

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

30-015-27015

OPERATOR

☒ Initial Report ☐ Final Report

| | | | |
|-----------------|----------------------------------|---------------|--------------|
| Name of Company | RKI EXPLORATION & PRODUCTION | Contact | GENE SIMER |
| Address | P.O. BOX 370, CARLSBAD, NM 88221 | Telephone No. | 505-885-1313 |
| Facility Name | SHEEP DRAW FEDERAL BATTERY #2 | Facility Type | TANK BATTERY |
| Surface Owner | BLM | Mineral Owner | BLM |
| | | Lease No. | NM-34247 |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| C | 33 | 22S | 26E | | NE/4 | | NW/4 | EDDY |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|--|--------------------------------------|----------------------------|-----------------|
| Type of Release | CRUDE OIL | Volume of Release | 188 BLS | Volume Recovered | 27 |
| Source of Release | TANK | Date and Hour of Occurrence | 12:00 AM 7/16/07 | Date and Hour of Discovery | 9:00 AM 7/16/07 |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | MIKE BRATCHER, NMOCD & JIM AMOS, BLM | | |
| By Whom? | GENE SIMER | Date and Hour | 7/16/07 10:30 AM | | |
| 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 *



CRUDE OIL STORAGE TANK DEVELOPED A LEAK IN THE BOTTOM OF THE TANK AND LEAKED CRUDE OIL AROUND TANK BATTERY. ALL OIL WAS CONFINED INSIDE THE BURN. CALLED TRUCKS AND EMPTIED LEAKING TANK

Describe Area Affected and Cleanup Action Taken *

THE OIL STANDING AROUND THE TANKS WAS SQUEEGIED UP AND PICKED UP WITH A VACUUM TRUCK. THE CONTAMINATED SOIL WILL BE REMOVED AND DISPOSED OF AT CRI DISPOSAL. FRESH SOIL WILL BE HAULED IN AFTER REMEDIATION

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.

OIL CONSERVATION DIVISION

| | | |
|--|--|--|
| Signature:  | Approved by District Supervisor:  | |
| Printed Name: GENE SIMER | Approval Date: JUL 19 2007 | Expiration Date: 8-19-07 |
| Title: PRODUCTION SUPERINTENDENT | Conditions of Approval: | Attached <input checked="" type="checkbox"/> |
| E-mail Address: gsimer@rkixp.com | | |
| Date: 7/16/07 | Phone: 505-885-1313 | |

* 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



July 19, 2007

RKI Exploration & Production
PO Box 370
Carlsbad, NM 88221

ATTN: Mr. Gene Simer

RE: Sheep Draw Federal Battery #2 (30-015-27015)

Dear Sir:

This office is in receipt of your C-141 on the oil release, on this facility.

NMOCD Rule 19.15.3.116 states in part ... "The responsible person must complete division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

Information and tools for proper corrective action may be found in the Environmental Handbook on our web site www.emnrd.state.nm.us/oocd under the heading publications.

Remediation requirements may be subject to other federal, state and local laws or regulations.

Within 10 days, **on or before July 30, 2007**, completion of a work plan (including analytical data) should be finalized and forwarded to OCD summarizing all actions to be taken to mitigate environmental damage related to the leak, spill or release. Upon approval of the work plan work may begin on the site.

If I may be of further service or if you have any questions please feel free to contact me.

Sincerely,

Gerry Guye
Deputy Field Inspector
NMOCD District II, Artesia
(505) 748-1283 ext 105
Cell (505) 626-0843
e-mail: gerry.guye@state.nm.us

Bratcher, Mike, EMNRD

From: Debbie Kilgore [dkilgore@rkixp.com]
Sent: Tuesday, July 17, 2007 10:35 AM
To: Bratcher, Mike, EMNRD
Subject: C-141 Sheep Draw Federal Battery #2
Attachments: 071707.tif

Debbie R. Kilgore
RKI Exploration & Production, LLC
309 S. Halagueno Street
Carlsbad, NM 88220
505.885.1313 Office
505.885.3509 Fax

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

7/19/2007