

District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

STATE OF NEW MEXICO
Energy Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999
Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR		<input type="checkbox"/> Initial Report	<input checked="" type="checkbox"/> Final Report
Name of Company Mallon Oil Company		Contact Terry Lindeman	
Address P.O. Box 2797 Durango, CO 81302		Telephone No. (970) 382-9100	
Facility Name East Blanco Salt Water Disposal		Facility Type Produced water injection	
Surface Owner Jicarilla Apache Tribe	Mineral Owner Jicarilla Apache Tribe	Lease No. 458	

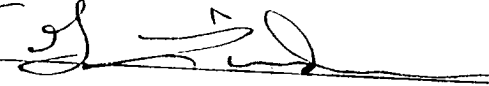
LOCATION OF RELEASE								
Unit Letter O	Section 7	Township 30N	Range 03W	Feet from the 790	North/South Line South	Feet from the 1450	East/West Line East	County Rio Arriba County

NATURE OF RELEASE		
Type of Release Produced Water	Volume of Release < 25 bbls	Volume Recovered ± 18 bbls
Source of Release Water Pump Filter	Date and Hour of Occurrence 2:40 am 7/22/99	Date and Hour of Discovery 3:10 am 7/22/99
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Staci Sanchez-Jicarilla Oil & Gas	
By Whom? Terry Lindeman	Date and Hour 3:00 pm 7/22/99	If YES, Volume Impacting the Watercourse. < 1 bbl
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
If a Watercourse was Impacted, Describe Fully.* See Attachment		

Describe Cause of Problem and Remedial Action Taken.*
A bolt failed on lid to filter container at the disposal pump location, allow fluid to discharge to surface.

Describe Area Affected and Cleanup Action Taken.*
The produced water ran ± 100 yds westerly down a pipeline row into a small drainage for ± 30 yds to the inlet of a contained manmade stock pond.
(Continue on 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.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Terry G. Lindeman	Approved by District Supervisor:	
Title: Operations Superintendent	Approval Date:	Expiration Date:
Date: 8/3/99	Phone: (970) 382-9100	Conditions of Approval:
Attach Additional Sheets If Necessary		Attached <input type="checkbox"/>