

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

OPERATOR

Initial Report Final Report

Name of Company Melrose Operating Company	Contact Anthony Beilman
Address 5813 NW Grand Blvd, Ste B Oklahoma, Ok	Telephone No. (214)762-0830
Facility Name Clossson B-18	Facility Type Well

Surface Owner BLM	Mineral Owner BLM	Lease No. 25185
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LOCATION OF RELEASE AP# 30025089610000

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	19	22S	36E	660	south	660	west	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

WTR > 300'

Type of Release flow line leak	Volume of Release 35	Volume Recovered 30
Source of Release	Date and Hour of Occurrence 1/16/07 10 am	Date and Hour of Discovery Jan 16 10
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? BLM & OCD	
By Whom? Cam Robbins	Date and Hour 1/16/07 10 am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

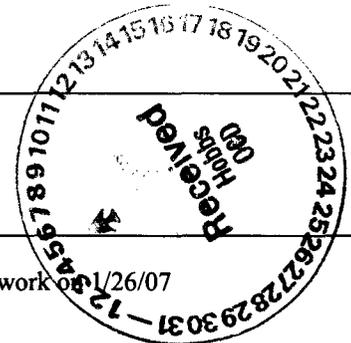
If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Flow line developed leak, replaced approx 840 feet of line

Describe Area Affected and Cleanup Action Taken.*

Repaired line, Dug out 100 yds of soil and took to land farm. Replaced with clean soil Compelted work on 1/26/07



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>A Beil</i>	OIL CONSERVATION DIVISION	
Printed Name: Anthony Beilman	Approved by District Supervisor: <i>[Signature]</i>	
Title: Operation Supt	Approval Date: 5.22.07	Expiration Date:
E-mail Address: trinityengineering@sbcglobal.net	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 01/29/2007	Phone: (214)762-0830	

* Attach Additional Sheets If Necessary

incident - n PAC0714339353
application - p PAC0714339439

RP# 1310

Form NM 3162-1
(August 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
New Mexico State Office

REPORT OF UNDESIRABLE EVENT

DATE OF OCCURRENCE/DISCOVERY: 1-16-07 TIME OF OCCURRENCE: 6AM

DATE REPORTED TO BLM: 1-16-07 TIME REPORTED: 10AM

BLM OFFICE REPORTED TO: (FIELD/DISTRICT/OTHER) Hobbs NM

LOCATION: (1/4 1/4) _____ SECTION 19 T. 22S R. 36E MERIDIAN _____

COUNTY: Lea STATE: NM WELL NAME Closson B Fed #18

OPERATOR: COMPANY NAME Melrose Oper. PHONE NO. 505-390-4666
CONTACT PERSON'S NAME Cam Robbins

SURFACE OWNER: ~~State~~ BLM MINERAL OWNER: Fed. BLM
25185 (FEDERAL/INDIAN/FEE/STATE)

LEASE NO.: API 30-025-08961 RIGHT-OF-WAY NO.: _____

UNIT NAME / COMMUNITIZATION AGREEMENT NO.: Closson B Federal

TYPE OF EVENT, CIRCLE APPROPRIATE ITEM (S):

BLOWOUT, FIRE, FATALITY, INJURY, PROPERTY DAMAGE, OIL SPILL, SALTWATER SPILL, OIL AND SALTWATER SPILL, TOXIC FLUID SPILL, HAZARDOUS MATERIAL SPILL, UNCONTROLLED FLOW OF WELLBORE FLUIDS, OTHER (SPECIFY):

Salt water spill

CAUSE OF EVENT: Broke Injection line

HazMat Notified: (for spills) _____

Law Enforcement Notified: (for thefts) _____

CAUSE AND EXTENT OF PERSONAL INJURIES/CAUSE OF DEATH(S):

Safety Officer Notified: _____

EFFECTS OF EVENT: ground contamination

ACTION TAKEN TO CONTROL EVENT: shut down line + well, + Pick up standing fluid, dig out line

LENGTH OF TIME TO CONTROL BLOWOUT OR FIRE: _____

VOLUMES DISCHARGED: OIL 1 WATER 3.5 GAS _____

OTHER AGENCIES NOTIFIED: NMDCD 1-16-07

ACTION TAKEN OR TO BE TAKEN TO PREVENT RECURRENCE: Replace 840' Inj. Line

FINAL INVESTIGATION:

TEAM NAME(S) _____

FIELD INSPECTION DATE _____

SUMMARY OF RESULTS OF INSPECTION _____

RESOURCE LOSS WAS (CIRCLE ITEM):

AVOIDABLE

UNAVOIDABLE

DATE OF MEMO NOTIFYING MINEALS MANAGEMENT SERVICE THAT LOSS WAS AVOIDABLE: _____

DATE/TIME/PERSON NOTIFIED:

DISTRICT OFFICE _____

STATE OFFICE _____

WASHINGTON OFFICE _____

SUMMARY OF RESULTS OF RECLAMATION/CORRECTIVE ACTION:

Dug out 100yds cont. soil + took to land farm
Replaced w/ clean soil Comp 1-26-07

REMARKS: _____

SIGNATURE OF AUTHORIZED OFFICER _____

DATE: _____ TITLE: _____