tucker, Farmington, NM. 87401
Office: (505) 325-4192
Fax: (505) 564-3524



UNLOCK YOUR POTENTIAL

Pressure Pumping Services

| | | | |
|------------|----------------------|----------------|----------------|
| Operator: | Richardson Operating | Sample Date: | August 3, 2004 |
| | | Analysis Date: | August 3, 2004 |
| Well : | Navajo 27-4 | District: | Farmington |
| Formation: | Fruitland Coal | Requested by: | Tom Bergin |
| County: | San Juan | Technician: | Mike Brown |
| Depth: | | Source: | Well |

PHYSICAL AND CHEMICAL DETERMINATION

SPECIFIC GRAVITY: 1.035 AT 68 Degrees F.

| | | | |
|--------------|----------------|---------------|-----------|
| pH: | 7.9 | MAGNESIUM: | 117 ppm |
| RESISTIVITY: | 0.14 ohm/meter | CALCIUM: | 116 ppm |
| IRON: | 0 ppm | BICARBONATES: | 589 ppm |
| H2S: | 0 ppm | CHLORIDES: | 30145 ppm |
| POTASSIUM: | 170 ppm | SODIUM : | 19452 ppm |
| SULFATES: | 0.00 ppm | TDS: | 50590 ppm |

CaCO3 Scale Tendency = Remote

CaSO4 Scale Tendency = Remote

REMARKS:

| |
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| |
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Data contained in this document is based on the best information & most current test procedures and materials available. No liability is expressed or implied.

HARPOLE CONSTRUCTION

6015 HOOD MESA TRAIL (505) 325-1249

FARMINGTON, NM 87401

TIME REPORT

JOB # Richardson DATE 7-31-04

| | NAME | CLASS | RIG OR PU | HOURS | EQUIPMENT USED |
|----|------------------------|-------|--------------|-----------|-------------------|
| | <u>Parker Charlie</u> | | | <u>10</u> | |
| 2 | <u>T11</u> | | | <u>10</u> | |
| 3 | | | | | |
| 4 | <u>27-4 RT 6 lines</u> | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | | | | | |
| 11 | | | | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | | | | | |
| 16 | | | | | |
| 17 | | | | | |
| 18 | | | | | |
| 19 | | | | | |
| 20 | | | | | |

PROGRESS:

STA _____ TO STA _____ TOTAL _____

EXTRA WORK _____

SIGNED

Charlie Parker

HARPOLE CONSTRUCTION

6015 HOOD MESA TRAIL (505) 325-1249

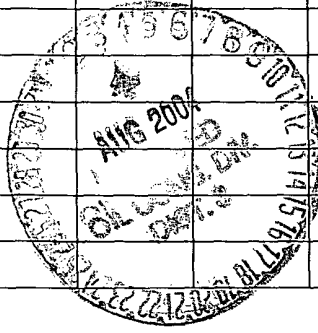
FARMINGTON, NM 87401

TIME REPORT

JOB # Richardson

DATE 8-2-04

| | NAME | CLASS | RIG OR PU | HOURS | EQUIPMENT USED |
|----|------------------|-------|--------------|-------|-------------------|
| 1 | Parkson Charles | | | 10 | |
| 2 | T-71 | | | 10 | |
| 3 | | | | | |
| 4 | 27-4 Pit 2 loads | | | | |
| 5 | 32-4 Pit 1 load | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | | | | | |
| 11 | | | | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | | | | | |
| 15 | | | | | |
| 16 | | | | | |
| 17 | | | | | |
| 18 | | | | | |
| 19 | | | | | |
| 20 | | | | | |



PROGRESS:

STA _____ TO STA _____ TOTAL _____

EXTRA WORK _____

SIGNED

Charles Parkson

Superior Printing Service, Inc.

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

AUTHORIZATION TO MOVE PRODUCED WATER

Transporter Name Harpole Construction, Inc
Address 505 Sandstone Ave Office Location (If different) _____
Farmington, N.M 87401
Phone Numbers(s) 505-325-1249 Fax 505-325-4209
State Corporation Commission Permit No. 2279909

NOTE: It is the responsibility of each holder of an approved Form C-133 to familiarize its personnel with the content of Division Rules 709 and 710 and to assure operations in compliance therewith. Failure to move and dispose of produced water in accordance with Division Rules 709 and 710 are cause for cancellation of Form C-133 and the authority to move produced water.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signature Michelle Harpole Date August 3, 2004
Printed Name Michelle Harpole Title Safety Coordinator
E-mail Address michelle@harpoleconstruction.com

(This space for State Use)

Approved by [Signature] Title Environmental Bureau Chief
Date 8/5/04