

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 <u>Liquid Resources LLC.</u>	Contact <u>Sidney PARCHMAN</u>
Address	Telephone No. <u>505-631-5624</u>
Facility Name <u>Hobbs St. well #3 SWD</u>	Facility Type <u>SWD</u>

Surface Owner <u>SAME</u>	Mineral Owner <u>SAME</u>	Lease No.
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LOCATION OF RELEASE

SWD-121

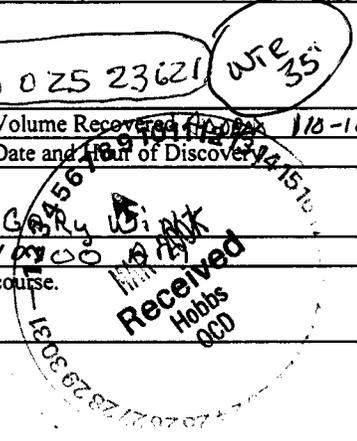
Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<u>B</u>	<u>29</u>	<u>18S</u>	<u>38E</u>					

Latitude _____ Longitude _____

NATURE OF RELEASE

API 3002523621 WTR 35"

Type of Release <u>Oil & PS & WATER</u>	Volume of Release <u>App. 120 BBL</u>	Volume Recovered <u>App. 110-115</u>
Source of Release <u>LOAD LINE</u>	Date and Hour of Occurrence	Date and Hour of Discovery <u>12/15/06</u>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <u>LARRY JOHNSON of GEARY DISTRICT</u>	
By Whom? <u>GEORGE PARCHMAN</u>	Date and Hour <u>12/15/06 10:00</u>	
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.* LEAK IN LOAD LINE, TRYING TO REPLACE BAD LINE. REMOVED LINE, IT WAS CLEAR, OIL STARTED TO SPOON OUT OF GUN BARREL COULD NOT SHUT IN, NO VALVE ONLINE, CAUSING THE PROBLEM. STOPPED COMING OUT. PICKED UP OIL WITH VACUUM TRKS. STARTED CLEAN UP WITH BACKHOE Haul CONTAMINATED DIRT TO SUNDAE.

Describe Area Affected and Cleanup Action Taken.*
OIL AROUND RAMP & SOME IN PLACES LOW PLACES ON LOCATION. ALL DIRT CLEANED UP & TAKEN TO APPROVED DISPOSAL (SUNDANCE) APPROX. 120 YDS OF DIRT (SAMPLES TAKEN & ATTACHED TEST)

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: <u>George Parchman</u>	OIL CONSERVATION DIVISION	
Printed Name: <u>GEORGE PARCHMAN</u>	Approved by District Supervisor: <u>[Signature]</u>	
Title: <u>LEASE OPERATOR</u>	Approval Date: <u>6-5-07</u>	Expiration Date: _____
E-mail Address:	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <u>12/18/06</u> Phone: <u>505-318-9127</u>	<u>INSTRUCTED OPERATOR TO REMOVE ALL IMPACTED SOILS</u>	

* Attach Additional Sheets If Necessary

RP# 322
1422