

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

Received 1/5/2016  
NMOCD Artesia

Form C-141  
Revised August 8, 2011

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 | Murchison Oil & Gas, Inc.                        | Contact       | Greg Boans           |
| Address         | 7250 Dallas Parkway, Suite 1400, Plano, TX 75024 | Telephone No. | (575) 628-3932       |
| Facility Name   | Polar Bear St. Com #4H                           | Facility Type | Production Battery   |
| Surface Owner   | State of New Mexico                              | Mineral Owner | API No. 30-015-40130 |

### LOCATION OF RELEASE

|             |         |          |       |               |                  |               |                |        |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| H           | 1       | 17S      | 28E   | 2260          | North            | 150           | East           | Eddy   |

Latitude 32°51'58.50"N Longitude 104° 7'19.60"W

### NATURE OF RELEASE

|                             |   |   |                               |                            |                     |
|-----------------------------|---|---|-------------------------------|----------------------------|---------------------|
| Type of Release             | Oil   | Volume of Release                         | 66 bbls                       | Volume Recovered           | 45 bbls             |
| Source of Release           | Hose on circulating pump  | Date and Hour of Occurrence               | 11/11/2015, before 10:00 am   | Date and Hour of Discovery | 11/11/2015 10:00 am |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?                          | Heather Patterson (voicemail) |                            |                     |
| By Whom?                    | Kristin Pope  | Date and Hour                             | 11/12/2015 10:00 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.\*

n/a

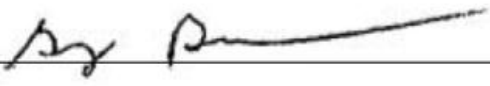
Describe Cause of Problem and Remedial Action Taken.\*

Oil was lost from a tank due to a failure of a hose on the circulating pump. A vacuum truck removed standing fluid. A breach in the secondary containment liner material was exposed. The hose has been replaced.

Describe Area Affected and Cleanup Action Taken.\*

Oil was released into the bermed secondary containment surrounding the tanks (1,120 ft<sup>2</sup>) and onto approximately 290 ft<sup>2</sup> of the location pad. Soil moisture indicated that penetration was less than 2 inches deep, chloride field tests on 2-in-deep samples confirmed. The affected material from the surface of the location and the gravel in the secondary containment (12 yd<sup>3</sup>) was removed and replaced. Laboratory analysis of a 5-point composite sample from the affected location pad at 3 inches below surface yielded 110 mg/kg DRO and BTEX was not present within detection limits.

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>OIL CONSERVATION DIVISION</u>      |                      |                                   |
| Printed Name: Greg Boans   | Approved by Environmental Specialist: |                      |                                   |
| Title: Production Superintendent   | Approval Date: 1/6/2016               | Expiration Date: N/A |                                   |
| E-mail Address: gboans@jdmii.com   | Conditions of Approval:               |                      | Attached <input type="checkbox"/> |
| Date: 1/5/2016   | Phone: (575) 628-3932                 | FINAL                |                                   |

\* Attach Additional Sheets If Necessary

2RP-3409