

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

API# 30-015-22878
ALLB0631152144

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	SDX Resources, Inc.	20451	Contact	Chuck Morgan
Address	PO Box 5061, Midland, TX 79704		Telephone No.	432/685-1761
Facility Name	AID 24 P State #1	30-015-22878	Facility Type	SWD
Surface Owner	State	Mineral Owner	State	Lease No. LG6340

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	24	17S	28E	660	South	1980	West	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Tank overflow	Volume of Release	6 bbls	Volume Recovered	5 bbls
Source of Release	Suction tank overflow	Date/Hr Occurrence	11 am 1/25/06	Date/ Hr Discovery	11 am 1/25/06
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Jerry Guye		
By Whom?	Jerry Smith	Date and Hour	11:15 am 1/25/06		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	RECEIVED		

If a Watercourse was Impacted, Describe Fully.*

FEB 01 2006

OOD-ARTESIA


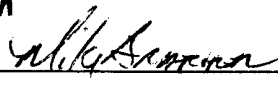
Describe Cause of Problem and Remedial Action Taken.*

SWD pump was sent in for repairs. Brine tanks were overfilled while filling tanks to test run SWD pump upon its return from the shop.

Describe Area Affected and Cleanup Action Taken.*

Brine contacted small area around the base of tanks. Wells were shut down and a steam cleaning unit and a vacuum truck were called. Tanks were steamed off and the vacuum truck recovered 5 bbls of fluid. A backhoe attempted to remove any contaminated soil, but was unable to recover any saturated soil. (Site diagram attached)

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: Chuck Morgan	Approved by District Supervisor: TIM GUM	by MB 
Title: Engineer	Approval Date: 4/9/07	Expiration Date:
E-mail Address: cmorgan@sdresources.com	Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: 1/30/06	Phone: 432/685-1761	

* Attach Additional Sheets If Necessary



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

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

SDX Resources, Inc.
P.O. Box 5061
Midland, TX 79704
ATTN: Environmental Department

April 9, 2007

Reference **AID 24 P State Com #1 24-17S-28E API # 30-015-22878 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 January 25, 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 *no later than May 9, 2007*. 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.

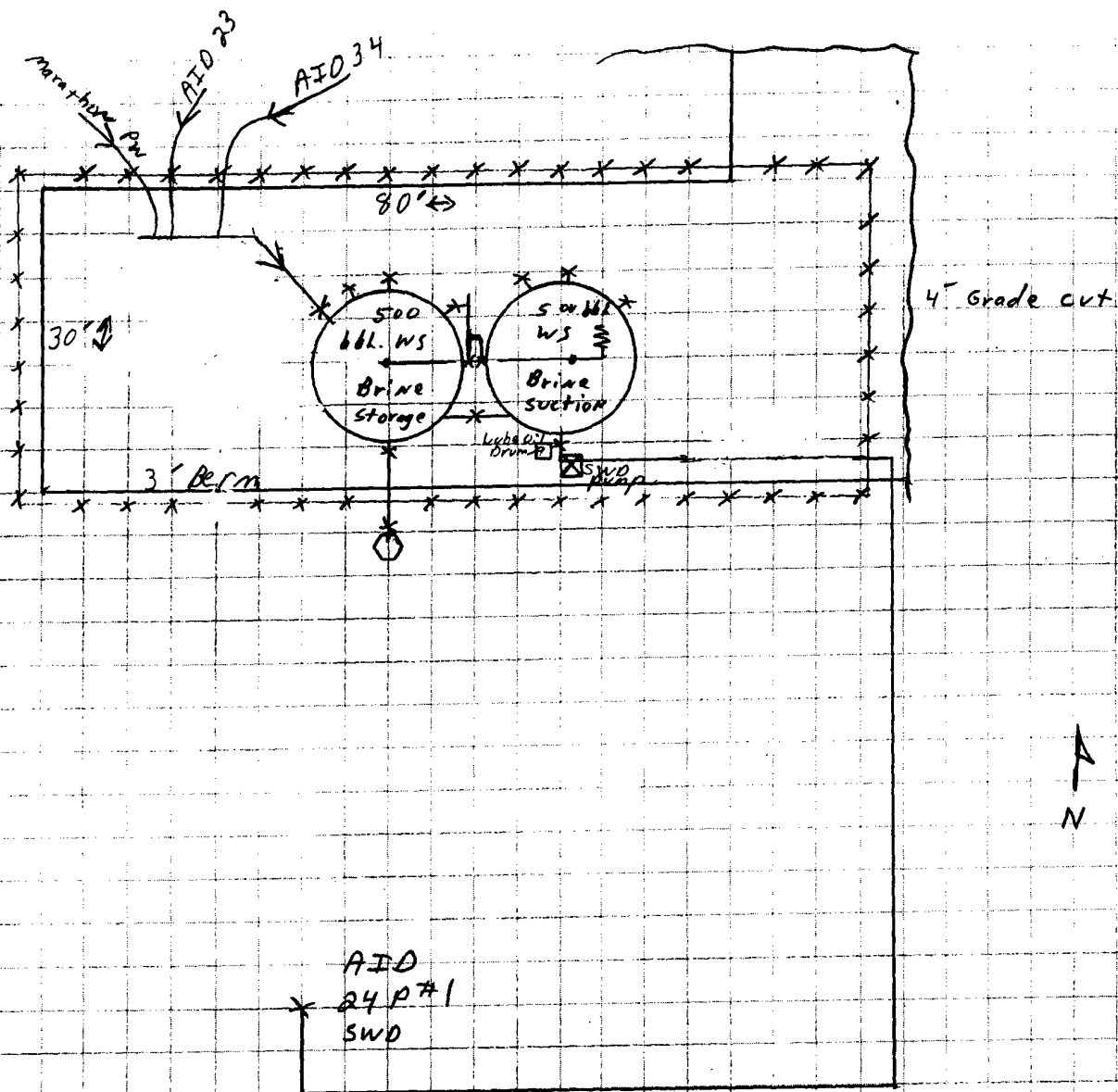
Sincerely,

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

Tracking number: nLLB0631152144

**SDX RESOURCES, INC.
FACILITY DATA SHEET**

FACILITY:	AID 24 P State #1								
LOCATION:	Sec 24 T17S R28E		660' FSL 1980' FWL						
	Eddy Co., NM								
TANKS	SIZE	CAP.	MANUFACTURER	MATERIAL	TYPE	DATE	SN	PURPOSE	NOTES
Suction	15-1/2'	500	Enertech	Steel W	F	2001	2119	Suction	IC w/±relief hatches
	x 16'								
Storage	15-1/2'	500	Enertech	Steel W	F	2001	1828	Storage	IC w/±relief hatches
	x 16'								
<u>VESSELS</u>									
<u>DRAINAGE</u>		South							
<u>NOTES</u>									
	Tank Capacity = 5616								
	Berm Capacity = 11250 ft³ ~8000								
	Medium Risk								



SDX Resources, Inc.
 AID State 24 P#1
 SWD Facility Diagram