

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

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Maralo, LLC	Contact Boyd Chesser, Operations Manager
Address P. O. Box 832, Midland, Texas 79702	Telephone No. 432-684-7441
Facility Name Jalmat Yates Unit, Well #8	Facility Type Waterflood Battery Well

Surface Owner Clay Osborn	Mineral Owner N/A	Lease No. 30-025-27020
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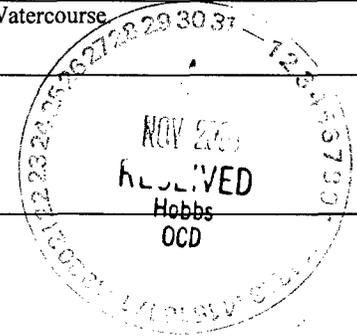
LOCATION OF RELEASE

Unit Letter O	Section 12	Township 25S	Range 36E	Feet from the 350	North/South Line South	Feet from the 2500	East/West Line East	County Lea
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Produced Injection water	Volume of Release 20BW	Volume Recovered None
Source of Release Injection Line Leak	Date and Hour of Occurrence 12:20 P.M. MST 11/26/04	Date and Hour of Discovery 12:20 P.M. MST 11/26/04
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Clay Osborn & Dennis Mann & OCD, Donna Frazier	
By Whom? Warren Hunt	Date and Hour 1:00 P. M. MST 11/26/04	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse No watercourse impacted	



If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Cause: Corrosion of injection line
Action: Shut in well, drained injection line. No recovery of volumes released

Describe Area Affected and Cleanup Action Taken.*
Affected area: An area on the East edge of pad location, and approximately 100 yards south off location down road and bar ditch.
Cleanup Action: Well is shut in. Have called to get backhoe out to dig up line and repair leak.

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>5/21/07</i>	Expiration Date: <i>9/21/07</i>
E-mail Address: <u>donnafrrazier@maralo.com</u>	Conditions of Approval: <i>No plan for remediation. Needs to be remediated to OCD guidelines</i>	Attached <input type="checkbox"/>
Date: 11/26/04 Phone: 432-684-7441 X 27		

* Attach Additional Sheets If Necessary

*incident - n PACO 7144450446
application - p PACO 7144450550*

RP# 1365