

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

Form C-141
Revised August 8, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

nJMN 1305955423

289372 OPERATOR

☒ Initial Report ☐ Final Report

Name of	Company Capstone Natural Resources LLC	Contact	Darren Seglem
Address	200 N. Loraine, Suite 1225, Midland TX 70701	Telephone No.	432-218-7924
Facility Name	Lea C Water Tank	Facility Type	Battery

Surface Owner United States	Mineral Owner United States	API No. BATTERY
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LOCATION OF RELEASE

30-015-05134

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	11	17S	31E	2600'	North	2600'	East	Eddy

Latitude

Longitude

NATURE OF RELEASE

Type of Release	Salt Water	Volume of Release	+ 60 bbls.	Volume Recovered	+ 40 bbls.
Source of Release	Swage on water tank	Date and Hour of Occurrence	2/17/13 9:00 AM	Date and Hour of Discovery	2/17/13 6:00 PM
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, To Whom?	Wesley Ingram, BLM		
By Whom?	Darren Seglem	Date and Hour	2/18/13 9:00 AM		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			


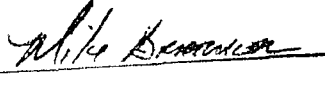
If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Describe Area Affected and Cleanup Action Taken.*

All fluid was 100% contained in tank dyke. Called vacuum truck to remove all produced water from dyke. We are currently waiting on BLM inspection and remediation instructions.

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: DARREN SEGLEM	Approved by Environmental Specialist: 	Signed By
Title: Production Manager	Approval Date: FEB 28 2013	Expiration Date:
E-mail Address: dseglem@capstonenr.com	Conditions of Approval: Remediation per OCD Rule & Guidelines. SUBMIT REMEDIATION PROPOSAL NO LATER THAN: March 28, 2013	Attached <input type="checkbox"/>
Date: 2/21/13 Phone: 432-664-5477		

* Attach Additional Sheets If Necessary

2RP-1571