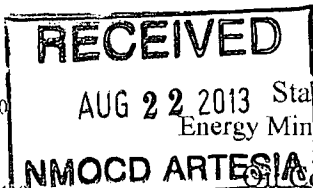


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505



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 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

nJMW / *323842700*

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Primero Operating, Inc. <i>18100</i>	Contact	Phelps White
Address	P.O. Box 1433, Roswell, NM 88202	Telephone No.	(575) 626-7660
Facility Name	Milano State # 001	Facility Type	Tank Battery
Surface Owner	State of NM	Mineral Owner	Fee
		API No.	30-015-27614

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	36	24S	28E	2110	North	890	East	Eddy

Latitude N 32.17471° Longitude W 104.03485°

NATURE OF RELEASE

Type of Release	Oil	Volume of Release	Unknown	Volume Recovered	None
Source of Release	Oil Tank	Date and Hour of Occurrence	Unknown	Date and Hour of Discovery	11/04/09
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required				
By Whom?	If YES, To Whom?				
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.*

The oil tank at the battery leaked and a Letter of Violation was written on 11/04/09. No action has been taken.

Describe Area Affected and Cleanup Action Taken.*

The oil tank leaked inside the firewall of the tank battery. Visibly impacted soil will be excavated and disposed at an NMOC D approved disposal facility. Soil samples will be collected and analyzed for TPH, BTEX and chlorides in order to determine the extent of excavation.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC D 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 NMOC D 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, NMOC D 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.

OIL CONSERVATION DIVISION

Signature: *[Signature]*

Printed Name: Phelps White

Title: President

E-mail Address: pwiv@zianet.com

Date: 8/21/13

Phone: (575) 626-7660

Approved by Environmental Specialist By *[Signature]*

AUG 26 2013

Approval Date:

Expiration Date:

Conditions of Approval:

Remediation per OCD Rule & Guidelines. **SUBMIT REMEDIATION**

PROPOSAL NO LATER THAN:

Sept. 26, 2013

Attached ☐

2RP-1867

* Attach Additional Sheets If Necessary

Bratcher, Mike, EMNRD

From: Cindy Crain <cindy.crain@gmail.com>
Sent: Thursday, August 22, 2013 1:34 PM
To: Bratcher, Mike, EMNRD
Cc: Phelps White
Subject: Primero Operating, Inc. - Milano State #1 - Initial C141
Attachments: Initial C141.pdf

Mike,

Attached please find an initial C141 for the Primero Operating, Inc., Milano #1 Tank Battery. The site is located in Unit Letter H, Sec. 36, T24S, R28E, Eddy County, NM.

If you would please email a signed copy back to me, I would appreciate it.

Initial samples will be collected from the tank battery area next Wednesday, August 28, 2013. Once analytical results are received from the laboratory, I will prepare a remediation workplan for your review and approval.

Thank you,
Cindy Crain

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Crain Environmental
(575) 441-7244