

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

OPERATOR

Initial Report Final Report

Name of Company: Raya Energy Corporation	Contact: Ronnie Rogers
Address: P.O. Box 200685, Austin, Tx 78720	Telephone No.: (512) 250-8692
Facility Name: Jennings Fed. Com. Well #1	Facility Type: Tank Battery

Surface Owner: BLM	Mineral Owner:	Lease No.:
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	15	19S	32E					Lea

380'

Latitude: N 32° 39' 43.98" **Longitude:** W 103° 45' 22.36"

NATURE OF RELEASE

Type of Release: Petroleum and/or production fluids	Volume of Release: 400 bbls	Volume Recovered: 260 bbls
Source of Release: Tank Battery	Date and Hour of Occurrence: 15 October 2006 @ 1100 hrs	Date and Hour of Discovery: 15 October 2006 @ 1100 hrs
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom? Ray Reeves	Date and Hour: 16 October 2006 @ a.m.	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse: Not Applicable	

Depth to water: ~380 ft

If a Watercourse was Impacted, Describe Fully.* Not Applicable

Describe Cause of Problem and Remedial Action Taken.* The release is due to a tank battery overflow.

Describe Area Affected and Cleanup Action Taken.* Approximately 400 barrels of oil/produced water were released from the tank battery with recovery of approximately 260 barrels. Approximately 14,400 square-feet of surface area were impacted by the release. Environmental Plus, Inc. (EPI) responded on an emergency call and assisted another crew in temporarily cleaning the surface impacted soil. An unknown volume of soil was placed on plastic barriers while the remainder was covered with top soil in an effort to both dry the material and prevent spreading of the commingled fluid. EPI will develop a remediation plan and submit it to the NMOCD for approval.

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.

OIL CONSERVATION DIVISION

Signature:	Approved by District Supervisor: <i>Enrico G. G...</i>	
Printed Name: Ronnie Rogers	Approval Date: 10.20.06	Expiration Date: 12.20.06
Title: Pumper	Conditions of Approval:	
E-mail Address:	Attached <input type="checkbox"/>	
Date: Phone: (512) 250-8692	SUBMIT DELIMITATION & PLAN FOR APPROVAL BY 12.20.06	

* Attach Additional Sheets If Necessary

Facility - PPAC0629231114
Incident - PPAC0629231194
Application - PPAC0629231295

RP#1093



ENVIRONMENTAL PLUS, INC.
CONSULTING AND REMEDIAL CONSTRUCTION

17 October 2006

Mr. Larry Johnson, Environmental Engineer
New Mexico Oil Conservation Division
1625 North French Drive
Hobbs, New Mexico 88240



**Re: Initial C-141
Raya Energy Corporation
Jennings Fed. Com. Well #1 – Reference #306001
UL-F, Section 15, Township 19 South, Range 32 East**

Dear Mr. Johnson:

Environmental Plus, Inc. (EPI), on behalf of Mr. Ray Reeves, Raya Energy Corporation (Raya), submits the attached New Mexico Oil Conservation Division (NMOCD) Form C-141 for the above-referenced leak site, located on US Government land.

The site is located approximately 14 miles south of Maljamar, New Mexico (reference *Figure 1*). Information obtained from the New Mexico Office of the State Engineer's website and United States Geological Survey (USGS) database indicates no water supply wells exist within a 1,000-foot radius of the release site. Additionally, no water supply wells are located within a 1.0-mile radius of the release site (reference *Figure 2*). Groundwater level data indicates an average depth to water of approximately 380 feet below ground surface (reference *Table 1*). The attached site information and metrics form ranks the site in accordance with the NMOCD Guidelines for Remediation of Leaks, Spills and Releases (August 13, 1993).

The release is of approximately 400 barrels of oil and produced water overflowed from the tank battery. Approximately 260 barrels of oil and produced water were recovered.

RP# 1093

ENVIRONMENTAL PLUS, INC.



Should you have any questions or concerns please feel free to contact me at (505) 394-3481 or via e-mail at dduncan@envplus.net or Mr. Ronnie Rogers at (512) 250-8692. All official communication should be addressed to:

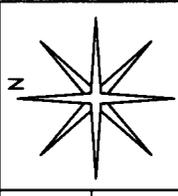
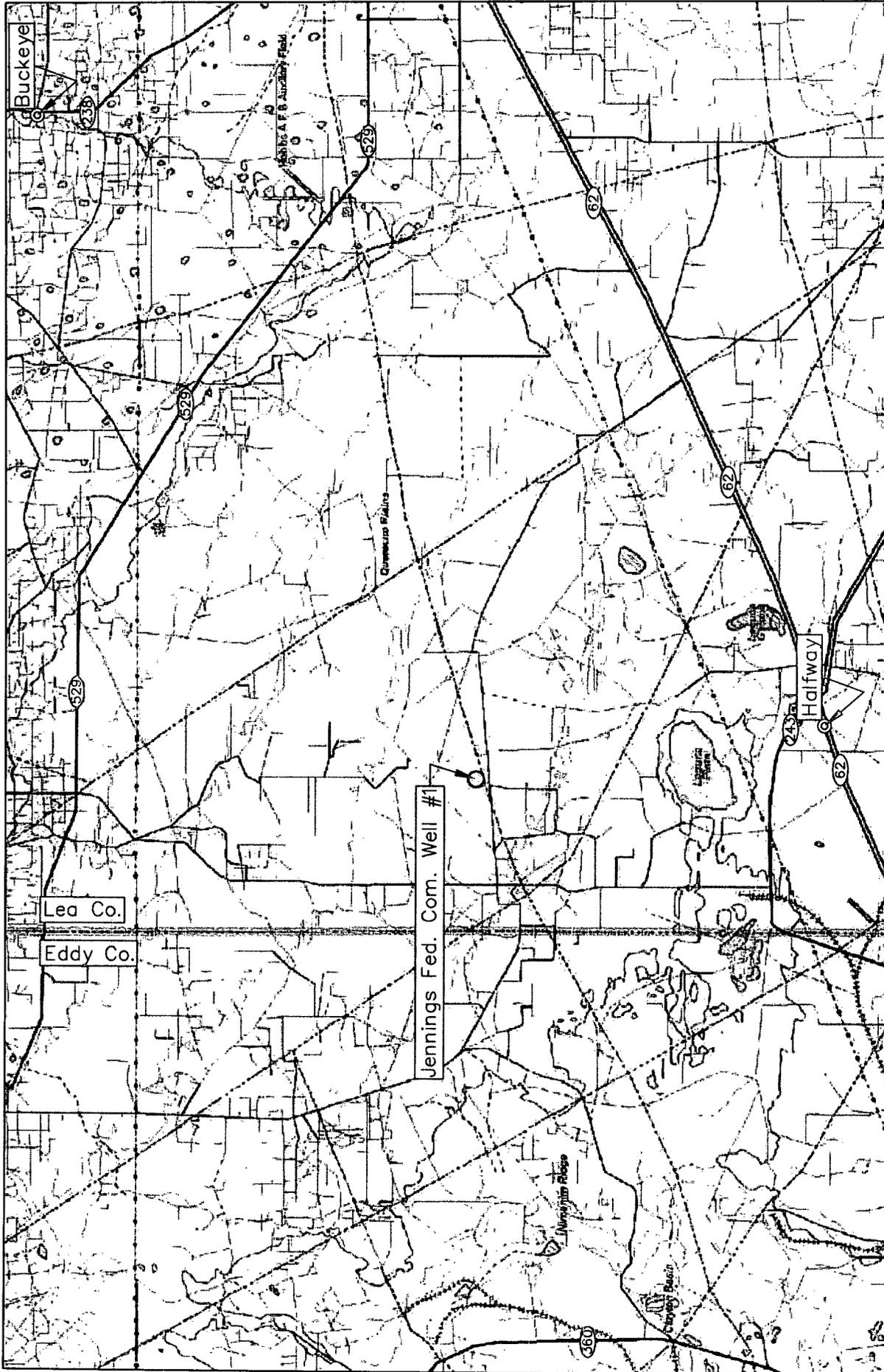
Mr. Ray Reeves
Raya Energy Corporation
P.O. Box 200685
Austin, Texas 78720

Sincerely,

ENVIRONMENTAL PLUS, INC.

David P. Duncan
Civil Engineer

cc: Ronnie Rogers, Raya Energy Corporation – Hobbs, NM
Ray Reeves, Raya Energy Corporation – Austin, Tx
Paul Evans, BLM - Carlsbad
File



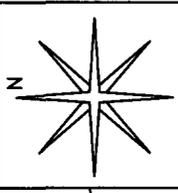
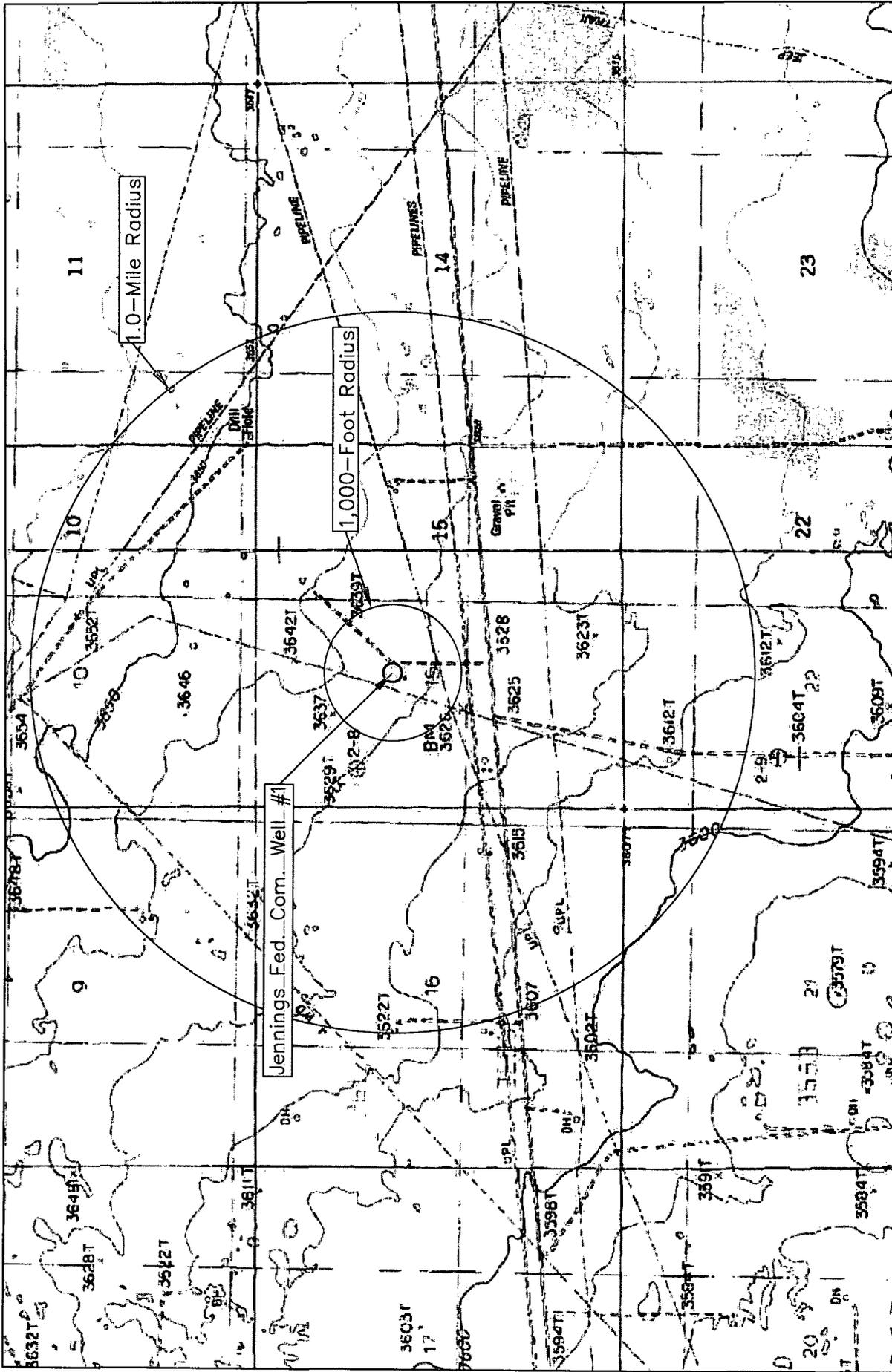
DWG By: Daniel Dominguez
October 2006

Lea County, New Mexico
SE 1/4 of the NW 1/4, Sec. 15, T19S, R32E
N 32° 39' 43.98" W 103° 45' 22.36"
Elevation: 3,635 feet amsl

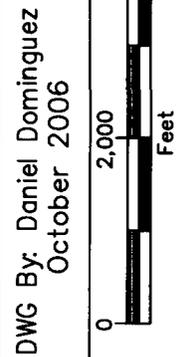
REVISED:
SHEET
1 of 1



Figure 1
Area Map
Raya Energy Corporation
Jennings Fed. Com. Well #1

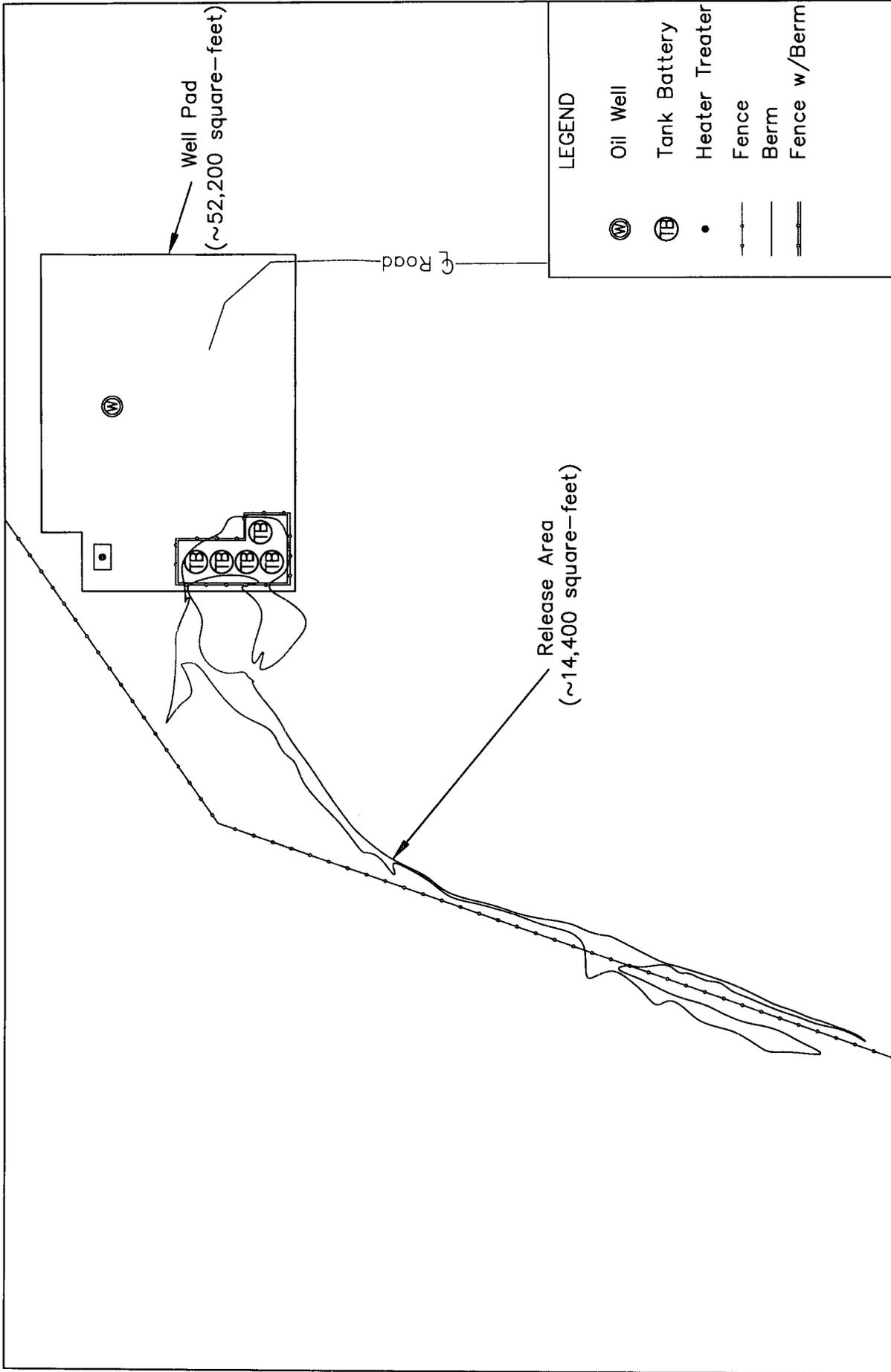


REVISED:
 DWG By: Daniel Dominguez
 October 2006



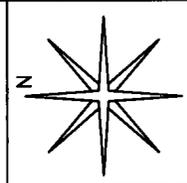
Lea County, New Mexico
 SE 1/4 of the NW 1/4, Sec. 15, T19S, R32E
 N 32° 39' 43.98" W 103° 45' 22.36"
 Elevation: 3,635 feet amsl

Figure 2
 Site Location Map
 Raya Energy Corporation
 Jennings Fed. Com. #1



LEGEND

- Oil Well
- Tank Battery
- Heater Treater
- Fence
- Berm
- Fence w/Berm



REVISED:
 SHEET
 1 of 1

DWG By: Daniel Dominguez
 October 2006

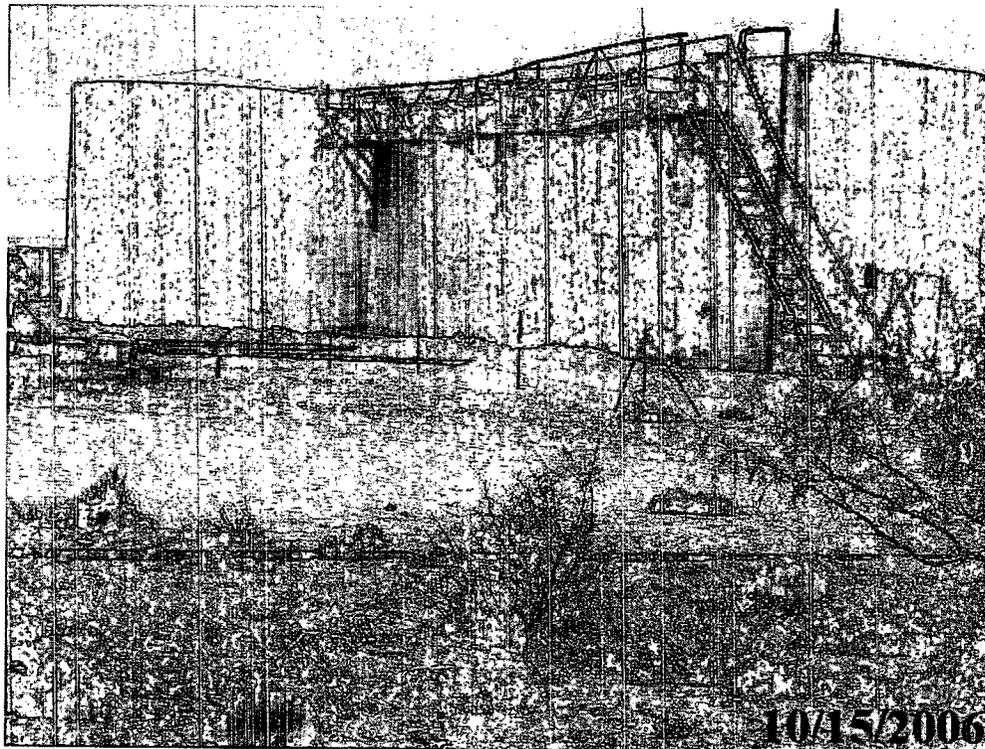
Lea County, New Mexico
 SE 1/4 of the NW 1/4, Sec. 15, T19S, R32E
 N 32° 39' 43.98" W 103° 45' 22.36"
 Elevation: 3,635 feet amsl

Figure 3
 Site Map
 Raya Energy Corporation
 Jennings Fed. Com. Well #1

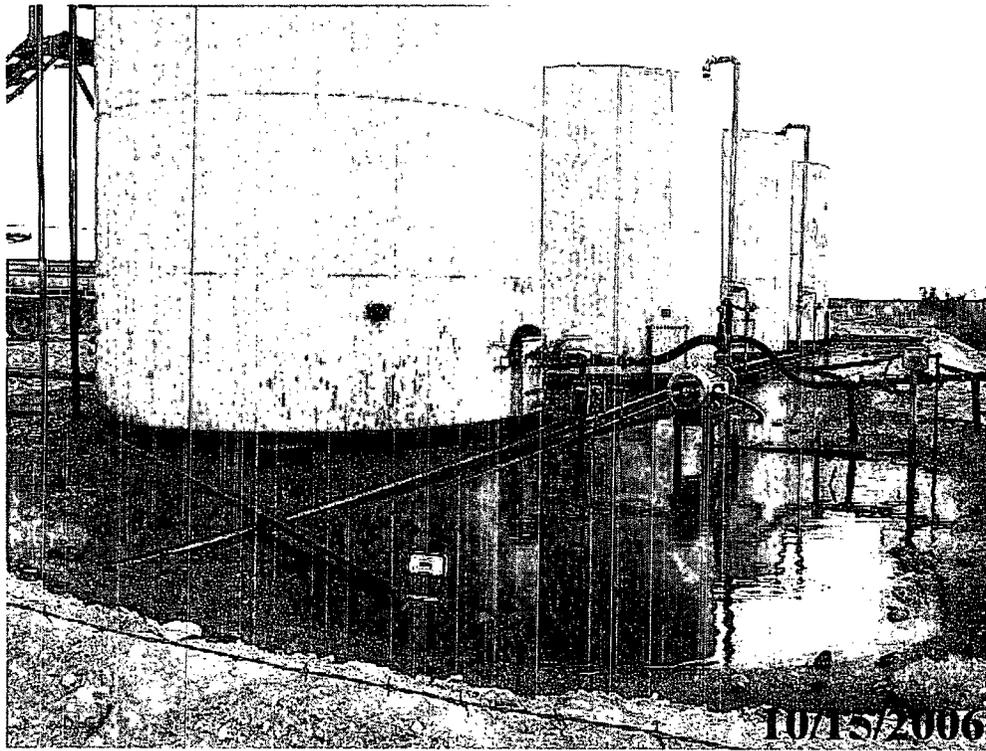




Photograph #1 – Lease sign.



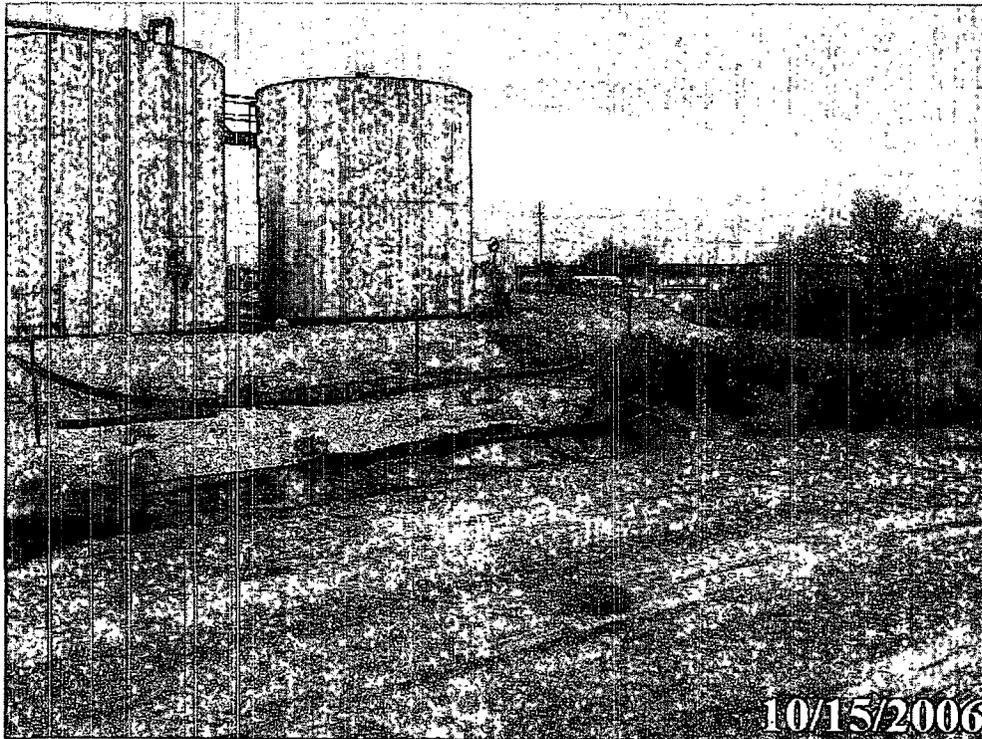
Photograph #2 - Looking north at the release area and tank battery with berm.



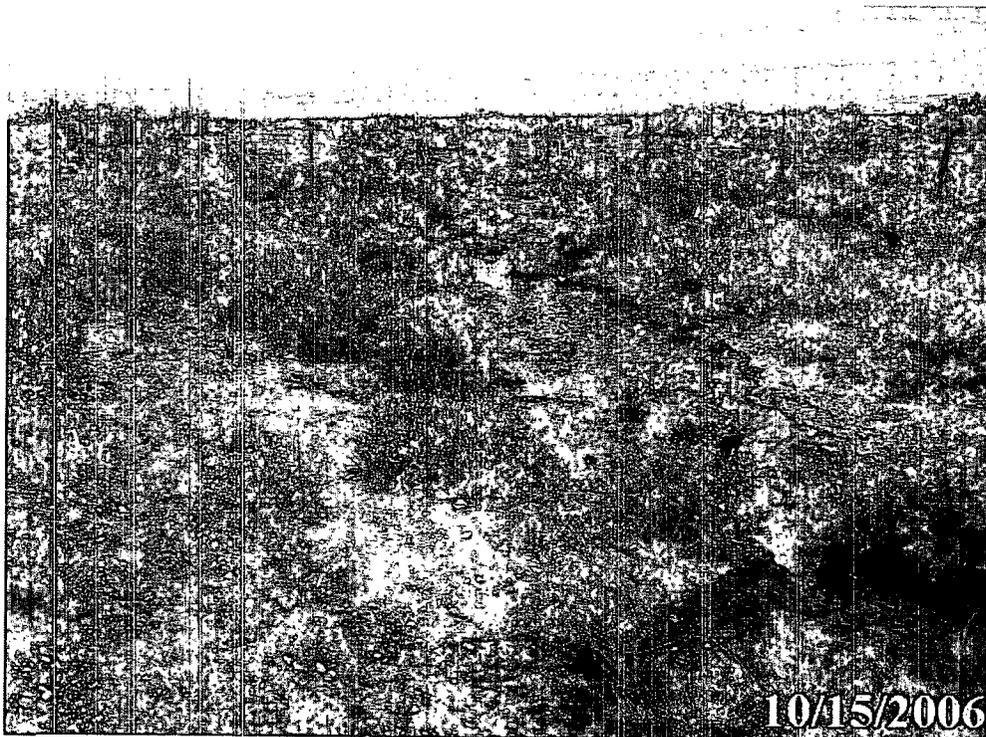
Photograph #3-Looking northerly at release area.



Photograph #4-Looking westerly at release area.



Photograph #5-Looking easterly at release area.



Photograph #6-Looking east at release area.



Photograph #7-Looking westerly at release area.



Photograph #8-Looking east at release area.



Information and Metrics

Incident Date:
15 October 2006

NMOCD Notified:
16 October 2006

Site: Jennings Fed. Com. Well #1		Assigned Site Reference : #306001	
Company: Raya Energy Corporation			
Street Address:			
Mailing Address: P.O. Box 200685			
City, State, Zip: Austin, Texas 78720			
Representative: Ronnie Rogers			
Representative Telephone: (512) 250-8692			
Telephone:			
Fluid volume released (bbls): 400 bbls		Recovered (bbls): 250 bbls	
>25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days. (Also applies to unauthorized releases >500 mcf Natural Gas)			
5-25 bbls: Submit form C-141 within 15 days (Also applies to unauthorized releases of 50-500 mcf Natural Gas)			
Leak, Spill, or Pit (LSP) Name: Jennings Fed. Com. Well #1			
Source of contamination: Tank Battery			
Land Owner, i.e., BLM, ST, Fee, Other: BLM			
LSP Dimensions: 144 feet by 100 feet			
LSP Area: ~14,400 ft ²			
Location of Reference Point (RP):			
Location distance and direction from RP:			
Latitude: N 32° 39' 43.98"			
Longitude: W 103° 45' 22.36"			
Elevation above mean sea level: 3,635 feet			
Feet from North Section Line:			
Feet from West Section Line:			
Location- Unit or ¼: SE¼ of the NW¼		Unit Letter: F	
Location- Section: 15			
Location- Township: T19S			
Location- Range: R32E			
Surface water body within 1000' radius of site: none			
Domestic water wells within 1000' radius of site: none			
Agricultural water wells within 1000' radius of site: none			
Public water supply wells within 1000' radius of site: none			
Depth from land surface to groundwater (DG): ~380 feet			
Depth of contamination (DC): unknown			
Depth to groundwater (DG - DC = DtGW): ~380 feet			
1. Groundwater		2. Wellhead Protection Area	
If Depth to GW <50 feet: <i>20 points</i>		If <1000' from water source, or; <200' from private domestic water source: <i>20 points</i>	
If Depth to GW 50 to 99 feet: <i>10 points</i>			
If Depth to GW >100 feet: <i>0 points</i>		If >1000' from water source, or; >200' from private domestic water source: <i>0 points</i>	
If >1000' from water source, or; >200' from private domestic water source: <i>0 points</i>			
Site Rank (1+2+3) = 0+0+0=0			
Total Site Ranking Score and Acceptable Concentrations			
Parameter	>19	10-19	0-9
Benzene ¹	10 ppm	10 ppm	10 ppm
BTEX ¹	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1,000 ppm	5,000 ppm
¹ 100 ppm field VOC headspace measurement may be substituted for lab analysis			