

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

X Initial Report Final Report

Name of Company	Read & Stevens, Inc	Contact	Will Palmer
Address	PO Box 1518, Roswell, NM 88202	Telephone No.	505.396.5391
Facility Name	Hudson Federal tank battery	Facility Type	tank battery
Surface Owner	Kent Smith	Mineral Owner	US BLM
		Lease No.	NMLC065607

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	4	20S	34E	1980	North	660	East	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	produced oil & water	Volume of Release	450 bbls	Volume Recovered	-0- bbls
Source of Release	tank battery explosion and fire	Date and Hour of Occurrence	06.26.07 2100 hours	Date and Hour of Discovery	06.26.07 2100 hours
Was Immediate Notice Given?	X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mr. Whitaker, OCD		
By Whom?	Mr. Will Palmer	Date and Hour	06.27.07 1100 hours		
Was a Watercourse Reached?	<input type="checkbox"/> Yes X No	If YES, Volume impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
During an intense lightning storm, the tank battery was ignited by a lightning bolt. This caused the two 500 barrel fiberglass oil storage tanks to ignite followed by the explosion of the 500 barrel produced water storage tank. The oil storage tanks had approximately 450 barrels of crude oil while the water storage tank had less than 30 barrels of water. The water was contained within the firewall and evaporated while the oil contained in the storage tanks burned. All three tanks were grounded with copper wiring. The tank battery will be replaced.

Describe Area Affected and Cleanup Action Taken.*
The affected area outside the firewall covers approximately 100 ft by 150 ft. Damage consists mainly of burnt surface material with slight staining of plants by smoke. Any contaminated material will be removed to a depth of 2" below surface and shipped to an aerated land farm. Fresh, uncontaminated material will be placed in the affected area and leveled to the contour of the location. The material inside the firewall will be removed, sent to an aerated land farm, and replaced with fresh material.

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>William V. Palmer</i>	OIL CONSERVATION DIVISION	
Printed Name: William V. Palmer	Approved by District Supervisor <i>[Signature]</i>	
Title: Superintendent	Approval Date: 6.29.07	Expiration Date: 8.30.07
E-mail Address: readandstevensinc@leaco.net	Conditions of Approval:	Attached <input type="checkbox"/>
Date: June 27, 2007 Phone: 505.396.5391	SUBMITAL OF FINAL C-141	

• Attach Additional Sheets If Necessary

RP# 1444