

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
2000 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

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Maralo, LLC	Contact Phillip Smith, Operations Manager
Address P. O. Box 832, Midland, TX 79702	Telephone No. 432-684-7441
Facility Name Jalmat Yates Unit, Well #22	Facility Type Waterflood Battery Well
Surface Owner Clay Osborn	Mineral Owner N/A
Lease No. 30-025-09766	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	013	25S	36E	1650	North	330	East	LEA

Latitude 32.132923 Longitude 103.210823

NATURE OF RELEASE

Type of Release oil/water	Volume of Release 1BO/6BW	Volume Recovered 0 barrels
Source of Release Flowline from the Jalmat Yates Unit, Well #24	Date and Hour of Occurrence 06/09/04; A.M. MST Hour	Date and Hour of Discovery 06/09/04; 10:45 A.M. MST
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mrs. Clay Osborn; Landowner, Phillip Smith & Donna Frazier; Maralo Office, & Sylvia Dickey; NMOCD Hobbs	
By Whom? Warren Hunt, Maralo LLC Pumper & Donna Frazier	Date and Hour 06/09/04 12:10 P.M. MST	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. 1 BO/ 6 BW	

If a Watercourse was Impacted, Describe Fully.*

Flowline from the Jalmat #24 well lies in a watercourse beside the pumping unit of the Jalmat #22 well. The point of release was from a hole in the Jalmat #24 flowline that was released at an area by the Jalmat #22 pumping unit.

Describe Cause of Problem and Remedial Action Taken.*

**Cause: Flowline leak from Jalmat #24 flowline.
Action: Clamped off flowline. Flowline repaired**

Describe Area Affected and Cleanup Action Taken.*

Area Affected: 2' wide X 170' long

Cleanup Action: All fluids released have already soaked into the soil or evaporated. No fluids were recoverable. No immediate cleanup action taken. Will wait on direction from NMOCD & Phillip Smith in Midland office.

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>Donna Frazier</i>	OIL CONSERVATION DIVISION	
Printed Name: Donna Frazier	Approved by District Supervisor: <i>Chris Williams</i>	
Title: Production Clerk	Approval Date: <i>5/2/07</i>	Expiration Date: <i>9/2/07</i>
E-mail Address: donnafrazier@maralo.com	Conditions of Approval: <i>Need a remediation plan and take corrective action</i>	Attached <input type="checkbox"/>
Date: 06/09/04	Phone: 432-684-7441	

* Attach Additional Sheets If Necessary

*incident - n PACO 71444 8625
application - p PACO 71444 8695*

RP# 1364

