

1R – 501

C-141s

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

Second Report Final Report

Name of Company	Pride Energy Company	Contact	Matt Pride
Address	P O Box 701950 Tulsa, OK 74170	Telephone No.	918-524-9200
Facility Name	State 36 #2	Facility Type	Drilling Pit

Surface Owner	State	Mineral Owner	State	API No.	30-025-36909
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	36	19S	37E	990	SOUTH	2310	EAST	LEA

Latitude 32.6121 ° Longitude 103.2040 °

NATURE OF RELEASE

Type of Release	Drilling pit fluids	Volume of Release	Unknown	Volume Recovered	None
Source of Release	Drilling pit	Date and Hour of Occurrence	Unknown	Date and Hour of Discovery	May 21, 2008 (4:10 PM)
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? By phone to: Glenn von Gonten, NMOCD – Santa Fe Larry Johnson, NMOCD–District 1 (Hobbs)			
By Whom?	Gilbert Van Deventer (agent for Pride Energy Co.)	Date and Hour	May 22, 2008 (9:30 AM)		
Was a Watercourse Reached?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. Unknown			

If a Watercourse was Impacted, Describe Fully.
In late February 2008 Elke Environmental supervised the installation and sampling of a monitoring well (MW-1) located near the northwest corner of the former drilling pit. Depth to groundwater at the site is approximately 41 feet below ground surface. Chlorides (557 mg/l) and TDS (1770 mg/L) slightly exceeded the WQCC standards. Since there was a possibility of an upgradient offsite source due to regional impacts in the Monument area, a second monitoring well (MW-2) located at the southeast corner of the drilling pit was installed under the oversight of Trident Environmental on 05/02/08, developed on 05/07/08, and sampled on 05/08/08 to determine if the drilling pit is the source for groundwater impact.

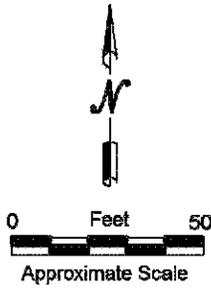
Describe Cause of Problem and Remedial Action Taken.
Review of laboratory analysis of groundwater samples collected from MW-2 (chloride - 1450 mg/l and TDS - 2730 mg/l) confirms downward migration of drilling fluids to water table. A plat map and field and laboratory analytical results are attached.

Describe Area Affected and Cleanup Action Taken.*
Pride Energy has retained Trident Environmental to develop a site investigation work plan and monitoring program to enable further characterization of the site and a design for an effective abatement option, if necessary. We plan to install one monitoring well ~100 feet southeast of MW-2 to delineate the downgradient extent of the impact (chloride of 250 mg/L or background) and a cross-gradient well about 80 ft east of the east edge of the former drilling pit (for background water quality and water table contouring purposes). We expect that these two additional wells would be the final monitoring wells necessary to fully characterize the site, particularly because of the relatively low level of groundwater impact so far characterized.

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: By <u>Matthew I Prude</u> Title: <u>General Partner</u>	Approved by District Supervisor:		
Title: <u>President</u>	Approval Date:	Expiration Date:	
E-mail Address: <u>mattp@pride-energy.com</u>	Conditions of Approval:		Attached <input type="checkbox"/>
Date: <u>May 21, 2008</u>	Phone: <u>(918) 524-9200</u>		

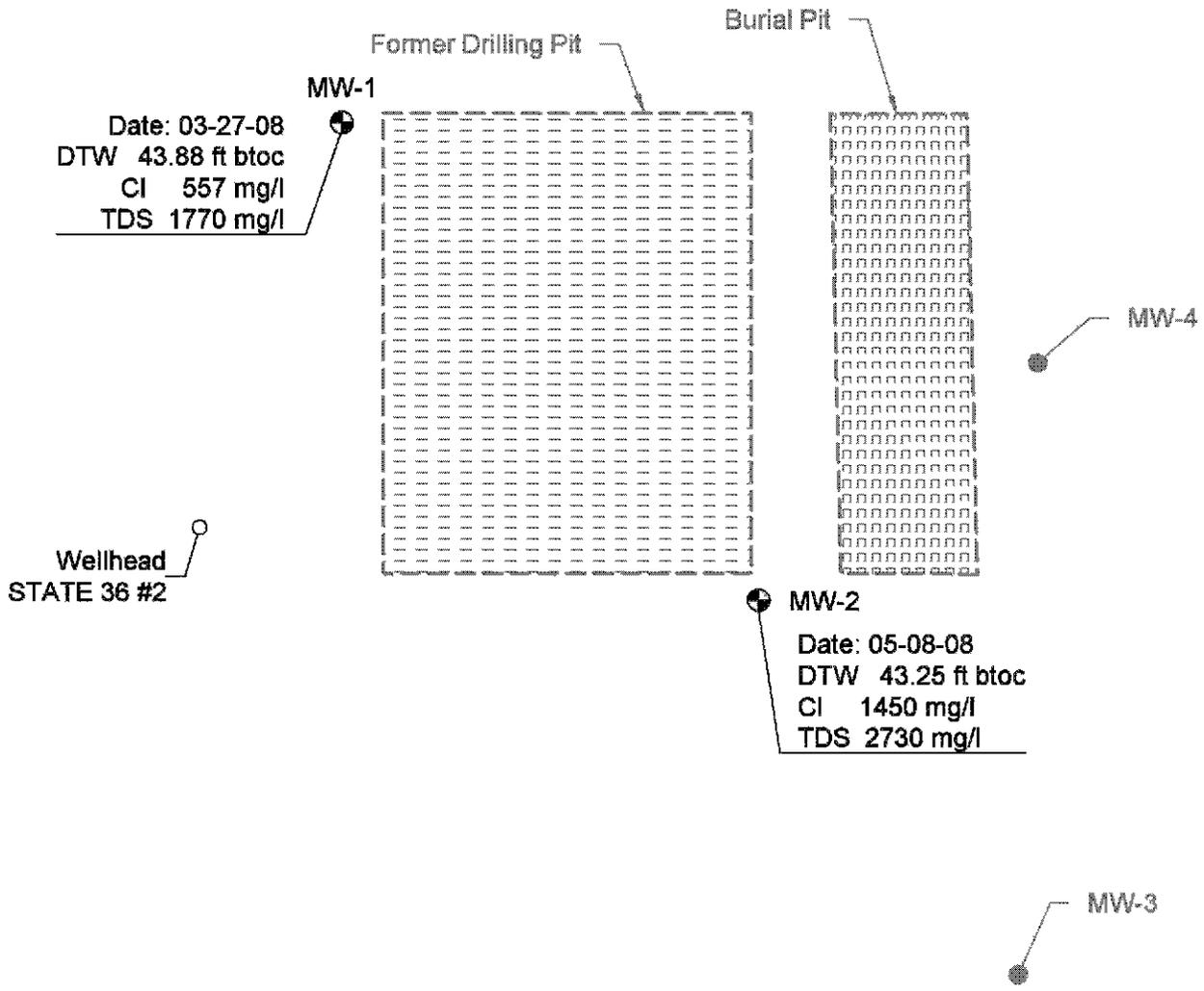
* Attach Additional Sheets If Necessary



Legend

- MW-3 Proposed Monitoring Well
- MW-1 Existing Monitoring Well

Date: 03-27-08
 DTW 43.88 ft btoc (depth to water in feet below top of casing)
 Cl 557 mg/l (Chloride concentration in milligrams per liter)
 TDS 1770 mg/l (Total Dissolved Solids in milligrams per liter)



PRIDE ENERGY COMPANY
 STATE 36 #2
 T19S - R37E - Section 36 - Unit O
 Lea County, New Mexico

PROPOSED
 MONITORING WELL
 LOCATIONS

WELL SAMPLING DATA FORM

CLIENT: Pride Energy Company WELL ID: MW- 2
 SITE NAME: State 36 #2 DATE: May 8, 2008
 SITE LOCATION: T19S-R37E-Sec 36 Unit O SAMPLER: Gil Van Deventer
 LAT/LONG: N 32.2161 °, W 103.2040 °

PURGING METHOD: Hand Bailed Pump If Pump, Type: _____

SAMPLING METHOD: Disposable Bailer Direct from Discharge Hose Other: _____

DESCRIBE EQUIPMENT DECONTAMINATION METHOD BEFORE SAMPLING THE WELL:

Gloves Alconox Distilled Water Rinse Other: _____

DISPOSAL METHOD OF PURGE WATER: Surface Discharge Drums SWD Disposal Facility

TOTAL DEPTH OF WELL: 57.5 Feet
 DEPTH TO WATER: 43.25 Feet 32'-52' bgs Well Screen Interval (adjusted from driller's well record)
 HEIGHT OF WATER COLUMN: 14.25 Feet 7.0 Minimum gallons to purge 3 well volumes
 WELL DIAMETER: 2.0 Inch 7.5 Actual Gallons purged

TIME	VOLUME PURGED	TEMP. °C	COND. mS/cm	pH	DO mg/L	PHYSICAL APPEARANCE AND REMARKS
4:16 PM	2.5	20.5	4.73	7.00		
4:26 PM	5	20.8	5.28	6.95		
4:35 PM	7.5	20.5	5.20	6.77		Collected samples in the following containers:
						2 - 40 ml VOA + + 2 - 500 ml plastic
:Total Time (hr:min)		:Total Vol (gal)			:Average Flow Rate (gal/min)	

COMMENTS: Hanna Model HI98130 used to obtain temperature, conductivity, & pH, measurements.

Delivered samples to Xenco Laboratories /Environmental Lab of Texas for BTEX, Major Ions, and TDS analyses.

Well was developed by hand bailing (23 gallons) and allowed to stabilize 24 hours prior to purging and sampling.