

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., 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

Form C-141  
Revised August 8, 2011

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit 1 Copy to appropriate District Office in  
accordance with 19.15.29 NMAC.

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report  Final Report

Name of Company: Basin Alliance LLC	Contact: Hugo Naegele Jr
Address: PO Box 1378	Telephone No.: 575-392-5999 Cell: 575-390-1250
Facility Name: State AJ #1 SWD	Facility Type: SWD

Surface Owner State of New Mexico	Mineral Owner	API No. 30-025-28083
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**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	33	18S	36E	2310	North	2310	East	Lea

Latitude 32.704932 North Longitude -103.358345 West

**NATURE OF RELEASE**

Type of Release Fluid	Volume of Release (appx 900)	Volume Recovered (over 1150)
Source of Release Lighting storm struck the tank battery and caught fire.	Date and Hour of Occurrence: 6-13-15 6PM	Date and Hour of Discovery: 6-13-15 6:14pm
Was Immediate Notice Given? X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? NMOCD office in Hobbs, NM	
By Whom? Hugo Naegele Jr	Date and Hour: 6-14-2015 2PM	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.	

**RECEIVED**  
By OCD District 1 at 9:29 am, Jun 22, 2015

If a Watercourse was Impacted, Describe Fully.\*  
Attachment

Describe Cause of Problem and Remedial Action Taken.\*  
Attachment

Describe Area Affected and Cleanup Action Taken.\*  
Attachment

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.

<b>OIL CONSERVATION DIVISION</b>	
Signature: Hugo Naegele Jr	Approved by Environmental Specialist: 
Printed Name: Hugo Naegele Jr	Approval Date: 06/22/2015 Expiration Date: 09/22/2015
Title: Member	Conditions of Approval: Site samples required. Delineate and remediate as per MNOCD guides. Geotag photographs of remediation required.
E-mail Address: hnaegele55@bajabb.com	Attached <input type="checkbox"/> 168776 1RP-3680
Date: 6-14-2015 Phone: 575-392-5999	

\* Attach Additional Sheets If Necessary

nKJ1517335905

pKJ1517336044

*Basin Alliance, LLC*

P. O. Box 1378  
Hobbs, New Mexico 88241  
Hugo Naegele (575) 390-1250

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**SUMMARY OF EVENTS AND FIELD ACTIVITIES**

**Basin Alliance  
State AJ #1**

**Lea County, New Mexico  
UNIT G, Section 33, Township 18S, Range 36E  
Latitude, Longitude 32°.704932" North, -103°.358345 West**

**June 19, 2015**

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Hugo Naegele  
Basin Alliance, LLC

## **SUMMARY OF EVENTS AND FIELD ACTIVITIES**

During a severe rain and lighting storm on the evening of Saturday June 13, 2015 the tank battery at the State AJ #1 caught fire due to a lighting strike. Sunday morning, as soon as, the conditions were safe the area was assessed and clean up was started. Two vacuum trucks were dispatched one to remove the fluid from the tanks displacing the fluid into portable frac tanks and the other to began removing fluid off the ground within the burm. The clean up of free fluids from the rain as well as the release continued on Monday June 15, 2015. Following the removal of the free fluid from within the burm area the impacted soils has been excavated and temporarily stockpiled on a poly liner until further remediation can be accomplished. The tank battery is now being disassembled and the burmed tank battery area will then be assessed for clean up.

This site is located in Unit G, Section 33, Township 18 South, Range 36 East, in Lea County, New Mexico. The latitude is 32°.704932' and the longitude is -103°.358345'. The site is characterized by a right-of-way for the State AJ #1 disposal well and tank battery. The surrounding area outside the pump station is primarily open range utilized for cattle grazing and oilfield production activities. The visible surface stained area includes the explosion release point including the lined and burmed tank battery, as well as, the burmed location covering an area approximately 190 feet long by 260 feet wide at the widest point. Two pooling areas were formed one in the Southwest Corner of the location (pooling area 1) 25 feet long by 30 feet wide and one in the Southeast Corner of the location (pooling area 2) 45 feet long by 35 feet long. Approximately 900 barrels of fluid was released from the tanks during the explosion with over 1150 barrels of fluid recovered. The increase in fluid is attributed to the heavy rain fall from the storm.

Ms. Kellie Jones, with the New Mexico Oil Conservation Division (NMOCD), in the Hobbs, New Mexico office was verbally notified Monday June 15, 2015 of the release. As advised by Ms. Jones a C-141 form, dated June 15, 2015 has been completed by Basin Alliance and has been submitted with this summary of events.



