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

Attach Additional Sheets If Necessary

State of New Mexico Energy Minerals and Natural Resources

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

Form C-141 Revised October 10, 2003

JUL 2 1 2008 ubmit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

A												
P1# 30.015.21071 Release Notification and Corrective Action												
LB0631156350						OPERA	TOR		X Initia	al Report		Final Repor
Name of Company Read & Stevens, Inc /89/7					17	Contact	Will Pal					
Address PO Box 1518, Roswell, NM 88202						Telephone No. 505.396.5391						
Facility Name Bandit State 1 SWD						Facility Type Saltwater Disposal						
Surface Ow	ner Sta	te of New M	Mineral C	wner	er State of New Mexico Lease No. V-4655							
LOCATION OF RELEASE												
Unit Letter	Section	Township	/South Line	Feet from the	West Line	County						
	Letter Section Township Range Feet from the No. 10 23S 26E 1980			N	North	2021 Wes		est Eddy		· ·		
	L		L		l.,		L	<u> </u>				
LatitudeLongitude												
NATURE OF RELEASE												
Type of Release produced water						Volume of Release 100 bbls Volume Recovered 92 bbls						
Source of Release plunger breakage in disposal pump						Date and Hour of Occurrence Date and Hour of Discovery 07.16.06 overnight 07.16.06 1400 hours						
Was Immedia	ate Notice (Given?		······································	If YES, To Whom?							
X Yes No Not Required												
By Whom? Joe Tovar						Date and Hour 07.16.06 1400 hours						
Was a Watercourse Reached?						If YES, Volume Impacting the Watercourse.						
If a Watercou		لــا 							••••			
Describe Cause of Problem and Remedial Action Taken.* The ceramic plunger in the saltwater disposal pump broke and allowed water flow from the storage tank to flow around the broken plunger and out onto the ground. Approximately 100 BPW was released. Upon discovery, a vacuum truck was immediately summoned and cleanup operations commenced with 92 BPW recovered and returned to the storage tank. The pump was repaired and returned to service. Contaminated soil was removed from the location, taken to a landfill, and replaced with fresh soil.												
Describe Area Affected and Cleanup Action Taken.* The affected area covered 75 ft by 75 ft. The contaminated material was removed to a depth of 2" below surface and was shipped to an aerated land farm. Fresh, uncontaminated material was placed in the affected area and leveled to the contour of the land.												
regulations all public health should their o	l operators a or the envir perations ha ment. In ac	are required to onment. The a tive failed to a didition, NMO	report and acceptance dequately CD accept	d/or file certain re e of a C-141 repor investigate and re	lease n rt by the mediat	otifications an e NMOCD ma e contamination	knowledge and und perform correct urked as "Final Re on that pose a three the operator of re	ive acti port" d at to gr	ons for rele oes not relic ound water,	ases which ases which as we the oper surface wa	may end ator of ter, hun	danger liability nan health
, ~/							OIL CONS	ERV	ATION I	<u>DIVISIO</u>	<u>N</u>	į
Signature: William V aliv								TIR	I GUM			
Printed Name: William V. Palmer						Approved by District Supervisor:			by MB W/4 Sprage			
Title: Superintendent						Approval Date: $4/9/07$ Expiration Date:						
E-mail Address: readandstevensinc@leaco.net						Conditions of Approval:						
Date: July 2	0, 2006	Phon	5.5391						(



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

April 9, 2007

Read & Stevens, Inc. P.O. Box 1518 Roswell, NM 88202

ATTN: Environmental Department

Reference Bandit State SWD #1 10-23S-26E API # 30-015-21071 Eddy County, New Mexico

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report Form C-141 reporting a release of produced fluids that occurred on or about July 16, 2006 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/ocd 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 <u>no later than May 9, 2007</u>. 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

Alla Kranwa

mike.bratcher@state.nm.us

Tracking number: nLLB0631156350