

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

20-015-22660

Release Notification and Corrective Action

NMLB0801146778 152098 OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input type="checkbox"/> Final Report
Name of Company KIMLAR OIL CO. INC.		Contact BECKY HILL	
Address BOX 1217, HERMIT, TX.		Telephone No. 432-586-5252	
Facility Name GOURLEY FED. #3		Facility Type	
Surface Owner		Mineral Owner	Lease No. 26684

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	31	22S	28E					EDDY

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Volume of Release	Volume Recovered
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

FLOWLINE LEAK BY WELL. RELEASES HAVE OCCURRED AT THIS SIGHT OVER A PERIOD OF TIME. REPAIRED LEAK.

Describe Area Affected and Cleanup Action Taken.*

REMOVED DIRT AROUND WELL

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>Becky Hill</i>		OIL CONSERVATION DIVISION	
Printed Name: BECKY HILL		TIM GUM by MB	
Title: Secretary		Approved by District Supervisor	Signed By: <i>M. L. Ramirez</i>
E-mail Address: kimlara@att.net		Approval Date: JAN 10 2008	Expiration Date:
Date: 1/8/08	Phone: 432-586-5252	Conditions of Approval: Remediation work plan request letter attached	Attached: <input checked="" type="checkbox"/>

* Attach Additional Sheets If Necessary

Kimlar Oil Company
Case 14054

OCD Exhibit No. 12



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Kimlar Oil Co. Inc.
PO Box 1217
Kermit, TX 79745
ATTN: Becky Hill

January 10, 2008

Reference: Gourley Federal 003 A-31-22s-28e Eddy County, New Mexico API: 30-015-22660

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report Form C-141 reporting releases of produced fluids that have occurred at the above referenced well site. Please submit a work plan proposal (plan) for remediation, removal and/or clean up of contaminants that may be present at this site. The plan is to be formulated based on vertical and horizontal delineation of contamination, site ranking, and OCD Rules and Guidelines.

A publication outlining OCD guidelines and requirements for site ranking and spill remediation can be found on the OCD website as follows: <http://www.emnrd.state.nm.us/oed> Click on each of the following items as they appear:

- Publications
- Environmental Handbook
- Miscellaneous Guidelines
- Remediation of Leaks, Spills and Releases

Please submit this plan to the OCD District 2 office no later than February 10, 2008. Please include any remedial or clean up actions that have already been performed.

Remediation requirements may be subject to other federal, state, local laws and/or regulations.

If I can be of assistance in this matter, my contact information is listed below.

Sincerely,

Mike Bratcher

NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext.108
(505) 626-0857
mike.bratcher@state.nm.us