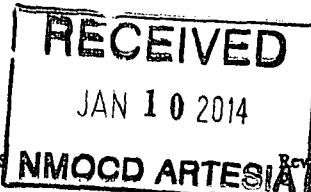


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

7MLB1401534243

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company: KC Resources Inc	122912	Contact: Ozzie Rea
Address: PO Box 6749, Snowmass Village, CO 81615		Telephone No.: 970-927-2764
Facility Name: Jones D Tank Battery		Facility Type: Tank Battery

Surface Owner: Private	Mineral Owner	API#: 30-015-00192
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LOCATION OF RELEASE

JONES D #1

Unit Letter H	Section 13	Township 18S	Range 26E	Feet from the	North/South Line	Feet from the	East/West Line	County: Eddy
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Latitude _____ Longitude _____ 32.750622

NATURE OF RELEASE

104.330041

Type of Release: Mix Fluids	Volume of Release: Unknown	Volume Recovered: Unknown
Source of Release: Transmitter malfunction	Date and Hour of Occurrence: Unknown	Date and Hour of Discovery: 8/29/2013
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom: Mike Bratcher	Date and Hour: 8/29/2013	
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.* A field inspection by Mike Bratcher of the NMOCD discovered a trench from the water tank to an open excavation. Talon/LPE was contacted to complete the site assessment and collect soil samples.

Describe Area Affected and Cleanup Action Taken.* The area impacted was surrounding the water tank battery and off the east side of location 60' pooling in an area measuring 40'x30'.

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>Ozzie Rea</u>	OIL CONSERVATION DIVISION	
Printed Name: Ozzie Rea	Signed By: <u>Mike Bratcher</u> Approved by District Supervisor.	
Title: Land Manager	Approval Date: JAN 15 2014	Expiration Date:
E-mail Address: orea@crystalriveroil.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 1/8/2014 Phone: 970-927-2764	Remediation per OCD Rule & Guidelines, & like approval by BLM. SUBMIT REMEDIATION PROPOSAL NO LATER THAN: <u>Remediation Proposal</u> <u>Rec'd 1/10/14</u>	

* Attach Additional Sheets If Necessary

2RP-2143