

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

### OPERATOR

☒ Initial Report ☒ Final Report

Name of Company	Manhattan Petroleum, Inc.	Contact	Connie Swan
Address	P.O. Box 35888	Telephone No.	(918) 621-6533
Facility Name	Caudill 1-33	Facility Type	Well location

Surface Owner	Ron Wallace	Mineral Owner	See attached	Lease No.	30.025.37604
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### LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	South Line	Feet from the	West Line	Lea County
M	33	14S	36E	660		500		

Latitude 33.05558N Longitude 103.31597W

### NATURE OF RELEASE

RELEASE DATE NOT CORRECT

Type of Release	Foam & water spray	Volume of Release	Volume Recovered -0-
Source of Release	Reserve pit	Date and Hour of Occurrence	Date and Hour of Discovery
		11/21 or 11/22 2006	11/24
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?		Date and Hour	
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.\*

Describe Cause of Problem and Remedial Action Taken.\*

Reserve pit was full of water and foam used for drilling. Wind storm blew water and foam out of the pit across the farm land to the east. Vacuum trucks hauled off several loads of water from the pit, lowering the level of fluid in the pit so it wouldn't blow out anymore.

Describe Area Affected and Cleanup Action Taken.\*

Area to the east was planted with alfalfa. There was no standing water or any amount that could be picked up.

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:	Connie Swan	Approved by District Supervisor:	
Title:	Regulatory Administrator	Approval Date:	5.11.07
E-mail Address:	CSSwan@manhattanpetroleum.com	Expiration Date:	
Date:	2/20/07	Phone:	(918) 621-6533
		Conditions of Approval:	Attached <input type="checkbox"/>

\* Attach Additional Sheets If Necessary

Incident - n PAC0713431848  
application - PAC0713431848  
LETTER OF VIOLATION WAS ISSUED 1-23-07 MAXIE  
5-8-07 - MAXIE CHECK FIELD - ALFALFA IN GOOD SHAPE  
RPH#1320

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**Oil and Gas Estate:** (Including leasing rights, delay rentals, bonus and royalty)**TRACT 1 (N/2 NW/4)**

The Vern D. Braswell and ..... All  
Esther Braswell Trust U/A/D  
1/10/83  
(Lease No. 28)

**TRACT 2 (N/2 S/2 NW/4)**

Marjorie Bell, separate property ..... 1/2 \*  
(Lease No. 3)

Tommy Rex Cody Bell, separate property ..... 1/4 \*  
(Lease No. 4)

Ginger Bell Morgan, separate property ..... 1/4 \*  
(Lease No. 5)

**\*Subject proportionately to a 1/16 nonparticipating royalty interest owned by:**

W.B. Tarwater, Jr., whose wife is Betty Tarwater ..... 1/3

Maurine V. McClung, whose husband is Virgil McClung ..... 1/3

Wesley L. Vinson, whose wife is Dorothy Vinson ..... 1/3

**TRACT 3 (S/2 S/2 NW/4 AND SW/4)**

W.B. Tarwater, Jr. .... 1/3 x 1/5  
(Lease No. 2)

Maurine V. McClung ..... 1/3 x 1/5  
(Lease No. 2)

Wesley L. Vinson ..... 1/3 x 1/5  
(Lease No. 18)

The Estate of H.H. Caldwell ..... 1/16 <sup>12.5 AC.</sup>  
(Unleased)

Waylan K. Shropshire, separate property ..... 1/16  
(Lease No. 24)

Midwest Royalties ..... 1/8  
(Lease No. 13)

Ray Davenport ..... 7/400 <sup>3.5 AC.</sup>  
(Unleased)

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Jerry Haynes, separate property ..... 13/1600  
(Lease No. 19)

Joseph Leroy Haynes, separate property ..... 13/1600  
(Lease No. 25)

Standard Royalty Corporation ..... 13/1600  
(Lease No. 17)

Hazel Hogan Riffel ..... 13/1600  
(Lease No. 22)

Rose Berger ..... 1/20  
(Lease No. 14)

Marian Shaw ..... 1/20 10.0 Ac.  
(Unleased)

Michael J. Then, separate property ..... 1/40  
(Lease Nos. 8 and 9)

The Estate of Estella G. Deroy, as her separate property ..... 1/40  
(Lease Nos. 6 and 7)

Ronald Porter ..... 1/20  
(Lease No. 1)

Billy J. McKibben, whose wife is Sue McKibben ..... 1/20  
(Lease No. 11)

Wells Fargo Bank, N.A., Trustee of the Carlin ..... 1/10  
Trust and Klein Trust U/W/O Virgil Linam,  
Deceased  
(Lease No. 20)

The Thelma A. Webber Living Trust ..... 1/10  
U/A/D 6/17/94, as restated 5/12/03  
(Lease No. 15)

David Arnold Williams, separate property ..... 3.33/400  
(Lease No. 16)

Donna Elaine Gill Dyer, separate property ..... 3.33/400  
(Lease No. 10)

Martha J. Harris, Trustee of the Debra Ortiz  
and Thomas and Ronald Harris Trust ..... 3.33/400  
(Lease No. 26)

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Gladys LaVerne Coudriet ..... 3.33/400  
(Lease No. 27)

The Estate of Theodore R. Johnson, Deceased ..... 3.34/200  
(Lease No. 23)

**EFFECTIVE OIL AND GAS LEASES**

(The Analysis for Lease Nos. 1 through 27 are reproduced from the Prior Title Opinion)

**Lease No. 1:**

Dated: May 1, 2003.

Recorded: 1225 LCR 493, amended 1298 LCR 803.

Lessor: Ronald Porter

Lessee: Choate Company, Inc.

Land Covered: Captioned Tract 3 only.

Interest Covered: Undivided 1/20 interest as to captioned Tract 3.

Primary Term: Three (3) years.

Royalty: On oil, or other liquid hydrocarbons saved at the well 3/16 of that produced and saved; on gas including casinghead gas or other gaseous substance used off the premises or used in the manufacture of gasoline or other products the market value at the well of 3/16 of the gas used provided that on gas sold on or off the premises 3/16 of the amount realized from such sale.

Shut-In Gas Royalty: Yes, payable on or before ninety (90) days after said well is shut-in, and thereafter at annual intervals, in the amount of \$1.00 per net acre (net \$10.00).

Delay Rentals: None, being a paid up lease.

Depository Bank: None designated.

Delay Rental Instructions: Not applicable.

Pooling Clause: Yes, units pooled not to exceed the standard proration unit fixed by law or the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico or by any other lawful authority for the pool or area in which said land is situated, plus a tolerance of 10%. Lessee must file written unit designations in the county in which the premises are located.

Lease Form: Producer's Revised 1994 New Mexico Form 342P, Paid-Up, being a Commence Operations Form Lease with Assignment Clause, Lesser Estates Clause and Warranty of Title.

Lease Riders: None.