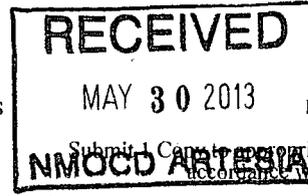


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505



Form C-141  
Revised August 8, 2011  
Submit Capstone appropriate District Office in  
accordance with 19.15.29 NMAC.

**Release Notification and Corrective Action**

**Operator** DJMW 1315528465  Initial Report  Final Report

Name of Company <u>Capstone Natural Resources 289372</u>	Contact <u>Clint Brian or Darren Seglem</u>
Address <u>2250 E. 73<sup>rd</sup> St. Ste 500, Tulsa, OK 74136-6834</u>	Telephone No. <u>918-236-3800 or 432-664-5477</u>
Facility Name <u>Lea "C" Battery</u>	Facility Type <u>The small Heater/Tester (The API # is for the Lea C #4)</u>
Surface Owner <u>BLM</u>	Mineral Owner <u>BLM</u>
API No. <u>30-015-05132</u>	

**LOCATION OF RELEASE**

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 32.847983 Longitude -103.839711

**NATURE OF RELEASE** 4 bbl oil & 6 bbl PW 2 bbl oil 3 bbl PW

Type of Release <u>Spill</u>	Volume of Release <u>5-10 BBL</u>	Volume Recovered <u>5-10 BBL</u>
Source of Release <u>The Small Heater Treater/Tester</u>	Date and Hour of Occurrence <u>5-29-13 @ +/- 13:00</u>	Date and Hour of Discovery <u>5-29-13 @ +/- 14:00</u>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <u>BLM, They discovered it.</u>	
By Whom? <u>BLM noticed leak and informed pumper Arnold</u>	Date and Hour <u>5-29-13 @ +/- 14:00</u>	
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.\*  
Leak on the Heater Treater water leg. Produced fluids were diverted into another Heater Treater. The water leg will be repaired.

Describe Area Affected and Cleanup Action Taken.\*  
The dike around the Heater Treater filled up and approximately 3 BBLs spilled over the Dike. The fluid inside the Dike was recovered. The affected soil outside the dike and inside the Dike will be remediated by a third party.

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: <u>Clint Brian</u>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: <u>Clint Brian</u>	Approved by Environmental Specialist: Signed By <u>Mike Brannon</u>	
Title: <u>V.P. Operations</u>	Approval Date: <u>MAY 30 2013</u>	Expiration Date:
E-mail Address: <u>CBrian@Capstonenr.com</u>	Conditions of Approval: <u>Remediation per OCD Rule &amp; Guidelines. SUBMIT REMEDIATION PROPOSAL NO LATER THAN:</u>	Attached <input type="checkbox"/>
Date: <u>30 May 2013</u> Phone: <u>918-236-3800</u>	<u>June 30, 2013</u>	<u>2RP-1670</u>

\* Attach Additional Sheets If Necessary