

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

NMLB1122445702 *243874* OPERATOR Initial Report Final Report

Name of Company : Quantum Resources Management, LLC	Contact : Garrett Newton
Address : 1905 West Sears Ave., Artesia, New Mexico 88210	Telephone No. : 575-513-0230
Facility Name : Artesia Battery 1 to Artesia Battery 3 Water Transfer Line	Facility Type: Water Transfer Line

Surface Owner : State	Mineral Owner	Lease No. : API #30-015-31488
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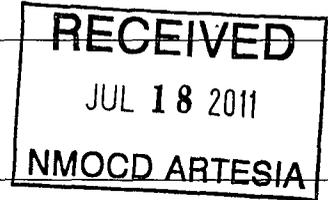
LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	35	17S	28E					Eddy

Latitude 32.78850 Longitude -104.14735

NATURE OF RELEASE

Type of Release : Produced Water	Volume of Release : 19-22 bbls	Volume Recovered: -0-
Source of Release : Pipeline	Date and Hour of Occurrence: 7/12/11 9:30 am	Date and Hour of Discovery: 7/12/11 9:30am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Voicemail NMOCD/Mike Bratcher	
By Whom? Mike Stubblefield	Date and Hour : 7/12/11 2:30 pm	
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.*

The hammer union on the pipeline parted causing release. The saturated soil was immediately excavated and transported to a NMOCD approved disposal facility.

Describe Area Affected and Cleanup Action Taken.*

The area affected was estimated to be 200 yards due north of the Artesia Unit # 88. The impacted area measured approximately 92' long by 18'-61' wide, in some areas. The impacted area on the lease road measured 43' long by 1'-2' wide.

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>Garrett Newton</i>	OIL CONSERVATION DIVISION	
Printed Name: Garrett Newton	Signed By <i>Mike Bratcher</i>	
Title: Field Supervisor	Approved by District Supervisor:	Approval Date: AUG 12 2011
E-mail Address: gnewton@pvtnetworks.net	Conditions of Approval:	Expiration Date:
Date: 7/13/11 Phone: 575-513-0230	Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

9/12/2011

2CP-839