

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., 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

**HOBBS OCD**

Form C-141  
Revised August 8, 2011

**JUL 05 2012** Submit to appropriate District Office in accordance with 19.15.29 NMAC.

**RECEIVED**

**Release Notification and Corrective Action**

**OPERATOR**

x  Initial Report  Final Report

Name of Company- McElvain Energy	Contact - Tony Cooper
Address - 1050 17 <sup>th</sup> Street Suite 2500 Denver Co 80265	Telephone No. 303-893-0933 cell 303-501-0004
Facility Name - McElvain #5 Facility	Facility Type - Tank Battery
Surface Owner - BLM USA	Mineral Owner - BLM USA
API No.- 30-025-29051	

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	25	18S	33E		660 FSL		810 FWL	Lea

**Latitude** 32.7131761435436 **Longitude**-103.622517463922

**NATURE OF RELEASE**

Type of Release - <i>PRODUCED WATER RELEASE</i>	Volume of Release - <i>EST 158 - 160 BBLs</i>	Volume Recovered - <i>EST 158 BBLs</i>
Source of Release - <i>400 BBL FIBERGLASS WATER TANK (above ground)</i>	Date and Hour of Occurrence <i>EST 7/3/2012 PM</i>	Date and Hour of Discovery <i>7/4/2012 AM</i>
Was Immediate Notice Given? Required X <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not	If YES, To Whom? <i>Spoke with Geoffrey Lecking (NMOCD) at 11:50 am on 7/5/2012 and reported the release. Will follow up with a Form C-141 initial release notification report.</i>	
By Whom? <i>Tony Cooper EHS Coordinator McElvain Energy Denver CO</i>	Date and Hour- <i>7/5/2012 11:50am</i>	
Was a Watercourse Reached? <input type="checkbox"/> Yes x <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <i>NA</i>	

If a Watercourse was Impacted, Describe Fully.\*  
*NA*

*GW @ 100'*

Describe Cause of Problem and Remedial Action Taken.\*

*Lightning strike to above ground produced water tank*

Describe Area Affected and Cleanup Action Taken.\*

*On 7/4/2012 a vacuum truck was called and recovered approximately 158 bbls of produced water contained within the tank containment area. The containment area was not breached by the release. The containment area was lined with a poly liner so the soil in the containment area is not expected to have been impacted by the release. Scheduling soil samples to be taken by local environmental contractor ASAP. Will test for THP BTEX and chlorides as per NMOCD requirements.*

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:		<b>OIL CONSERVATION DIVISION</b>	
Printed Name:		Approved by Environmental Specialist: <i>Geoff Lecking</i>	
Title:	Approval Date: <i>07/06/12</i>	Expiration Date: <i>09/06/12</i>	
E-mail Address:	Conditions of Approval: <i>SUBMIT FINAL</i>		Attached <input type="checkbox"/>
Date:	Phone:	<i>C-141 BY 09/06/12</i>	<i>IRP-7-12-2840</i>

\* Attach Additional Sheets If Necessary

**JUL 09 2012**