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 1220 S. St. Francis Dr., Santa Fe, NM 87505

Attach Additional Sheets If Necessary

State of New Mexico Energy Minerals and Natural Resource

> 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** Report Final Report Contact Jeff Pickett Pure Resources Address 463 Turner Drive, Unit 101, Durango, Co. 81303 Telephone No. (970) 259-1374 Facility Name Rincon Unit 159P Facility Type Drilling Surface Owner BLM Mineral Owner BLM Lease No. NMSF079404A LOCATION OF RELEASE Township Unit Letter Section Feet from the North/South Line East/West Line Range Feet from the County 18 27-N 6-W 335 Rio Arriba D Latitude Longitude **NATURE OF RELEASE** Type of Release Fresh Drilling Water Volume of Release Esti 50 BBL Volume Recovered 0% Source of Release Blow Pit off blooie line Date and Hour of Occurrence Date and Hour of Discovery 11:30 AM 11:00 AM Was Immediate Notice Given? If YES, To Whom? X 🔀 Yes 🗌 No 🗌 Not Bryce Barlan of the BLM Required By Whom? Jeff Pickett Date and Hour 11/24/03 13:00 HR Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. X Yes No Estimated 40 to 50 bbl If a Watercourse was Impacted, Describe Fully.* Water leaked past drill pit; down the side of the rim rock 90' and then into dry wash where it soaked into the sand immediately. Describe Cause of Problem and Remedial Action Taken.* Air discharge from blooie line compromised berm integrity and leaked into sandstone. Reinforced berm with more material: and then relined berm. Describe Area Affected and Cleanup Action Taken.* Water soaked into affected area; no clean up action taken at this time waiting on recommendation from the BLM. Water samples from drill pit have been taken for analysis. 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: Approved by District Supervisor: Title: Production Foreman Expiration Date: Conditions of Approval: File water

Analysis, meet BLM requirements

Additional action may be required

Attached E-mail Address: jpickett@pureresources.com Date: 11/25/03

NAGE 033 2929761