

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 John H. Hendrix Corporation	Contact Marvin Burrows
Address P. O. Box 3040 Midland, TX 79702-3040	Telephone No. (505)394-2649
Facility Name Toni #1 Battery	Facility Type Battery
Surface Owner McNeil	Mineral Owner
Lease No. 25236	

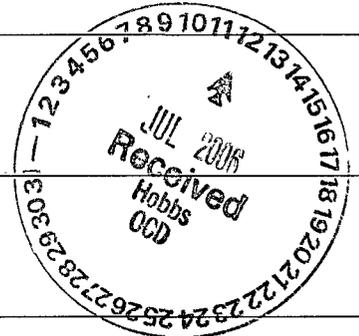
LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	22	19S	38E	1980	North	660	East	Lea

50' Latitude _____ Longitude _____

NATURE OF RELEASE Est. Est.

Type of Release Oil & Produced Water	Volume of Release 15BO&30BW	Volume Recovered 10BO&20BW
Source of Release Tank Battery	Date and Hour of Occurrence	Date and Hour of Discovery 10PM7/10/2006
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom? Marvin Burrows	Date and Hour 10PM 7/10/2006	
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.* No		
Describe Cause of Problem and Remedial Action Taken.* Lightning hit Toni #1 Battery, firewall contained most of fluid. Picked up fluid with vacuum truck.		
Describe Area Affected and Cleanup Action Taken.* 40' x 20' area outside of firewall has oil stain. Will sample area and clean up to OCD standards.		



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>Ronnie H. Westbrook</i>	OIL CONSERVATION DIVISION	
Printed Name: Ronnie H. Westbrook	Approved by District Supervisor: <i>[Signature]</i>	
Title: Vice President	Approval Date:	Expiration Date:
E-mail Address:	Conditions of Approval.	Attached <input type="checkbox"/>
Date: 07/11/2006	Phone: (432)684-6631	

* Attach Additional Sheets If Necessary

Facility - FPAC 0619928248
Incident - NPAC 0619928330
Application # PAC 0619928505

RPT# 955



July 18, 2006

VIA EMAIL: Larry.Johnson@state.nm.us

Mr. Larry Johnson
Environmental Engineer
New Mexico Oil Conservation Division – District 1
1625 North French Drive
Hobbs, New Mexico 88240

Re: Form C-141 and Remediation Proposal, Crude Oil and Water Spill, John H. Hendrix Corporation, Toni #1 Tank Battery, Unit Letter H (SE/4. NE/4), Section 22, Township 19 South, Range 38 East, Lea County, New Mexico

Dear Mr. Johnson:

This letter is submitted to the State of New Mexico Oil Conservation Division (“OCD”) on behalf of John H. Hendrix Corporation (“JHHC”) by Larson and Associates, Inc. (“LA”), its consultant, for a crude oil and water spill that occurred at its Toni #1 tank battery (“Facility”) located in unit letter H (SE/4, NE/4), Section 22, Township 19 South and Range 38 East in Lea County, New Mexico. The spill occurred on July 10, 2006, after a 210-barrel (“bbl”) oil tank was struck by lightning. The tank was nearly empty, but approximately 15 bbl of oil and 30 bbl of water was spilled. JHHC responded to the spill and a vacuum truck recovered approximately 10 bbl of oil and 20 bbl of water. The final loss was approximately 5 bbl of oil and 10 bbl of water. JHHC notified the OCD on July 10, 2006 and submitted Form C-141 on July 11, 2006. The latitude and longitude for the Facility is North 32° 38’ 50.7” and West 103° 07’ 47.7”, respectively. Form C-141 is attached. Contact information for JHHC is as follows:

Mr. Marvin Burrows
Production Manager
John H. Hendrix Corporation
1310 18th Street
Eunice, New Mexico 88231
(505) 394-2649
m burrows@valornet.com

Remediation Plan

Ground water occurs at approximately 52 feet below ground surface (“bgs”) and a windmill is located approximately 700 feet southwest of the Facility. No surface water is

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application - NPAC0619928505

RP# 955

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located within 1,000 horizontal feet of the spill. The recommended remediation action levels for the spill are 10 mg/Kg (benzene), 50 mg/Kg (BTEX) and 100 mg/Kg (TPH).

On July 19, 2006, LA personnel will use a stainless steel hand auger or Terraprobe® direct-push sampling system to collect soil samples from approximately eight (8) locations to delineate the horizontal and vertical extent of the spill. The samples will be collected to about 4 feet bgs, and will be analyzed by a qualified laboratory for TPH and chloride using EPA methods SW-846-8015 and 300, respectively. Headspace samples will be collected and analyzed using a photoionization detector, calibrated to 100 parts per million (“ppm”) isobutylene. Laboratory samples corresponding with headspace readings over 100 ppm will be analyzed for BTEX using method SW-846-8021B.

Soil will be excavated from the location until laboratory analysis of soil samples collected from the sides and bottom of the excavation are below the RRAL for BTEX, TPH and chloride is less than 1,000 mg/Kg. The contaminated soil will be hauled to the JHHC centralized surface waste management facility (NM-02-0021) located northwest of Jal, New Mexico, and the excavation will be filled with clean following OCD approval. LA will provide the OCD with at least 48-hours notice prior to commencing remediation and 24-hours notice prior to collecting final soil samples. A final report will be submitted to the OCD within 45-days after receiving the final laboratory report. Please contact Mr. Marvin Burrows with JHHC at (505) 394-2649 or email mburrows@valornet.com, if you have questions. I may be reached with questions at (432) 687-0901 or email mark@laenvironmental.com.

Sincerely,

Larson and Associates, Inc.



Mark J. Larson, P.G., C.P.G., C. G. W. P.
Sr. Project Manager/President

Encl.

cc: Marvin Burrows/JHHC
Ronnie Westbrook/JHHC