

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	Momentum Operating Co	Contact	Bob Tidwell
Address	PO Box 2439 Albany, TX 76930	Telephone No.	(325) 762-3331
Facility Name	Teas Yates Unit 6-1(61)	Facility Type	Oil Production
Surface Owner	Danny Beery	Mineral Owner	BLM
		Lease No.	LC-067265

APZ # 30.025.21244.00.00

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	14	20S	33E	2310	South	990	West	LEA

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Salt water	Volume of Release	Volume Recovered
Source of Release	Injection Line	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	5-31-2009 5:00am 5/31/09 10:30 AM
By Whom?	Momentum Operating	Date and Hour	6-1-2009 10:00am
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	NONE

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

(LINE WAS REPLACED) Water @ 300ft Plus
1270 cubic yards of impacted soil was removed and transported to
Lea land, a clay liner of 12-18 inches was put in place, clean backfill was
used and the area was reseeded and has started to grow.

Describe Area Affected and Cleanup Action Taken.*

Clean up described above.

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	Rozanne Johnson for Momentum	OIL CONSERVATION DIVISION	
Printed Name:	Bob Tidwell	ENVIRONMENTAL ENGINEER	
Title:	Momentum Operating	Approval Date:	12.14.09
E-mail Address:	shelly@bitstreet.com	Expiration Date:	—
Date:	12/14/2009	Conditions of Approval:	—
Phone:	(325) 762-3331	Attached	<input type="checkbox"/>
		IRP #	09.6.2196

* Attach Additional Sheets If Necessary

Arc Environmental

P. O. Box 1772
Lovington, New Mexico 88260
(575) 631-9310
Rozanne Johnson ~ rozanne@valornet.com

September 3, 2009

Mr. Larry Johnson, Environmental Engineer Specialist
New Mexico Oil Conservation Division
1625 N. French Dr.
Hobbs, New Mexico 88240

RE: *Request for Site Closure*
Momentum Operating CO., INC.
Momentum West Teas Yates Unit 61 (API# 30.025.21244.00.00)
Lea County, New Mexico
UNIT L (NW/SW), Section 14, Township 20S, Range 33E

Dear Mr. Johnson:

On June 8, 2009, Arc Environmental, LLC (Arc), on behalf of Momentum Operating Co., INC. (Momentum), discussed a Preliminary Site Investigation and Remediation/Closure Plan with you for the Momentum West Teas Yates Unit 61. On June 15, 2009 the site closure was verbally approved by Mr. Larry Johnson, NMOCD, Hobbs, New Mexico, District 1 Office.

Site Background

The site is located on a portion of BLM property in remote Lea County, New Mexico at Unit L, NW ¼ of the SW ¼ of Section 14, Township 20S, Range 33E. The site is characterized by a right-of-way for oilfield pipelines in a pasture utilized for cattle grazing.

On May 31, 2009, approximately 200 barrels of injection line fluid was released from a Momentum injection line with 0 barrels being recovered. CW's Backhoe Service was retained to contain the release and repair the injection line under the direction of Momentum operations personnel. Excavation of the impacted soil was accomplished, temporarily stockpiling the soils on a poly liner. Approximately 1270 cubic yards of impacted soil was transported to the Lea Land Farm and Lazy Ace Land Farm depending on chloride results. The floor of the excavation was backfilled 12 to 18 inches with a clay liner, with the remainder of the backfill being indigenous soil obtained from a nearby

landowner. The site was contoured to the original rangeland grade and will be reseeded in August or September 2009 as weather permits with the landowner's approved grass seed mix.

Conclusion

The information provided in this letter documents the closure activities at this site. Based on past and current documentation, Arc, on behalf of Momentum, submit that remedial activities performed at this site have achieved NMOCD remedial goals, and requests that no "further action is required" and the site be released. Complete details showing achievement of the NMOCD remedial goals along with maps and text may be found in the Preliminary Site Investigation Report and Remediation/Closure Plan submitted as documentation to the NMOCD.

Should you have any questions or concerns, please contact Arc Environmental at (575) 631-9310 or Bob Tidwell with Momentum (325) 762-3331.

Sincerely,

Arc Environmental, LLC

Rozanne Johnson

Rozanne Johnson

Enclosure: NMOCD Form C-141
NMBLM Form NM 3162-1

Cc: Mr. Bob Tidwell, Momentum, Albany, Texas
Ms. Trisha Badbear, BLM, Hobbs, New Mexico
File

District I
1625 N French Dr, Hobbs, NM 88240
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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
JUN 05 2009
HOBBSOCD

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		<input checked="" type="checkbox"/> Initial Report	<input type="checkbox"/> Final Report
Name of Company	MOMENTUM OPERATING CO, INC	Contact:	BOB TIDWELL
Address	PO BOX 2439 ALBANY, TX 76430	Telephone No.	(325) 762-3331
Facility Name	TEAS YATES UNIT 6-1 (61)	Facility Type	OIL PRODUCTION
Surface Owner	DANNY BERRY	Mineral Owner	BLM
		Lease No.	LC-067265

LOCATION OF RELEASE


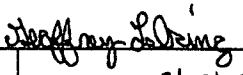
Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	14	20S	33E	2310	SOUTH	990	WEST	LEA

Latitude _____ Longitude _____

NATURE OF RELEASE

API # 30-025-21244-00-00

Type of Release	SALT WATER	Volume of Release	200 BBLs	Volume Recovered	N/A
Source of Release	INJECTION LINE	Date and Hour of Occurrence	5/31/09 5:00AM	Date and Hour of Discovery	5/31/09 10:30AM
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	IF YES, To Whom?	BLM		
By Whom?		Date and Hour	6/1/09 10:00AM		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	IF YES, Volume Impacting the Watercourse..	N/A		
If a Watercourse was Impacted, Describe Fully.* N/A					
Describe Cause of Problem and Remedial Action Taken.* INJECTION LINE LEAK; SHUT IN LINE, REPAIR LEAK					
Describe Area Affected and Cleanup Action Taken.* WE WILL EXCAVATE & SAMPLE (TOTAL WELL AVERAGE 73,000 CHLORIDE). HAUL CONTAMINATED SOIL TO DISPOSAL AND REPLACE WITH TOP SOIL					
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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: BOB TIDWELL		ENV ENGR Approved by District Supervisor: 	
Title: SECRETARY		Approval Date: 06/08/09	Expiration Date: 08/07/09
E-mail Address: shelly@bitstreet.com		Conditions of Approval: DELINEATE TO CLEAN UP. SUBMIT FINAL C-141 BY	
Date: 6/2/09 Phone: 325-762-3331		Attached <input type="checkbox"/> IRP-09-6-2196	

* Attach Additional Sheets If Necessary

FGRL0916226429

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
New Mexico State Office

REPORT OF THE UNDESIRABLE EVENT

DATE OF OCCURRENCE/DISCOVERY: 5-31-09 TIME OF OCCURRENCE: 7:00 AM
DATE REPORTED TO BLM: 6-1-09 TIME REPORTED: 10:00 AM
BLM OFFICE REPORTED TO: (FIELD/DISTRICT/OTHER) Field
LOCATION: (1/4 1/4) NW-SW SECTION 14 T. 20S R. 33E ^{UNIT LETTERS - L} MERIDIAN 2810' - FSL - 590 FWH
COUNTY: LEO STATE: N.M. WELL NAME TEAS-YATES #6-1
OPERATOR: COMPANY NAME Momentum Oil Co, Inc PHONE NO. 325-762-3331
CONTACT PERSON'S NAME Rickey Jones cell # 505-390-6504
SURFACE OWNER: BLM MINERAL OWNER: BLM
(FEDERAL/INDIAN/FEE/STATE)
LEASE NO.: 067265-A RIGHT-OF-WAY NO.: _____
UNIT NAME / COMMUNITIZATION AGREEMENT NO.: TEAS-YATES UNIT
TYPE OF EVENT, CIRCLE APPROPRIATE ITEM (S):
BLOWOUT, FIRE, FATALITY, INJURY, PROPERTY DAMAGE, OIL SPILL, SALTWATER SPILL, OIL AND
SALTWATER SPILL, TOXIC FLUID SPILL, HAZARDOUS MATERIAL SPILL, UNCONTROLLED FLOW
OF WELLBORE FLUIDS, OTHER (SPECIFY): _____
CAUSE OF EVENT: Equipment Failure

HazMat Notified: (for spills) _____
Law Enforcement Notified: (for thefts) _____
CAUSE AND EXTENT OF PERSONAL INJURIES/CAUSE OF DEATH(S): _____
Safety Officer Notified: _____
EFFECTS OF EVENT: _____
ACTION TAKEN TO CONTROL EVENT: _____
LENGTH OF TIME TO CONTROL BLOWOUT OR FIRE: _____
VOLUMES DISCHARGED: OIL _____ WATER 200 Bbls. GAS _____

Arc Environmental, LLC

P. O. Box 1772

Lovington, New Mexico 88260

rozanne@valornet.com

Rozanne Johnson (575) 631-9310

**PRELIMINARY SITE INVESTIGATION REPORT
and**

REMEDIATION/CLOSURE PLAN

**Momentum Operating CO., INC.
Momentum West Teas Yates Unit 61
Lea County, New Mexico
UNIT L (NW/SW), Section 14, Township 20S, Range 33E**

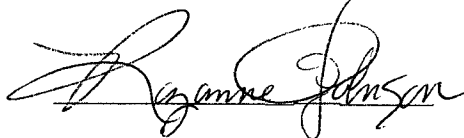
Prepared For:

**Momentum Operating CO., INC.
P. O. Box 2439
Albany, Texas 76430**

Prepared By:

**Arc Environmental, LLC
P. O. Box 1772
Lovington, New Mexico 88260**

June 12, 2009

A handwritten signature in black ink, appearing to read 'Rozanne Johnson', is written over a horizontal line.

Rozanne Johnson, Arc Environmental, LLC

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INTRODUCTION

Arc Environmental, LLC conducted a surface investigation of an injection line leak at the request of Momentum Operating CO., INC (Momentum), located on the Teas Yates Unit for the sole purpose of providing information for site cleanup and surface remediation on the behalf of Momentum. The on site investigation was conducted on June 8, 2009 in order to document surface conditions resulting from the release of production fluids during routine oilfield operations at the site. The extent of the surface contamination was somewhat evident due to the visible discoloration of the surface soil and stressed vegetation. The impacted soils were excavated and temporarily stockpiled on a poly liner for future remedial action or disposal.

This site is located in Unit L (NW/SW), Section 14, Township 20 South, Range 33 East, in Lea County, New Mexico (topographic Site Location Map is attached as Figure 1) on land owned by the Bureau of Land Management (BLM). The site is characterized by a right-of-way for the numerous pipelines of several operators in an undulating sand dune pasture utilized for cattle grazing. The visible surface stained area includes the release point covering an area approximately 160 feet long by 74 feet wide. Approximately 200 barrels of produced water was released from the Momentum injection line on May 31, 2009 and 0 barrels were recovered according to the release notification filed with the New Mexico Oil Conservation Division (see Appendix C).

SUMMARY OF FIELD ACTIVITIES

On June 8, 2009 Arc Environmental, LLC employee Rozanne Johnson conducted the surface investigation. During the investigation Mr. Rickey Jones with Momentum was present to discuss the activities that have been preformed at the site to date by Momentum Operating CO, Inc. and C W's Backhoe Service. These activities are listed as follows:

- Mr. Larry Johnson, New Mexico Oil Conservation Division (NMOCD), Hobbs, New Mexico District 1, and Ms. Trisha Badbear, BLM, Hobbs, New Mexico Office, have visited the site where the release occurred. A C-141 has been filed with the Oil Conservation Division, Hobbs, New Mexico District 1 Office (see Appendix C) and a BLM Report of Undesirable Event form was completed by Momentum and submitted to the BLM, Hobbs, New Mexico Office (see Appendix D, Report of Undesirable Event).
- The site was proposed to be a dig and haul clean up with the material that is excavated from the location being hauled to an approved disposal. The work on the site has already begun by initiating a One-Call to mark all respective lines in the area, as well as, hand spotting all lines in the proposed excavation area.

- The site was excavated with the impacted soils being temporarily stockpiled on a poly liner, sampled and then hauled to the disposals.
- The site was sampled on June 12, 2009 to determine that contaminants have been displaced to a level that would support restoration. The samples showed that the contamination had not been removed to a level that would support restoration.
- Larry Johnson with OCD and Trisha Badbear with BLM were contacted to alter the cleanup action. It was proposed that the site be excavated to 4 ft BGS in the saturated areas and a 12 to 18 inch clay layer be put in place. This change was agreed upon based on details of the site and the cleanup continued.
- The location was then backfilled with a 12 to 18 inch clay liner and clean indigenous topsoil, with restoration to the original topographical contour achieved.
- The location will be disced and reseeded to meet the landowner's (BLM) specifications. The grass-seed will be introduced to the site during the time of year that best promotes revegetation at the site.
- A search of the New Mexico State Engineers database revealed no groundwater depth information for that section. There are no surface water bodies or water wells within 1000 feet of the release site.

NEW MEXICO OIL CONSERVATION DIVISION (NMOCD) SOIL CLASSIFICATION

A search of the New Mexico State Engineers database revealed no groundwater depth information for that section or for any section within the area. There are no surface water bodies or water wells within 1000 feet of the release site. Based on this data, the site has an NMOCD Ranking Score of 0 –9, which sets the remediation levels at:

Benzene:	10 ppm
BTEX:	50 ppm
TPH:	5000 ppm

REMEDIATION/CLOSURE ACTIVITIES

Approximately 1270 cubic yards of impacted soil has been excavated and disposed of with 620 cubic yards testing above 1000 PPM Chloride going to Lea Land and 650 cubic yards testing below 1000 PPM chlorides to Lazy Ace Land Farm. Approximately 690 cubic yards of clean clay has been placed and compacted in the saturated areas

forming a 12 to 18 inch clay liner with 580 cubic yards of clean top soil and the remaining clean segregated overburden used to backfill the excavation. The site was contoured to the original rangeland grade surrounding the site and reseeded with BLM approved grass seed (BLM Mix #2). A request for closure will be submitted to the Hobbs District 1 office, upon completion of backfilling activities. Based on the results of the remediation activities conducted, Momentum requests approval from the OCD and BLM for final site closure.

QUALITY ASSURANCE (QA) AND QUALITY CONTROL (QC) PROCEDURES

Soil Sampling

- Soil samples were taken to Cardinal Laboratory in Hobbs, New Mexico. The samples were analyzed for TPH and Chlorides using the methods described below:
 - TPH concentrations in accordance with modified EPA Method 8015M GRO/DRO
 - Chloride concentrations in accordance with EPA Method 846-9253

Decontamination of Equipment

- Cleaning of the sampling equipment is the responsibility of the environmental technician. Prior to the use, and between each sample, the sampling equipment was cleaned with Liqui-Nox® detergent and rinsed with distilled water.

Laboratory Protocol

- The laboratory is responsible for proper QA/QC procedures after signing the chain-of-custody form. These procedures will either be transmitted with the laboratory reports or are on file at the laboratory.

LIMITATIONS

Arc Environmental, LLC, has prepared this Preliminary Investigation Report and Work Plan to the best of its ability. No other warranty, expressed or implied, is made or intended.

Arc Environmental, LLC, has examined and relied upon documents referenced in the report and has relied on oral statements made by certain individuals. Arc Environmental, LLC, has not conducted an independent examination of the facts contained in referenced materials and statements. We have presumed the genuineness of the documents and that the information provided in documents or statements is true and accurate. Arc Environmental, LLC, has prepared this report in a professional manner, using the degree of skill and care exercised by similar environmental consultants. Arc Environmental, LLC, also notes that the facts and

conditions referenced in this report may change over time and the conclusions and recommendations set forth herein are applicable only to the facts and conditions as described at the time of this report.

This report has been prepared for the benefit of Momentum Operating. The information contained in this report including all exhibits and attachments, may not be used by any other party without the express consent of Arc Environmental, LLC, and/or Momentum Operating.

DISTRIBUTION

Copy 1: Bob Tidwell
Momentum Operating
P. O. Box 2439
Albany, Texas 76430
(325) 762-3331

Copy 2: Rickey Jones
Momentum Operating
P. O. Box 2439
Albany, Texas 76430
(325) 762-3331

Copy 3: Larry Johnson
New Mexico Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240
(575) 397-0091
Larry.Johnson@state.nm.us

Copy 4: Trisha Badbear
Bureau of Land Management
Hobbs Field Office
414 W. Taylor
Hobbs, New Mexico 88240
(575) 393-9642


Copy 5: Arc Environmental, LLC
P. O. Box 1772
Lovington, New Mexico 88260
(575) 631-9310
rozanne@valornet.com

Copy _____


FIGURES

FIGURE 1

Bing Maps

 Hobbs, NM

Travel West of Hobbs to Unit Letter L
Section 14 Township 20S Range 33E in
Rural Lea County South of 62/180

 **FREE!** Use Bing 411 to find movies,
businesses & more: 800-BING-411

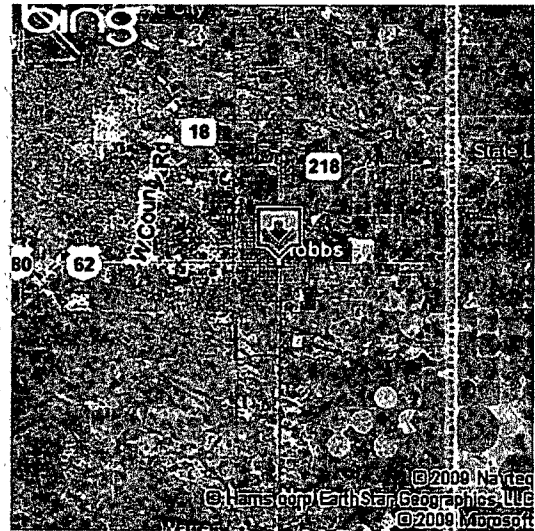
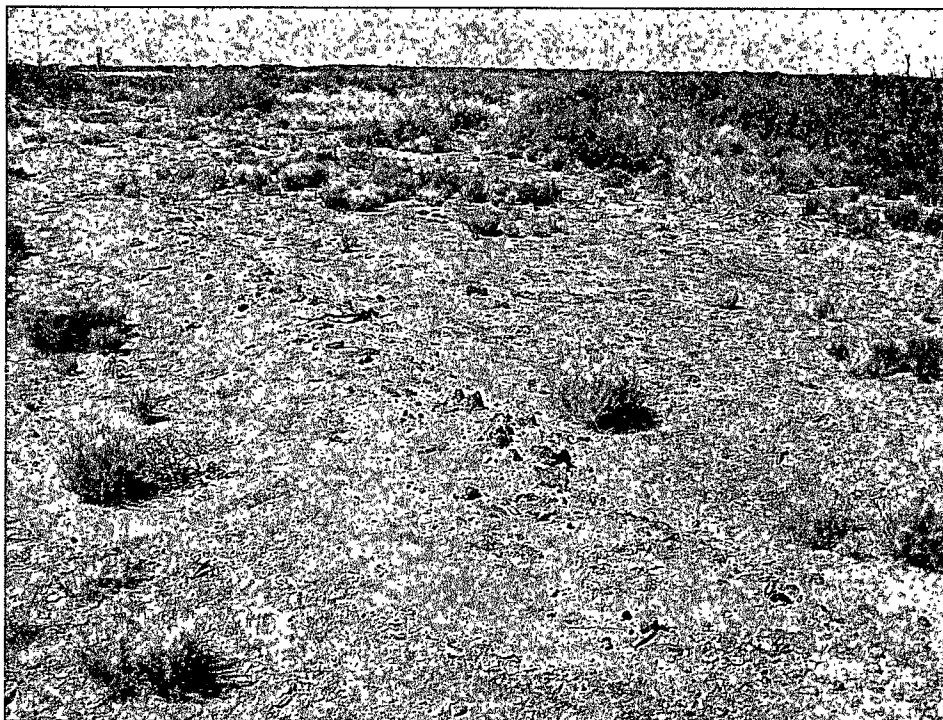
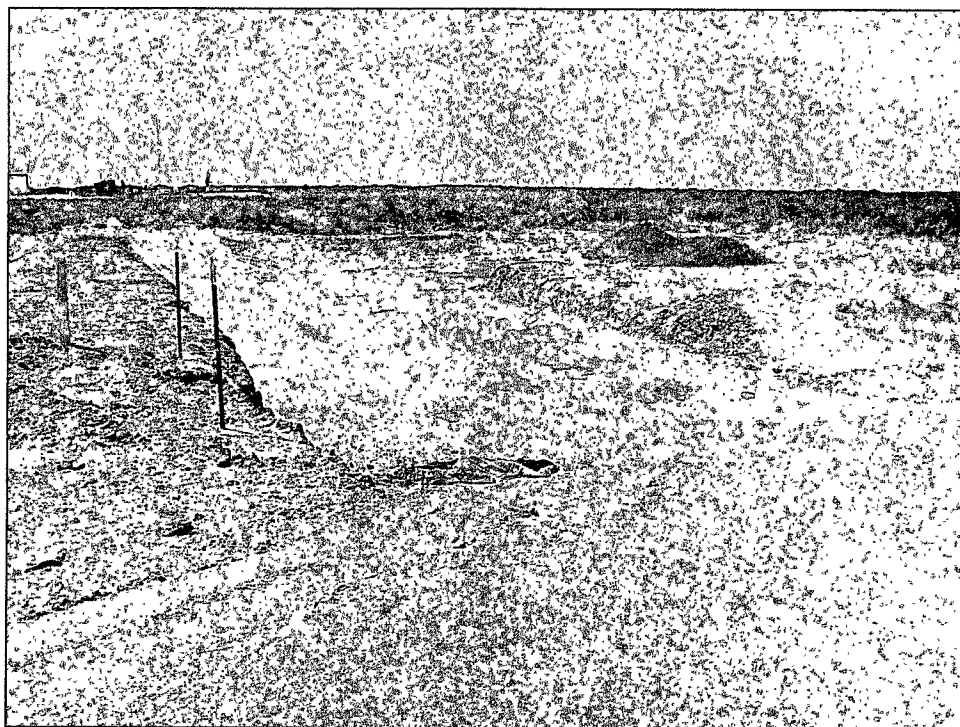


FIGURE 2



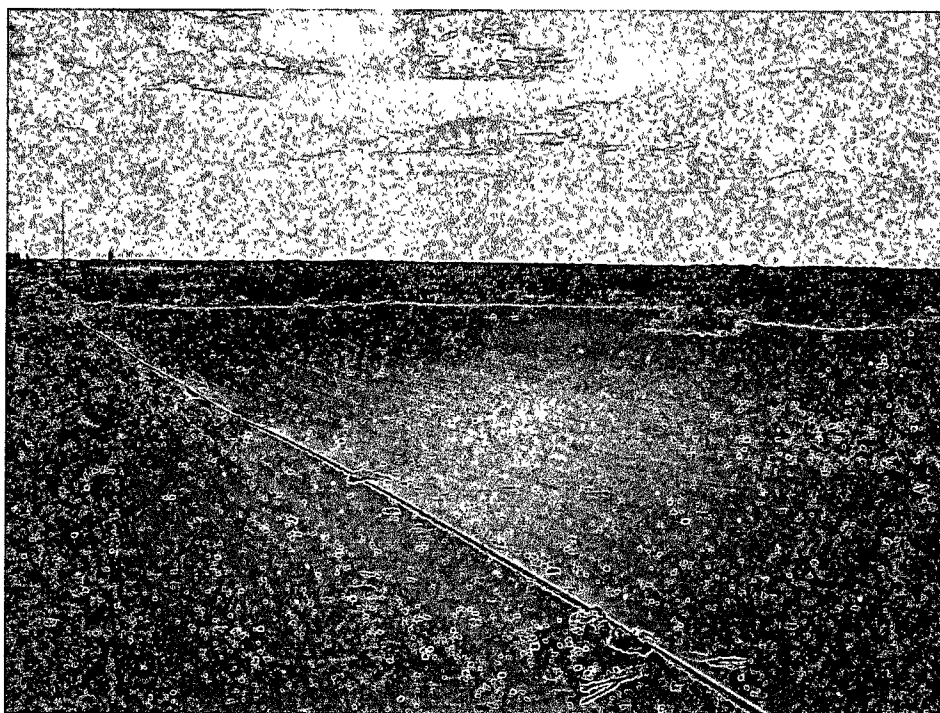
Site before work began.



Site following delineation. Excavating to a 5ft depth.



Site with clay liner in place.



Site following completion of backfilling and reseeded.

APPENDICIES

APPENDIX A



New Mexico Office of the State Engineer Water Column/Average Depth to Water

No records found.

Basin/County Search:

Basin: Lea County

County: Lea

PLSS Search:

Section(s): 10-24

Township: 20S

Range: 33E

Usage Filter:

Use: All Usages

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

6/11/09 8:29 PM

Page 1 of 1

WATER COLUMN/ AVERAGE
DEPTH TO WATER

APPENDIX B



ANALYTICAL RESULTS FOR
MOMENTUM
ATTN: RICKY JONES
P.O. BOX 578
ALBANY, TX 76430

Analysis Date: 06/14/09
Sampling Date: 06/12/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: HM

[illegible]

4500-CI-B

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

Date _____

H17819 Momentum

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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



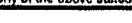


(575) 393-2326 Fax (575) 393-2476

Page 1 of 1

[illegible]

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 the client for the 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 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.

Sampler Relinquished:  Rozanne Johnson		Date: 6-12-2009 Time: 14:55		Received By:  E. J. LeBout		Phone Result: <input type="checkbox"/> No Fax Result: <input type="checkbox"/> No Add'l Phone #: Add'l Fax #:	
Relinquished By:		Date: Time:		Received By:		REMARKS: Send report & invoice to Rozanne (as per Rozanne 6/15/09) HSM	
Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Temp.		Sample Condition Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No		CHECKED BY: (Initials) 	

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.



ANALYTICAL RESULTS FOR
MOMENTUM
ATTN: RICKY JONES
P.O. BOX 578
ALBANY, TX 76430

Analysis Date: 06/14/09
Sampling Date: 06/12/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: HM

LAB NO.	SAMPLE ID	C ⁻ (mg/kg)
H17618-1	NORTH STOCKPILE	5,760
H17618-2	MIDDLE STOCKPILE	3,520
H17618-3	SOUTH STOCKPILE	2,960
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		2.0

4500-Cl-B

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

Chad Kane
Chemist

Date 06/16/09

H17618 Momentum

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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



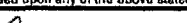


101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Company Name: <u>Momentum</u>				BILL TO				ANALYSIS REQUEST															
Project Manager: <u>Rickey Jones</u>				P.O. #:				<div style="writing-mode: vertical-rl; transform: rotate(180deg);">Chlorides</div>															
Address: <u>P.O. Box 578</u>				Company:																			
City: <u>Albany</u> State: <u>TX</u> Zip: <u>76430</u>				Attn:																			
Phone #: <u>(515) 390-6559</u> Fax #:				Address: <u>Same</u>																			
Project #: _____ Project Owner: _____				City:																			
Project Name: <u>Momentum West Teas</u>				State: _____ Zip: _____																			
Project Location: <u>West Teas Injection Line</u>				Phone #:																			
Sampler Name: <u>ROZANNE JOHNSON</u>				Fax #:																			
FOR LAB USE ONLY																							
Lab I.D.	Sample I.D.	(G/RAB OR (C)OMP.	# CONTAINERS	MATRIX				PRESERV.		SAMPLING													
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE	TIME									
H17618-1	North Stockpile	C	1			X				X			6-12	11:10	X								
-2	Middle Stockpile	C	1			X				X			6-12	11:15	X								
-3	South Stockpile	C	1			X				X			6-12	11:20	X								

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 the client for the 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 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, as 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.

Sampler Relinquished:  ROZANNE JOHNSON		Date: 6-12-2009 Time: 14:40		Received By: 		Phone Result: <input type="checkbox"/> No Add'l Phone #: Fax Result: <input type="checkbox"/> No Add'l Fax #:	
Relinquished By:		Date: Time:		Received By:		REMARKS: ROZANNE @ valor.net.com Send report & invoice to Rozanne (as per Rozanne 06/15/09 thru)	
Delivered By: (Circle One) <u>Sampler</u> - UPS - Bus - Other:		Temp. 9	Sample Condition Cool <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	CHECKED BY: (Initials) 			

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.



ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
CW'S BACKHOE
ATTN: CHARLES MOTES
P.O. BOX 1083
EUNICE, NM 88231
FAX TO: (575) 394-0132

Receiving Date: 06/02/09
Reporting Date: 06/16/09*
Project Owner: NOT GIVEN
Project Name: WEST TEAS INJECTION LINE
Project Location: NOT GIVEN

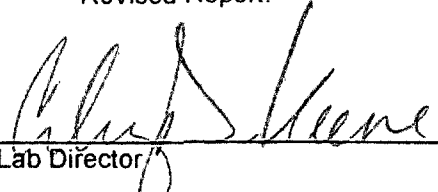
Sampling Date: 06/02/09
Sample Type: SOIL
Sample Condition: INTACT @ 27°C
Sample Received By: CK
Analyzed By: AB

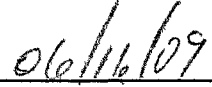
LAB NUMBER	SAMPLE ID	CI* (mg/kg)
ANALYSIS DATE		06/03/09
H17537-1	WEST TEAS INJECTION LINE	16,800
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		2.0

METHODS: Std. Methods 4500-CIB

Note: Analysis performed on a 1:4 w:v aqueous extract.

Revised Report.


Lab Director


Date

H17537CL CW

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Page ____ of ____

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Sampler Relinquished: Date: _____ Time: _____		Received By: _____ Date: _____ Time: _____		Phone Result: <input type="checkbox"/> No Add'l Phone #: _____ Fax Result: <input type="checkbox"/> No Add'l Fax #: _____ REMARKS: _____	
Relinquished By: <i>Bob Burris</i> Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Temp: <i>27°C</i> Sample Condition: Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> No <input checked="" type="checkbox"/> No		CHECKED BY: (Initials) <i>CBH</i>	

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

APPENDIX C

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

RECEIVED
JUN 05 2009
HOBBSOCD

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	MOMENTUM OPERATING CO, INC	Contact	BOB TIDWELL
Address	PO BOX 2439 ALBANY, TX 76430	Telephone No.	(325) 762-3331
Facility Name	TEAS YATES UNIT 6-1 (6)	Facility Type	OIL PRODUCTION
Surface Owner	DANNY BERRY	Mineral Owner	BLM
		Lease No.	LC-067265

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	14	20S	33E	2310	SOUTH	990	WEST	LEA

Latitude _____ Longitude _____

NATURE OF RELEASE

API # 30-025-21244-00-00

Type of Release	SALT WATER	Volume of Release	200 BBLs	Volume Recovered	N/A
Source of Release	INJECTION LINE	Date and Hour of Occurrence	5/31/09 5:00AM	Date and Hour of Discovery	5/31/09 10:30AM
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	BLM		
By Whom?		Date and Hour	6/1/09 10:00AM		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	N/A		

If a Watercourse was Impacted, Describe Fully.*

N/A

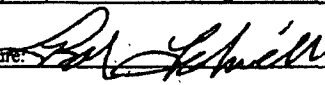
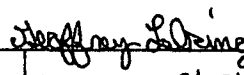
Describe Cause of Problem and Remedial Action Taken.*

INJECTION LINE LEAK; SHUT IN LINE, REPAIR LEAK

Describe Area Affected and Cleanup Action Taken.*

WE WILL EXCAVATE & SAMPLE (TOTAL WELL AVERAGE 73,000 CHLORIDE).
HAUL CONTAMINATED SOIL TO DISPOSAL AND REPLACE WITH TOP SOIL

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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: BOB TIDWELL	Approved by: ENV ENGR District Supervisor: 	
Title: SECRETARY	Approval Date: 06/08/09	Expiration Date: 06/07/09
E-mail Address: shelly@bitstreet.com	Conditions of Approval: DELINEATE TO CLEAN +1. SUBMIT FINAL C-141 BY	
Date: 6/2/09 Phone: 325-762-3331	Attached <input type="checkbox"/> IRP-09-6-2196	

* Attach Additional Sheets If Necessary

FGRLO916226429

APPENDIX D

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
New Mexico State Office

REPORT OF THE UNDESIRABLE EVENT

DATE OF OCCURRENCE/DISCOVERY: 5-31-09 TIME OF OCCURRENCE: 7:00 AM

DATE REPORTED TO BLM: 6-1-09 TIME REPORTED: 10:00 AM

BLM OFFICE REPORTED TO: (FIELD/DISTRICT/OTHER) Field

LOCATION: (1/4 1/4) NW-SW SECTION 14 T. 20S R. 33E ^{UNIT LETTER - L} MERIDIAN 2310'-P5L-590 P.W.

COUNTY: LEO STATE: N.M. WELL NAME: TEAS-YATES #6-1

OPERATOR: COMPANY NAME Momentum Oil Co, Inc PHONE NO. 325-762-7331
CONTACT PERSON'S NAME Rickey Jones cell # 505-390-6524

SURFACE OWNER: BLM MINERAL OWNER: BLM
(FEDERAL/INDIAN/FEE/STATE)

LEASE NO.: 067265-A RIGHT-OF-WAY NO.: _____

UNIT NAME / COMMUNITIZATION AGREEMENT NO.: TEAS-YATES UNIT

TYPE OF EVENT, CIRCLE APPROPRIATE ITEM(S):

BLOWOUT, FIRE, FATALITY, INJURY, PROPERTY DAMAGE, OIL SPILL SALTWATER SPILL OIL AND
SALTWATER SPILL, TOXIC FLUID SPILL, HAZARDOUS MATERIAL SPILL, UNCONTROLLED FLOW
OF WELLBORE FLUIDS, OTHER (SPECIFY):

CAUSE OF EVENT: Equipment Failure

HazMat Notified. (for spills) _____

Law Enforcement Notified: (for thefts) _____

CAUSE AND EXTENT OF PERSONAL INJURIES/CAUSE OF DEATH(S):

Safety Officer Notified: _____

EFFECTS OF EVENT: _____

ACTION TAKEN TO CONTROL EVENT: _____

LENGTH OF TIME TO CONTROL BLOWOUT OR FIRE: _____

VOLUMES DISCHARGED: OIL _____ WATER 200 Bbls. GAS _____