

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 J. Cleo Thompson LP	Contact Jim Stevens
Address P.O. Box 12577 Odessa, TX 79768	Telephone No. 432-550-8887 Email jctwest@nts-online.net
Facility Name Milnesand Unit # 133	Facility Type Milnesand Unit # 133

Surface Owner Orbie Luman	Mineral Owner	Lease No.
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LOCATION OF RELEASE API # 30025/00430000

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	7	8S	35E					Roosevelt

Latitude 33°37'55.9" Longitude 103°23'47.8"

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 110 bbls +	Volume Recovered 0
Source of Release Corrosion of Flow Line	Date and Hour of Occurrence	Date and Hour of Discovery 9-6-05
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input 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.* Corrosion of Flow Line causing produced water to impact soil. Clamped Flow line. Contacted Elke Environmental on 9-28-06 to clean up affected area. Eight core samples have been taken and sent to lab. Water levels from USGS show to be 85 feet deep. Landowner found leak and cover up water and never told company.

← COMPANY PAID LANDOWNER TO COVER
ACCORDING TO INFO PROVIDED
TO NMOCD

Describe Area Affected and Cleanup Action Taken.* Spill area is approximately 55'x456'. Elke is proposing to dig and haul to J. J. Dan landfarm in Lovington, NM with contaminated material to a threshold of 1,000ppm or to solid rock, then Backfill with Material on site.

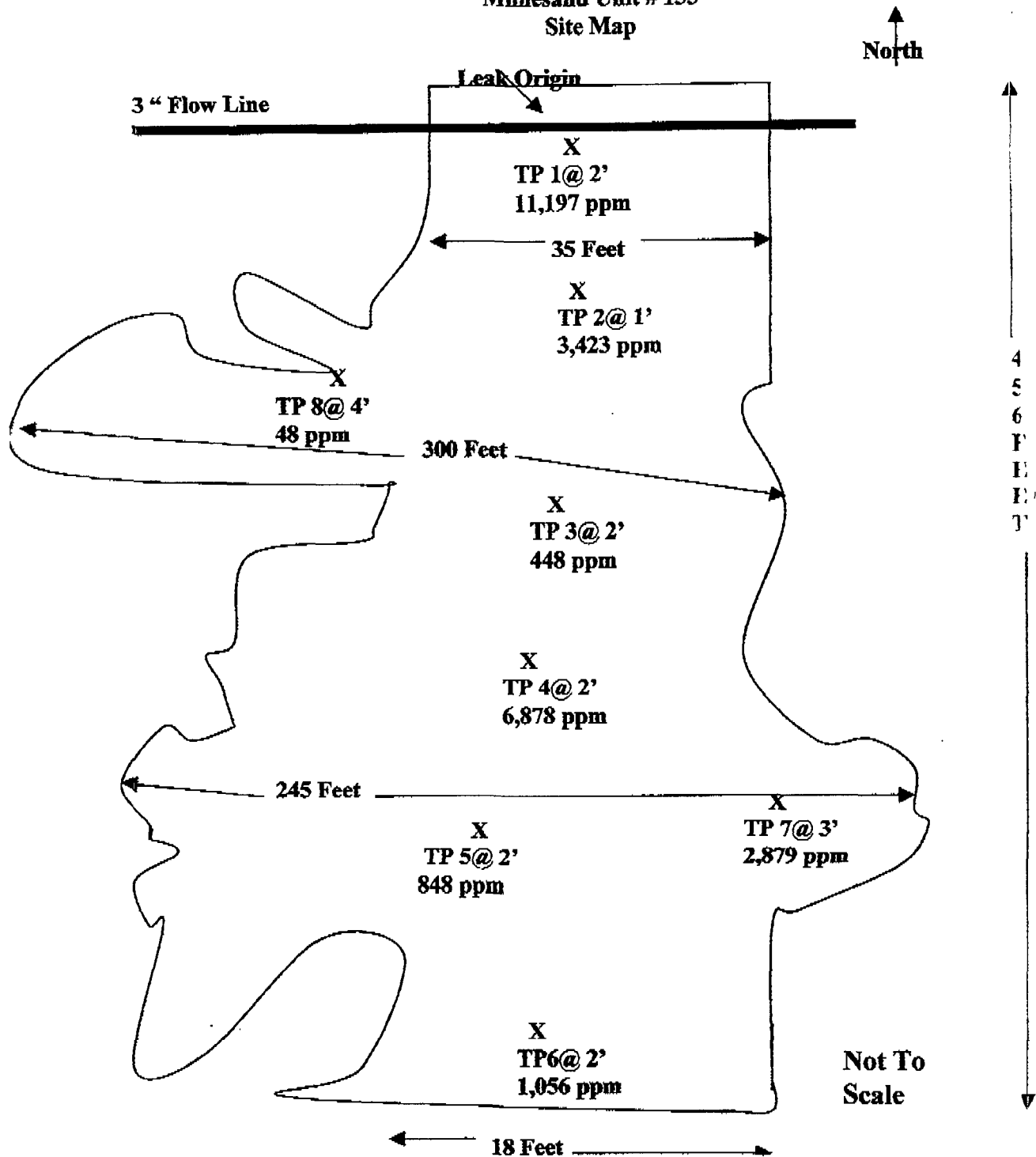
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger 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>Kim Baker</u>	OIL CONSERVATION DIVISION	
Printed Name: Kim Baker	Approved by District Supervisor: <u>[Signature]</u>	
Title: Field Supervisor	Approval Date: 6-27-07	Expiration Date:
E-mail Address: cilkeen@yahoo.com	Conditions of Approval: SUBMIT	Attached: <u>RP#1025</u>

Incident - NPAC0627638255
application - NPAC0627638438

J. Cleo Thompson & James Cleo Thompson Jr., LP
Oil Producers
117 West Yukon Road
P.O. Box 12577
Odessa, TX 79768

Milnesand Unit # 133
Site Map




**ARDINAL
LABORATORIES**
Kim Baker

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE TX 79603

PHONE (505) 393 2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR**J. CLEO THOMPSON****ATTN: JOHN HUGHES****P.O. BOX 12577****ODESSA, TX 79768****FAX TO: (432) 366-0743**

Receiving Date: 09/13/06

Reporting Date: 09/14/06

Project Number: NOT GIVEN

Project Name: NOT GIVEN

Project Location: NOT GIVEN

Analysis Date: 09/13/06

Sampling Date: 09/13/06

Sample Type: SOIL

Sample Condition: COOL & INTACT

Sample Received By: HM

Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H11528-1	#1 1 FT	10477
H11528-2	#1 2 FT	11197
H11528-3	#2 1 FT	3423
H11528-4	#3 1 FT	288
H11528-5	#3 2 FT	448
H11528-6	#4 1 FT	2655
H11528-7	#4 2 FT	6878
H11528-8	#5 2 FT	848
H11528-9	#6 2 FT	1056
H11528-10	#7 3 FT	2879
H11528-11	#8 4 FT	48
Quality Control		980
True Value QC		1000
% Recovery		98
Relative Percent Difference		3.0

METHOD: Standard Methods

4500-Cl⁻B

NOTE: Analyses performed on 1:4 w:v aqueous extracts.

Chemist

09-14-06

Date

H11528

PLEASE NOTE Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



ARDINAL LABORATORIES, INC.

2111 Beechwood, Adilena, TX 79603 101 East Marland, Hobbs, NM 88240
(405) 673-7001 Fax (405) 673-7020 (505) 393-2326 Fax (505) 393-2476

Page 1 of 2

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

[illegible]



ARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(815) 673-7004 Fax (915) 673-7020 (505) 943-2828 Fax (505) 943-2476

Page 2 of 2

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

[illegible]

† Cardinal cannot accept verbal changes. Please fax written changes to 805-393-2476.

FAX MESSAGE

From:

Elke Environmental, Inc.

P.O. Box 14167

Odessa, Tx. 79768-4167

Phone: 432-366-0043 Fax: 432-366-0884

From: KIM BAKER

To: LARRY JOHNSON

Fax #: 505-393-0720

Date: 10-1-06

No. of pages (incl. cover): 6

Comments:

Confidentiality Notice

The documents accompanying this fax communication contain confidential information. The information is intended only for the use of the intended recipient name above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or taking of any action in reliance on the contents of this faxed information except its direct delivery to the intended recipient who is named above is strictly prohibited. If you have received this fax in error, please notify us immediately by phone to arrange for the return of these documents to us. Thank you.

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Name of Company	J. Cle Thompson	Contact	John P. Hughes
Address	Box 12577 Odessa Tx 79768	Telephone No.	432-550-8887
Facility Name	Milnesand Unit	Facility Type	Well #?
Surface Owner	Orbie Luman	Mineral Owner	State
		Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	7	8 S	34 E		SW		SE	Roosevelt

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	C-1	Volume of Release	1 BBL	Volume Recovered	0
Source of Release	Flow line	Date and Hour of Occurrence		Date and Hour of Discovery	9-24-06
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	2:00 P.M.		
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.*

Flow line leak, repaired

Describe Area Affected and Cleanup Action Taken.*

10 ft x 10 ft

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: John P. Hughes		OIL CONSERVATION DIVISION	
Printed Name: John P. Hughes		Approved by District Supervisor:	
Title: Foreman	Approval Date:	Expiration Date:	
E-mail Address:	432-550-8887	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 9-24-06	Phone: 432-634-8403	LATER	

* Attach Additional Sheets If Necessary

505-760-9558

IRP-1025

GENERAL WELL IN AREA
CHLORIDES (30,000 PPM)
9-5-06 11:30-11:45 TALK w/ JOHN
OBSERVE PLANT. HE TO SUBMIT
(HAS 3 SAMPLES ON WAY TO CARDINAL)