

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

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-015-37003

Release Notification and Corrective Action

nMLB1122439938

15363 OPERATOR

X Initial Report Final Report

Name of Company	MURCHISON OIL AND GAS, INC.	Contact	Tommy W. Folsom
Address	P.O.Box 627 - 110 W. Shaw, Carlsbad, NM 88221	Telephone No.	(575) 628 - 3932 Office (575) 706-0667 Mobil
Facility Name	Frosty Federal Com #1H	Facility Type	Production Battery

Surface Owner	Boggie Farms	Mineral Owner	Murchison Oil and Gas	Lease No.	NM 120349
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FED SURFACE

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	26	16S	27E	2285'	North	330'	East	Eddy

Latitude 32.89440 N Lat Longitude 104.24206 W Lon

NATURE OF RELEASE

Type of Release	Oil tanks ran over	Volume of Release	132	Volume Recovered	90
Source of Release	Tank Battery overflow	Date and Hour of Occurrence	7/9/11	Date and Hour of Discovery	7/11/11
Was Immediate Notice Given?	X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	OCD Randy Dade 7/11/11 0830 BLM Jim Amos 7/11/11 0800		
By Whom?	Tommy W. Folsom	Date and Hour	7/11/11 0800	NOT RECD BY MS	
Was a Watercourse Reached?	<input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
See attachment

Describe Area Affected and Cleanup Action Taken.*
See attachment

RECEIVED
JUL 18 2011
NMOCD ARTESIA

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:	<i>T. W. Folsom</i>	OIL CONSERVATION DIVISION	
Printed Name:	Tommy W. Folsom	Approved by District Supervisor:	<i>Mike Beaman</i>
Title:	Operations Manager	Approval Date:	AUG 12 2011
E-mail Address:	tommyfolsom@valornet.com	Expiration Date:	
Date:	7-11-11	Phone:	(575) 628 - 3932

Conditions of Approval:
Remediation per OCD Rules &
Guidelines. **SUBMIT REMEDIATION
PROPOSAL NOT LATER THAN:**

Attached 1

* Attach Additional Sheets If Necessary

9/12/2011
Samples required to be obtained
from all impacted areas - Notify OCD
48 hrs prior to obtaining samples
JRP-838

Attachment to Form C141
Murchison Oil and Gas, Inc.
Frosty Federal Com #1H
7/11/11

Describe Cause of Problem and Remedial Action Taken.*

This well is a rod pumping well, we had shut the unit off to stop pumping operation, due to our inability to sale oil. We had two tanks full one half full and the water tank was empty. The tbg line was left open and the csg was left open through an adjustable choke on a 10/64 to allow gas to continue to sale in a small volume. The well site has a monitoring system connected and was checked at 2000 hrs and a small flow was indicated as is expected, Around 2200 hrs the well started flowing at a high rate 68.46Bbls/hr and flowed a total of 890 Bbls. The spill was found at 1100 hrs by the lease operator and he secured the well and notified the production foreman The tanks recovered 694 Bbls Oil 64 Bbls water, with an estimated 132 Bbls inside retaining wall. We recovered 93 Bbls oil from inside the retaining wall with a small amount being released from a leak on the NE corner of the retaining wall 2 to 3 Bbls estimated. The inside of the retaining wall is covered with gravel and the gravel prevented complete recover of the spill. The complete recover will be in the cleanup. The tbg and csg were shut in until cleanup is completed and oil can be sold from storage tanks.

Describe Area Affected and Cleanup Action Taken.*

The area affected was the equipment and area inside the retaining walls of the battery facility. A small area on the South West corner of retaining wall maybe 10' long by 3' wide was contaminated.

The tanks walkway and equipment will be washed down, the rocks will be washed down to an area where a vacuum truck will pick up any additional fluid. The rocks will be picked up and hauled to CRI disposal the line will be washed down vacuuming up all water. The liner will be inspected and repaired as needed. New rock will be placed in containment area to protect liner. The area outside of containment that was contaminated will be removed to a depth required to insure all oil contaminated dirt is removed and hauled to CRI. New top soil and caliche will replace soil removed as needed.