

istrict I
525 N. French Dr., Hobbs, NM 88240
istrict II
301 W. Grand Avenue, Artesia, NM 88210
istrict III
000 Rio Brazos Road, Aztec, NM 87410
istrict IV
220 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

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company McElvain Oil & Gas Properties, Inc.	Contact Reed Fischer
Address 1050 - 17th Street, Suite 1800 Denver, CO. 80265	Telephone No. (303) 893-0933 xtn 330
Facility Name Coogan Federal #3	Facility Type Wellhead

Surface Owner McNeill Ranch	Mineral Owner Bureau of Land Management	Lease No. NMLC 065525
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LOCATION OF RELEASE

API # 30 02 S 306 40 00 00

Unit Letter L	Section 1	Township 21S	Range 37E	Feet from the 2875	North/South Line North	Feet from the 990	East/West Line West	County Lea
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Oil	Volume of Release < 1 bbl oil	Volume Recovered all
Source of Release Wellhead Stuffing Box	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	Occurrence: ± Midnight on June 1, 2006	Discovery: ± Noon on June 2, 2006 by BLM Inspector
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.*

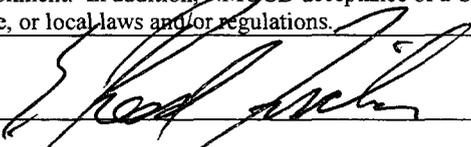
Describe Cause of Problem and Remedial Action Taken.*

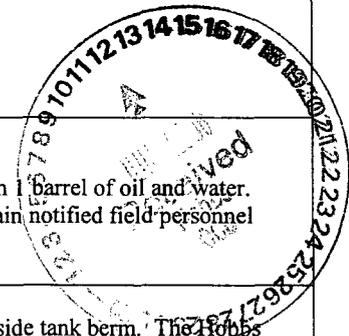
Stuffing Box packing leaked and small amount of oil was spilled and contained around wellhead. Estimated spill of less than 1 barrel of oil and water. McElvain was notified by Hobbs BLM on Friday June 3rd following a routine field inspection on Thursday June 4th. McElvain notified field personnel who shut down well, replaced stuffing box packing, cleaned up spill, and returned the well to production.

Describe Area Affected and Cleanup Action Taken.*

3 feet around wellhead was affected by spill. Contaminated soil was removed from wellhead area and will be remediated inside tank berm. The Hobbs BLM requested that a New Mexico Oil Conservation Division "Release Notification and Corrective Action" be prepared and sent to the BLM's Hobbs Field Office attention.

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: 	OIL CONSERVATION DIVISION	
Printed Name: E. Reed Fischer	Approved by District Supervisor: 	
Title: Operations Engineer	Approval Date: 6-13-06	ENVIRONMENTAL ENGINEER
E-mail Address: reedf@mcelvain.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: June 5, 2006 Phone: (303) 893-0933 xtn 330		



*incident - NPAC 0616541524
Application - NPAC 0616541780*