

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 0918851838

256523

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company: Southern Bay Operating, L.L.C.	Contact: Steve Collins, V.P.-Operations
Address: 110 Cypress Station Drive, Suite 220 - Houston, TX 77090-1629	Telephone No.: 281.537-9920
Facility Name: Beeson "F" Federal, Well No. 29	Facility Type: Multi-well Production Header [prior to Tank Battery]

Surface Owner: Bureau of Land Management	Mineral Owner: Mineral Management Service	Lease No.: LC-060529
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LOCATION OF RELEASE

Unit Letter "A"	Section 231	Township 17S	Range 30E	Feet from the 330	North/South Line N	Feet from the 330	East/West Line E	County: EDDY
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Latitude: 32.79739 N Longitude: -104.00411 W

NATURE OF RELEASE

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

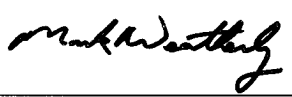
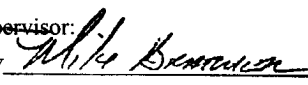
Describe Cause of Problem and Remedial Action Taken.\*

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.. A-S-A-P, will delineate & excavate with back-hoe..  
Load & haul contaminated soil [estimated Volume of 4-5 cu/yd] to CRI disposal 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: 	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: MARK WEATHERLY	Approved by District Supervisor: Signed By 	
Title: Environmental / Regulatory Coordinator	Approval Date: JUL 07 2009	Expiration Date: N/A
E-mail Address: Mark@SBEnergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 06/26/2009	Phone: 281.537-9920, X-120	

\* Attach Additional Sheets If Necessary

REMEDIATION per OCD Rules and  
Guidelines. SUBMIT REMEDIATION  
PROPOSAL BY: N/A

## Bratcher, Mike, EMNRD

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**From:** Mark Weatherly [mark@sbenergy.com]  
**Sent:** Friday, June 26, 2009 5:11 PM  
**To:** Bratcher, Mike, EMNRD  
**Cc:** JOHNNY HICKMAN  
**Subject:** C-141 Report - Beeson 'F' Federal , Production Header  
**Attachments:** C-141\_Initial-Well #28.doc

Mr. Bratcher,

Attached is Initial Report for the site noted above..

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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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