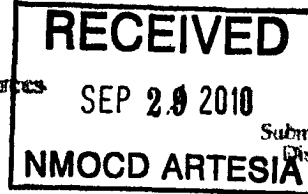


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
160 Rio Bravos Road, Artesia, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

30-015-02055

Release Notification and Corrective Action

SEB0230032501

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company: Melrose Operating (184860)	Contact: Barry Archer
Address: 20333 St. Hwy. 249 Suite 310 Houston, Tx. 77070	Telephone No.: (832) 698-7000
Facility Name: State 647 ACT 711 #89	Facility Type

Surface Owner	Mineral Owner: 30-015-02055	Lease No.
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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
K	27	18S	28E	2,310	S	1,650	W	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release: Injection Water	Volume of Release: 40 Bbls	Volume Recovered: <10 Bbls
Source of Release: Injection Line on Well # 89	Date and Hour of Occurrence: 9/29/09 @ 11:30 AM	Date and Hour of Discovery: 9/29/09
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Sherry Bonham	
By Whom? Gary Newton	Date and Hour: 9/29/09	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse:	

If a Watercourse was Impacted, Describe Fully: *

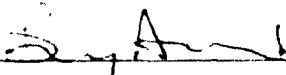
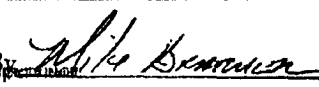
Describe Cause of Problem and Remedial Action Taken *

Injection Line Break. Line was repaired

Describe Area Affected and Cleanup Action Taken *

Impacted soils were excavated and sent to commercial disposal. A geo-textile (bentonite) mat was installed at a 4' depth and covered with clean topsoils in accordance with NMOCD approved Whole Earth Environmental protocol PR-137.

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 poses 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: 	OIL CONSERVATION DIVISION	
Printed Name: Barry Archer	Approved By: 	
Title: production Manager	Approval Date: SEP 30 2010	Expiration Date: N/A
E-mail Address: barry.archer@melrosereources.com	Conditions of Approval: N/A	Attached: ☐
Date: 8-25-10	Phone: (832) 698-7000	

* Attach Additional Sheets If Necessary

2RP-356