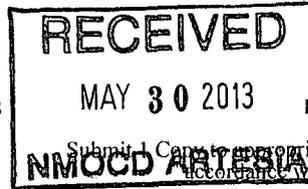


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 August 8, 2011

Submit Capstone Natural Resources District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

NTJM W 1315528465 OPERATOR Initial Report Final Report

Name of Company	Capstone Natural Resources <i>289372</i>	Contact	Clint Brian or Darren Seglem
Address	2250 E. 73 rd St. Ste 500, Tulsa, OK 74136-6834	Telephone No.	918-236-3800 or 432-664-5477
Facility Name	Lea "C" Battery	Facility Type	The small Heater/Tester (The API # is for the Lea C #4)
Surface Owner	BLM	Mineral Owner	BLM
		API No.	30-015-05132

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	11	17S	31E	2600'	North	2600'	East	Eddy

Latitude 32.847983 Longitude -103.839711

NATURE OF RELEASE *4 bbl oil & 6 bbl PW 2 bbl oil 3 bbl PW*

Type of Release	Spill	Volume of Release	5-10 BBL	Volume Recovered	5-10 BBL
Source of Release	The Small Heater Treater/Tester	Date and Hour of Occurrence	5-29-13 @ +/- 13:00	Date and Hour of Discovery	5-29-13 @ +/- 14:00
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? BLM, They discovered it.			
By Whom?	BLM noticed leak and informed pumper Arnold	Date and Hour	5-29-13 @ +/- 14:00		
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.*
Leak on the Heater Treater water leg. Produced fluids were diverted into another Heater Treater. The water leg will be repaired.

Describe Area Affected and Cleanup Action Taken.*
The dike around the Heater Treater filled up and approximately 3 BBLs spilled over the Dike. The fluid inside the Dike was recovered. The affected soil outside the dike and inside the Dike will be remediated by a third party.

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: <i>Clint Brian</i>	OIL CONSERVATION DIVISION	
Printed Name: Clint Brian	Approved by Environmental Specialist:	Signed By: <i>Mike Brannon</i>
Title: V.P. Operations	Approval Date: MAY 30 2013	Expiration Date:
E-mail Address: CBrian@Capstoner.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 30 May 2013 Phone: 918-236-3800	Remediation per OCD Rule & Guidelines. SUBMIT REMEDIATION PROPOSAL NO LATER THAN:	

* Attach Additional Sheets If Necessary

June 30, 2013 *2RP-1670*

Bratcher, Mike, EMNRD

From: Clint Brian <cbrian@capstonenr.com>
Sent: Thursday, May 30, 2013 9:01 AM
To: Bratcher, Mike, EMNRD
Subject: Capstone Natural Resources Spill at Lea "C" Battery, Eddy County New Mexico
Attachments: C-141 OCD Spill Report 5-30-13.pdf

Mike,

Thanks for visiting with me on the phone this morning. Here is the completed C-141. Will you file this with the OCD or have I done this by emailing it directly to you? Regulatory reporting wise, what else do I need to do as far as the OCD is concerned? I will complete the BLM report next.

Thanks,
Clint