

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	Bold Energy LP	Contact	Donny Money
Address	415 W Wall St Midland TX 79701	Telephone No.	432-661-8823
Facility Name	BELL LAKE #27	Facility Type	NEW DRILLED WELL

Surface Owner	BERT MADERA	Mineral Owner	FED	Lease No.	
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LOCATION OF RELEASE

API# 30-025-38562

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	5	24S	34E					LEA

Latitude 32°-14'-42.3" Longitude 103°-29'-54.5"

NATURE OF RELEASE

Type of Release	BRINE WATER	Volume of Release	4500 bbl	Volume Recovered	0
Source of Release	DRILLING PITS	Date and Hour of Occurrence		Date and Hour of Discovery	11-30-07
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	GARY WINK 11-30-07		
By Whom?		Date and Hour	11-30-07 @ 11:00 AM		
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.*

N/A

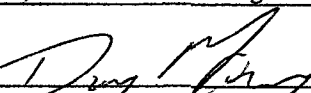

Describe Cause of Problem and Remedial Action Taken.*

A HOLE IN THE LINER, BRINE WATER WAS PUMPED OFF AND TRANSFERRED TO FRAC TANKS ON LOCATION

Describe Area Affected and Cleanup Action Taken.*

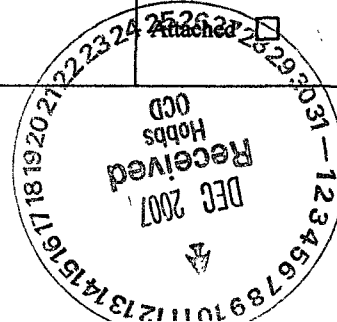
IMPACT AREA WAS THE UNDERLYING SOILS AT THE PIT
IMPACTED SOILS WERE EXCAVATED & TAKEN OFF SITE FOR DISPOSAL @ SUNDANCE
(SEE WORK PLAN)

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: 	OIL CONSERVATION DIVISION	
Printed Name: Donny Money	Approved by District Supervisor: 	
Title: Prod. Supt.	Approval Date: 12.11.07	Expiration Date: —
E-mail Address: donny.money@boldenergy.com	Conditions of Approval:	
Date: 11-30-07 Phone: 432-661-8823		

* Attach Additional Sheets If Necessary

RP#1679





PHOENIX ENVIRONMENTAL LLC

P.O. Box 1856

2113 French Dr.

Hobbs, NM 88241-1856

Office 505-391-9685

Fax 505-391-9687

December 5, 2007

Bold Energy, LP
415 W. Wall, Ste. 500
Midland, Texas 79701

Attn: Mr. Shannon Klier
Operations Engineering Manager

**RE: Work Plan to Clean Up the Bell Lake # 27 Spill Located in UL-L, Sec 5,
T24S and R34E of Lea County, New Mexico**

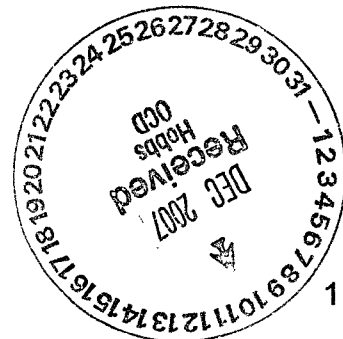
Dear Mr. Klier:

Phoenix Environmental, LLC (Phoenix) would like to take this time to thank you and Bold Energy, for the opportunity to provide our professional services. Please find attached our work plan for the above listed site.

If you have any questions and/or need more data in regards to projects please call at any time. My cell phone is 505-631-8314.

Sincerely,

Allen Hodge, REM
VP Operations
Phoenix Environmental LLC



Summary/Overview

The Bell Lake # 27 spill site should be completed and remediated in accordance with the standards of the NMOCD. It is our understanding that any potential contamination from the site was a result of activities associated with the drilling and production of oil and gas.

The potential contaminates of concern are mid to high-level concentrations of brine water, that was lost due to a hole in the liner. There was 4,500bbl of brine water that was lost and absorbed by the underlying soils. This spill caused the emergency shut down of the drilling operations to address the environmental impact due to shallow ground water.

The lands primary use is domestic pasture for ranching and the production of oil and gas.

The ground water depth data available for this area showed the depth to ground water to be in the 60' range BGS.

Pursuant to the standards of the NMOCD, the clean up level for this site will be at <1,000ppm of TPH, <50ppm for BTEX and Chlorides less than <250ppm.

The following scope of work was based on data from our site visit and the requirements of the NMOCD for site clean up.

Scope of Work to Address Impacted Soils

NOTE: Phoenix, for the purpose of this work plan, will estimate that there is approximately 6,000cyds of impacted soils at the site that needs to be addressed for site closure.

1. Phoenix will mobilize to the site located in the Antelope Ridge area southwest of Eunice, NM equipment and personnel necessary to start and complete the site remediation as required, getting the site back into compliance.
2. The site will be cleared of brush and debris and a staging area set up for site control and safety.



3. The saturated impacted soils will be excavated and placed on plastic to prevent additional impact to the site.
4. Once the impacted soils have been excavated bottom samples will be taken to confirm the site is below NMOCD levels for clean up.
5. Impacted soils at the site will then be transported to a NMOCD approved disposal facility for disposal.
6. Phoenix will field screen the site during the excavation, and, once the TPH and CL has dropped below clean-up requirements, final samples will be taken and sent to a third party lab for analysis.
7. Once all of the remediation criteria have been met for site closure and compliance, the site will be backfilled with clean material from the landowner and the drilling pits rebuilt.
8. Once all of the closure criteria have been met, a final closure report will be prepared by Phoenix. This report will include a summary of remediation operations, findings on-site and lab analysis, site maps and project photos.

If you have any questions and/or need more data in regards to this project please call 505-631-8314 at any time.

Sincerely,



Allen Hodge, REM
VP Operations
Phoenix Environmental LLC

