

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

09E00926752584 ✓ OPERATOR ☒ Initial Report ☐ Final Report

Name of Company: Jalapeno Corporation 26307	Contact: Harvey E. Yates, Jr. or Jun Barrack
Address: P.O. Box 1608; Albuquerque, NM 87103	Telephone No.: 505-242-2050
Facility Name: Duncan Federal #5 Well	Facility Type: Oil Well

Surface Owner: BLM	Mineral Owner: BLM	Lease No.: NM 12557
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30-005-62901

LOCATION OF RELEASE								
Unit Letter C	Section 18	Township 9-S	Range 28-E	Feet from the 660	North/South Line North	Feet from the 1650	East/West Line West	County Chaves

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release: Oil	Volume of Release: 65 bbls- 30 bbls of oil in firewall & 35 bbls of oil in water tank	Volume Recovered 25 bbls of oil
Source of Release: Oil tank	Date and Hour of Occurrence: 8/21-22/09	Date & Hour of Discovery: 8/22/09
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? OCD Artesia Office & BLM by urgent fax a short time after notice from field was given to office on Monday morning.	
By Whom? Jun Barrack	Date and Hour: 8/24/09 11:30 a.m.	
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.\*  
N/A

Describe Cause of Problem and Remedial Action Taken.\* A company was employed to treat a load of oil in the Duncan Federal #5 well and failed to fully close the valve upon departure. This resulted in appr. 35 bbls of oil being transmitted into the water tank and appr. 30 bbls of oil going into the firewall. A vacuum truck was called to remove the oil and appr. 25 bbls of oil was reclaimed. The rest is being cleaned & hauled to a disposal site.

Describe Area Affected and Cleanup Action Taken.\*  
Area affected: Within the firewall. Clean up Action: The visual contaminates of the impacted area are being excavated and removed to a NMOCD approved commercial facility. Soil samples will be obtained and sent to a third party laboratory to be analyzed. A 48 hour advance notice of testing will be given to the OCD and the result of the testing will be sent to the OCD. If sample are within the Recommended Remedial Action Levels, we will rebuilt and covered the firewall with plastic. We will reclaim the area in accordance to OCD guidelines.

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.

Jalapeno Corporation	OIL CONSERVATION DIVISION
Signature: by Harvey E. Yates, Jr.	Approved by District Supervisor: [Signature]
Printed Name: Harvey E. Yates, Jr.	Approval Date: 9-23-09
Title: President	Expiration Date: 11-23-09
E-mail Address:	Conditions of Approval:
Date: 8/31/09 Phone: 505-242-2050	NMOCD approval shall be obtained prior to any backfilling activities.

\* Attach Additional Sheets If Necessary

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09E00926733649

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