

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

30-015-31164

Release Notification and Corrective Action

nmlb 09/885/1838

256523 OPERATOR

☐ Initial Report ☒ Final Report

Name of Company: <i>Southern Bay Operating, L.L.C.</i>	Contact: <i>Steve Collins, V.P.-Operations</i>	
Address: <i>110 Cypress Station Drive, Suite 220 - Houston, TX 77090-1629</i>	Telephone No.: <i>281.537-9920</i>	
Facility Name: <i>Beeson "F" Federal, Well No. 29</i>	Facility Type: <i>Multi-well Production Header [prior to Tank Battery]</i>	
Surface Owner: <i>Bureau of Land Management</i>	Mineral Owner: <i>Mineral Management Service</i>	Lease No.: <i>LC-060529</i>

LOCATION OF RELEASE

Unit Letter <i>"A"</i>	Section <i>31</i>	Township <i>17S</i>	Range <i>30E</i>	Feet from the <i>330</i>	North/South Line <i>N</i>	Feet from the <i>330</i>	East/West Line <i>E</i>	County: <i>EDDY</i>
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Latitude: *32.79739 N* Longitude: *-104.00411 W*

NATURE OF RELEASE

Type of Release: <i>Well Fluid [full-stream production]</i>	Volume of Release: <i>+/- 2 bbl</i>	Volume Recovered: <i>Zero bbl</i>
Source of Release <i>Production Header's Transition Line [Well No. 28]</i>	Date and Hour of Occurrence: <i>Unknown Date / Hour</i>	Date and Hour of Discovery: <i>6/26/2009 - 0700 hrs</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Electronic filing to District 2 Office</i>	
By Whom? <i>Mark Weatherly, Consultant to Southern Bay Operating</i>	Date and Hour <i>6/26/2009 - 1755 hrs</i>	
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.\*

*Integrity Failure of Transition Line.. Shut-in all production, evacuated fluid from lines with vacuum truck.  
Disconnect / move flow lines to facilitate moving header away from contaminated ground area.*

Describe Area Affected and Cleanup Action Taken.\*

*Ground surface of approx 100-sq ft area [12-feet long (x) 8-feet wide] adjacent to header.. Delineate & excavate to 12-inch depth with back-hoe, load contaminated soil into dump truck.. Delineate approx 6-foot (x) 7-foot area at base of header to 3-foot depth to attain soil that did not demonstrate sensory characteristics of contamination.. Collect soil sample from deepest excavation point, place into labeled glass jar, seal & preserve same on ice.. Load contaminated soil [approx 5 cu/yd volume] into dump truck, haul to CRI disposal site.. Deliver sample to Cardinal Lab-Hobbs.. Request analyses within 24-hour T-A-T.. Receive Lab report via e-mail, advise Lease Supervisor to close site..*

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:

*Mark Weatherly*

OIL CONSERVATION DIVISION

Signed By

*M. L. Branch*

Approved by District Supervisor:

Printed Name: *MARK WEATHERLY*

Title: *Environmental / Regulatory Coordinator*

Approval Date: *JUL 07 2009*

Expiration Date: *N/A*

E-mail Address: *Mark@SBEnergy.com*

Conditions of Approval: *N/A*

Attached ☐

Date: *07/02/2009*

Phone: *281.537-9920, X-120*

\* Attach Additional Sheets If Necessary



# ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

July 1, 2009

Mark Weatherly  
Southern Bay Operating, LLC.  
110 Cypress Station Dr., Suite #200  
Houston, TX 77090

Re: Beeson "F" Federal, #29

Enclosed are the results of analyses for sample number H17716, received by the laboratory on 06/30/09 at 8:06 am.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,

Celey D. Keene  
Laboratory Director



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBBS, NM 86240

ANALYTICAL RESULTS FOR  
SOUTHERN BAY OPERATING, LLC.  
ATTN. MARK WEATHERLY  
110 CYPRESS STATION DR., #200  
HOUSTON, TX 77090

Receiving Date: 06/30/09  
Reporting Date: 07/01/09  
Project Number: NOT GIVEN  
Project Name: BEESON "F" FEDERAL, #29  
Project Location: EDDY COUNTY, NM

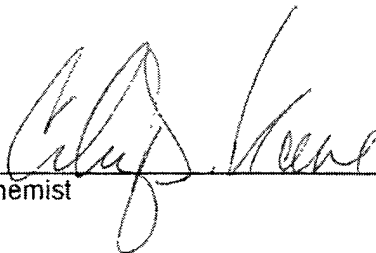
Sampling Date: 06/29/09  
Sample Type: SOIL  
Sample Condition: COOL & INTACT @ 6°C  
Sample Received By: AB  
Analyzed By: AB/HM

LAB NUMBER	SAMPLE ID	GRO (C <sub>6</sub> -C <sub>10</sub> ) (mg/kg)	DRO (C <sub>10</sub> -C <sub>28</sub> ) (mg/kg)	CI* (mg/kg)
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ANALYSIS DATE	06/30/09	06/30/09	06/30/09
H17716-1 1A	<10.0	992	672
Quality Control	558	570	500
True Value QC	500	500	500
% Recovery	112	114	100
Relative Percent Difference	3.1	3.0	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CI B

\*Analysis performed on a 1:4 w:v aqueous extract. Reported on wet weight.

  
Chemist

07/01/09  
Date

H17716 TCL SBO

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

**CARDINAL LABORATORIES**  
101 East Marland, Hobbs, NM 88240  
(505) 393-2326 FAX (505) 393-2476

Company Name: <b>SOUTHERN RAY OPERATING, LLC</b>		P.O. #:		BILL TO												ANALYSIS REQUEST																	
Project Manager: <b>MARK WEATHERLY</b>		Company:																															
Address: <b>110 CYPRESS STATION DR. STE 200</b>		Attn:																															
City: <b>HOOVER</b>		State: <b>TX</b>		Zip: <b>77090</b>																													
Phone #: <b>281.537-9920</b>		Fax #: <b>281.537-9920</b>		City:		State:		Zip:																									
Project #:		Project Owner:		Phone #:		Fax #:																											
Project Name: <b>BEESON "F" FEDERAL, #29</b>		Project Location: <b>EDDY COUNTY NM</b>		Sampler Name: <b>TOM WOMELSDORF</b>																													
FOR LAB USE ONLY		MATRIX		PRESERV		SAMPLING																											
Lab I.D.		GROUNDWATER		ACID/BASE		ICE/COOL		OTHER																									
Sample I.D.		WASTEWATER		OTHER		SLUDGE		OIL																									
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## Bratcher, Mike, EMNRD

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**From:** Mark Weatherly [mark@sbenergy.com]  
**Sent:** Thursday, July 02, 2009 1:48 PM  
**To:** Bratcher, Mike, EMNRD  
**Cc:** JOHNNY HICKMAN  
**Subject:** C-141 Report, Contaminated Soil at Production Header - Beeson 'F' Federal, #29  
**Attachments:** H17716 SB.pdf; C-141\_Final-Well #29.doc

Mr. Bratcher,

Attached is a Final Report for the site noted, as well a copy of Cardinal Labs' Analytical Report, dated 07/01

<<...>> <<...>>

Should any additional data be needed, please advise..

Mark Weatherly  
Environmental / Regulatory Coordinator  
Southern Bay Operating, LLC  
281.537-9920, x.120 – Office

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This inbound email has been scanned by the MessageLabs Email Security System.

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