

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
700 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

OCT 23 2008

OCD-ARTESIA

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: McKay Oil Corp.	Contact: Jim Robinson
Address: PO Box 2014, Roswell, NM 88201	Telephone No: 575-626-4563
Facility Name: I Chaves 3 Compressor Station	Facility Type: Compressor Station, Central Point Delivery
Surface Owner: State	Mineral Owner:
Lease No: n/a	

LOCATION OF RELEASE

Unit Letter	Section 36	Township 6S	Range 22E	Feet from the	North/South Line	Feet from the	East/West Line	County Chaves
-------------	---------------	----------------	--------------	---------------	------------------	---------------	----------------	------------------

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release: Water Fluids from produced wells	Volume of Release: 20BBL	Volume Recovered: 20BBL
Source of Release: Two (2) Water Storage Tanks	Date and Hour of Occurrence: 10/19/08 9:45am	Date and Hour of Discovery: 9/19/08 9:45am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? OCD, Artesia Field Office; BLM, Roswell Field Office	
By Whom? Chris Smith, Contract Welder	Date and Hour 10/01/08 12:00pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

a Watercourse was Impacted, Describe Fully.*

N/A

Describe Cause of Problem and Remedial Action Taken.*

10/19/08: Flash back from gas produced fire. Two (2) water tanks burned to ground. Pumper happened to be on location at time of incident and took immediate action by turning gas supply off, calling fire department and notifying Supervisor.

Describe Area Affected and Cleanup Action Taken.*

Both water tanks were underpinned with two 20mil liners. Same liner extends across the berm (surrounding perimeter of water tanks). All fluids released were contained in berm. No contamination to any part of location.
10/20/08: All fluids vacuumed from berm.

*fixed to
OCD*

*clean up
actions completed
10/24/08. Liners
not damaged.
Final Report
CJ*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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: <i>Carol Shanks</i>	Approved by District Supervisor: <i>T. Gumbly SB</i>	
Printed Name: Carol Shanks	Approval Date: 11-26-08	Expiration Date: N/A
Title: Regulatory Specialist	Conditions of Approval: <i>N/A</i>	
E-mail Address: carol@mckayoil.com	Attached <input type="checkbox"/> N/A	
Date: 10/20/08	Phone: 575-623-4735	

* Attach Additional Sheets If Necessary

2RP - 278