

**TEXLAND PETROLEUM
SHELTON #1
UNIT F SECTION 29, TWS. 16 S., RNG. 38 E.**

FINAL REPORT



**Prepared By
Eddie Seay Consulting
August 2007**

*RPH
1428*

August 29, 2007

NMOCD Environmental
ATTN: Chris Williams
1625 N. French Drive
Hobbs, NM 88240

RE: Texland Petroleum
Shelton #1
Spill

Mr. Williams:

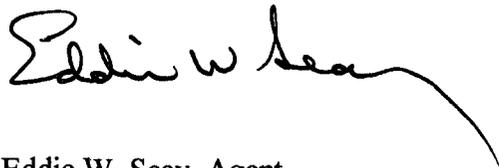
Texland has completed the remediation from the minor spill at its Shelton #1 location. During the drilling of the well, the drilling company allowed the pits to run over into the adjacent pasture. It was estimated that approximately ten barrels of salt water covered an area of 30' x 60'.

I talked with Gary Wink and Mark Whitaker about cleanup, and they advised me to continue cleanup and file all reports with final C-141.

The area was excavated and a total of 1900 cu. yds. was hauled to Sundance Disposal. After sampling and getting analytical approved, the excavation was backfilled and leveled. This concludes the work at this site. A new C-141 is attached with appropriate documentation.

If you have any questions, please call.

Sincerely,



Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
(505)392-2236
seay04@leaco.net

cc: Texland Petroleum

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Uraosa 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	Texland Petroleum-Hobbs, LLC	Contact	Vickie Smith/ Jerry Rodgers
Address	777 Main Street, Suite 3200, Fort Worth, TX 76102	Telephone No.	817-336-2751/806-781-3396
Facility Name	Shelton #1	Facility Type	active drilling location
Surface Owner	Clayton Hughes/Isaak Bos	Mineral Owner	FEF
		Lease No.	Fee

LOCATION OF RELEASE

Unit/ Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	29	16S	38E	1340	North	1872	West	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Brine water	Volume of Release	10 bbls	Volume Recovered	0 bbls
Source of Release	working pit	Date and Hour of Occurrence	1:00 am 6/27/07	Date and Hour of Discovery	1:00 am 6/27/07
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
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. *

Rig crew left centrifugal pump running unmanaged causing the working pit to overflow into surrounding corn field. Pump was turned off; water was absorbed by soil and has since dried.
NOTE: Texland Petroleum-Hobbs was not notified of the incident until 12:00 noon 6/30/07

Describe Area Affected and Cleanup Action Taken. *

An Approx 30' half circle of the farmer's corn field was affected, south side of location.
The top soil will be excavated as soon as possible by a dozer until a soil sample shows the contaminated soil had been removed.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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>Vickie Smith</i>		OIL CONSERVATION DIVISION	
Printed Name: Vickie Smith		Approved by District Supervisor: <i>Chris Williams</i>	
Title: Production Analyst		Approval Date: <i>8/20/07</i>	Expiration Date: <i>8/30/07</i>
E-mail Address: vsmith@texpetro.com		Conditions of Approval:	
Date: 7/3/07 Phone: 817-336-2751		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

API # 30025384350000



PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
 EDDIE SEAY CONSULTING
 ATTN: EDDIE SEAY
 601 W. ILLINOIS
 HOBBS, NM 88242
 FAX TO: (505) 392-6949

Receiving Date: 07/25/07
 Reporting Date: 07/25/07
 Project Owner: TEXLAND
 Project Name: TEXLAND SHELTON #1
 Project Location: SE LOVINGTON, NM

Analysis Date: 07/25/07
 Sampling Date: 07/24/07
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: AB
 Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/Kg)
H12975-1	SHELTON #1	176 ✓
H1275-2	SHELTON #2	144 ✓
H1275-3	SHELTON #3	2671
Quality Control		490
True Value QC		500
% Recovery		98
Relative Percent Difference		2.0

METHOD: Standard Methods	4500-Cl ⁻ B
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Note: Analyses performed on 1:4 w:v aqueous extracts.

Hope S. Moreno
 Chemist

07-25-07
 Date

H12975 E. SEAY

PLEASE NOTE Liability and Damages Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>Eddie Soay Consulting</u>		BILL TO		ANALYSIS REQUEST										
Project Manager: <u>Eddie Soay</u>		P.O. #:												
Address: <u>601 W Illinois</u>		Company:												
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88242</u>		Attn: <u>[Signature]</u>												
Phone #: <u>2-2236</u> Fax #: <u>2-6949</u>		Address:												
Project #: <u>Texland Oil</u> Project Owner: <u>Texland</u>		City:												
Project Name: <u>Texland Shelton #1</u>		State: Zip:												
Project Location: <u>SE Loupita</u>		Phone #:												
Sampler Name: <u>Eddie Soay</u>		Fax #:												
FOR LAB USE ONLY														
Lab I.D.	Sample I.D.	(GAL) OR (COMP)	# CONTAINERS	MATRIX					PRESERV.			SAMPLING		Chloride
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER	DATE	
H12975-1	Shelton #1	✓	1	✓						✓	7/24	4:45	✓	
-2	Shelton #2	✓	1	✓						✓	7/24	5:00	✓	
-3	Shelton #3	✓	1	✓						✓	7/24	5:20	✓	

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Relinquished By: <u>[Signature]</u>	Date: <u>7/25</u>	Received By: <u>[Signature]</u>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
	Time: <u>8:00</u>		Fax Result: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date:	Received By:	REMARKS: <u>ASAP</u>	
	Time:			
Delivered By: (Circle One)	Sample Condition		CHECKED BY:	
Sampler - UPS - Bus - Other:	Cool <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	(Initials)	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>Eddie Seay Consulting</u>	BILL TO	ANALYSIS REQUEST
Project Manager: <u>Eddie Seay</u>	P.O. #:	
Address: <u>601 W Illinois</u>	Company:	
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88242</u>	Attn: <u>Seay</u>	
Phone #: <u>2-2236</u> Fax #: <u>2-6949</u>	Address:	
Project #: <u>Taxland - Shelton</u> Project Owner: <u>Taxland</u>	City:	
Project Name: <u>Taxland pet. Shelton #1</u>	State: Zip:	
Project Location: <u>SE Lovington</u>	Phone #:	
Sampler Name: <u>Eddie Seay</u>	Fax #:	

Lab I.D.	Sample I.D.	(G)RAB OR (C)OMPO	# CONTAINERS	MATRIX						PRESERV.			SAMPLING		DATE	TIME	Chloride
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER					
H12486-1	Shelton # 1	✓	✓			✓					✓			7/26	6:30	✓	
-2	Shelton # 2	✓	✓			✓					✓				6:45	✓	
-3	Shelton # 3	✓	✓			✓					✓				7:00	✓	
-4	Shelton # 4	✓	✓			✓					✓				7:15	✓	
-5	Shelton # 5	✓	✓			✓					✓				7:30	✓	
-6	Shelton # 6	✓	✓			✓					✓				7:45	✓	
-7	Shelton # 7	✓	✓			✓					✓				8:00	✓	

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Relinquished By: <u>Eddie Seay</u>	Date: <u>7/26</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
	Time: <u>9:30</u>		Fax Result: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date:	Received By: <u>Jose S. Moreno</u>	REMARKS: <u>ASAP</u> <u>PRIORITY</u>	
	Time:			
Delivered By: (Circle One)	Sample Condition	CHECKED BY:		
Sampler - UPS - Bus - Other:	Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/>	(Initials)		
	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes			
	<input type="checkbox"/> No <input type="checkbox"/> No			

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 ATTN: EDDIE SEAY
 601 W. ILLINOIS
 HOBBS, NM 88242
 FAX TO: (505) 392-6949

Receiving Date: 07/30/07
 Reporting Date: 07/30/07
 Project Owner: TEXLAND
 Project Name: TEXLAND SHELTON #1
 Project Location: SE LOVINGTON, NM

Analysis Date: 07/30/07
 Sampling Date: 07/30/07
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: NF
 Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/Kg)
H12999-1	SHELTON 3-B	144
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		2.0

METHOD: Standard Methods 4500-ClB

Note: Analysis performed on a 1:4 w:v aqueous extract.

[Signature]

 Chemist

07-30-07

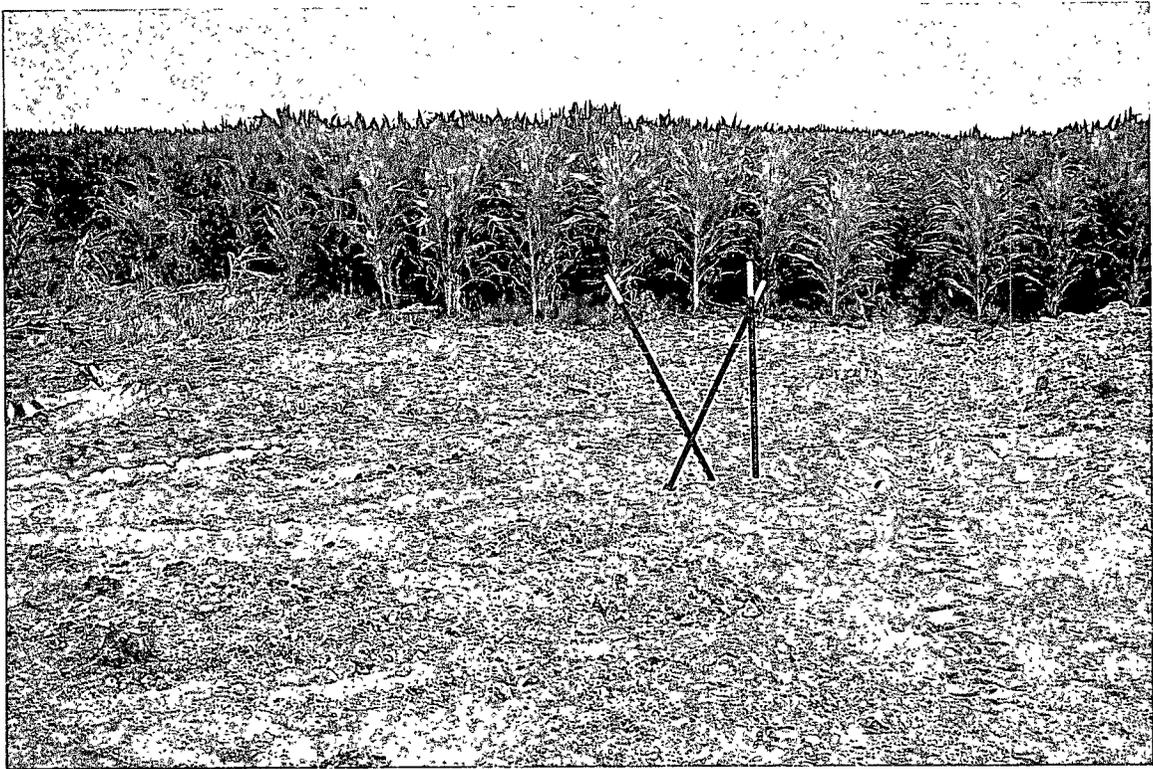
 Date

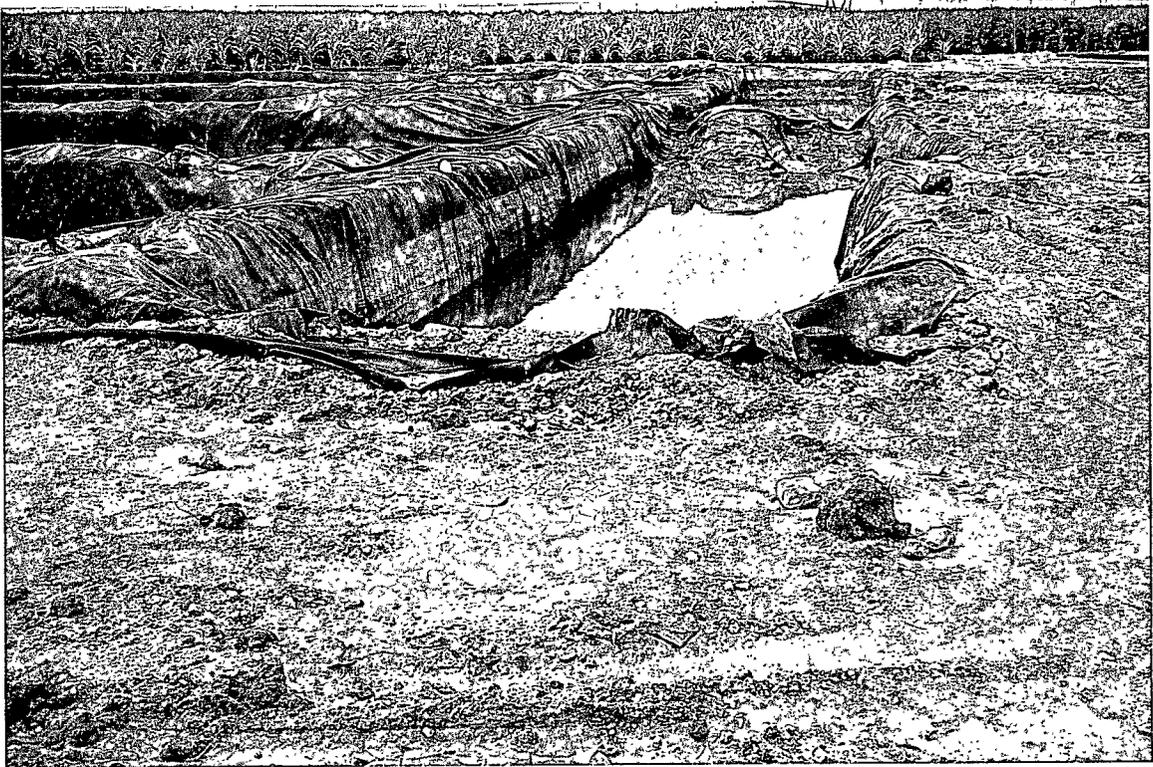
H12999 E. SEAY

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Before

Excavation







After

Excavation

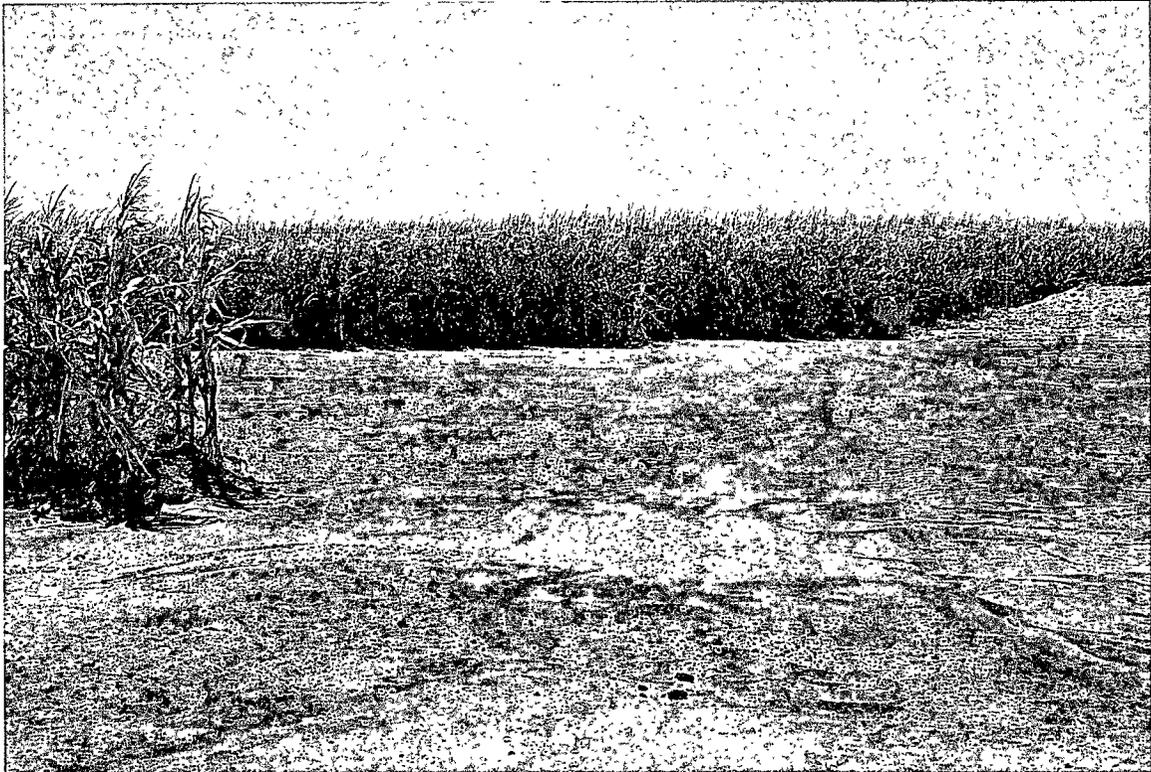




Final







District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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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>Texland Petroleum</u>	Contact <u>Vickie Smith</u>
Address <u>777 Main St. Suite 3200 Ft. Worth</u>	Telephone No. <u>817. 336. 2751</u>
Facility Name <u>Shelton #1</u>	Facility Type <u>Drilling Location</u>
Surface Owner <u>Hughes</u>	Mineral Owner <u>Fee</u>
Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<u>F</u>	<u>29</u>	<u>16</u>	<u>38</u>	<u>1340</u>	<u>N</u>	<u>1872</u>	<u>W</u>	<u>Lea</u>

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release <u>Brine Water</u>	Volume of Release <u>10kls</u>	Volume Recovered <u>0</u>
Source of Release <u>Pit ran over</u>	Date and Hour of Occurrence	Date and Hour of Discovery <u>4:27</u>
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? <u>6127</u>	
By Whom? <u>Vickie F. W. C-141</u>	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Pump was not shut off and ran pit over. soaked into soil in field.

Describe Area Affected and Cleanup Action Taken.*
area 30x60 was excavated + hauled to Sundance, bottoms + sides were sampled and approved. The excavated area was backfilled with soil from Hughes property.

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>Eddie W Seay</u>	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: <u>Eddie W Seay</u>	Approved by District Supervisor: <u>Chris Wilburn</u>	
Title: <u>Agent</u>	Approval Date: <u>8/30/07</u>	Expiration Date: <u>8/30/07</u>
Email Address: <u>seay04@leaco.net</u>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <u>8/27/07</u>	Phone: <u>2.2236</u>	

* Attach Additional Sheets If Necessary