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

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

1220 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 **Release Notification and Corrective Action OPERATOR** x Initial Repor Final Report Name of Company Dakota Resources Inc.(I) Contact Rick Maddox Address 4914 N. Midkiff Midland, Texas 79705 Telephone No. (432) 697-3420 Facility Name Wallen Federal #2 Facility Type Oil NOI Surface Owner BLM Mineral Owner BLM 30 nzs 23985 Lease No. LOCATION OF RELEASE Feet from the Unit Letter Section Township Range Feet from the North/South Line East/West Line County FNL. 330' **FWL** 20 20S 34E 330' LEE Latitude Longitude NATURE OF RELEASE Type of Release Oil & Water Volume of Release 90 bbls Volume Recovered 88bbls Source of Release Date and Hour of Occurrence Date and Hour of Discovery Check valve on SWD failed and Well back flowed Early AM, 7-14-08 8:00 AM, 7-14-08 If YES, To Whom? Was Immediate Notice Given? x Yes No Not Required Trisha Bad Bear, BLM - Buddy Hill, OCD By Whom? Rick Maddox Date and Hour 9:30 AM 7-14-08 Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. Yes x No If a Watercourse was Impacted, Describe Fully.* JUL 1 8 2nna Describe Cause of Problem and Remedial Action Taken.* Check valve on the SWD failed and well back flowed into tanks. Called out backhoe and Vacuum truck, pulled fluid from firewall and 2 bbls of ground outside firewall. Dug up contaminated soil and replaced w/ fresh soil. Working on plan for inside firewall. Describe Area Affected and Cleanup Action Taken.* Inside firewall and 10 x10 area on north side of firewall 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: 2 Madely Approved by District Supervisor NMENTAL ENGINEER Printed Name: Rick Maddox 1.18.08/ Expiration Date: Title: Operations Manager Approval Date: E-mail Address: Conditions of Approval:

Phone: 432/697-3420

Date: 7-15-08

^{*} Attach Additional Sheets If Necessary