

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	CINAREX Energy Co. of Colorado	Contact	Cliff Johnson
Address	P.O. Box 1237 Eureka N.M. 88231	Telephone No.	441-8498
Facility Name	Pennzoil 3 36 State (#1) & #2	Facility Type	Tank Battery
Surface Owner	State	Mineral Owner	State
		Lease No.	30-025-37991

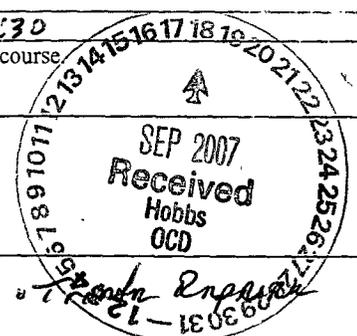
LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	36	19S	33E	1980 FNL	660 FEL			CRA

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	oil & water	Volume of Release	20 Bbls	Volume Recovered	10 Bbls
Source of Release	Heater Treater	Date and Hour of Occurrence	9/12/07	Date and Hour of Discovery	9/12/07 8:30am
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	MARKEY BROWN voice mail		
By Whom?	Cliff Johnson	Date and Hour	9/12/07 8:30		
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.*

Gasket split on line tube Heater Treater wells S.I. All fluid picked up.

Describe Area Affected and Cleanup Action Taken.*

Leak stayed on location. All fluid picked up.

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>Cliff Johnson</i>	OIL CONSERVATION DIVISION	
Printed Name:	Cliff Johnson	Approved by District Supervisor:	<i>Cliff Johnson</i>
Title:	Production Foreman	Approval Date:	9.18.07
E-mail Address:	CJohnson1@Cinarex.com	Expiration Date:	11.16.07
Date:	9/13/07	Conditions of Approval:	Attached <input type="checkbox"/>
Phone:	441-8498	① VERTICAL DELINEATION REQ	

* Attach Additional Sheets If Necessary

DUE TO G.W. DEPTH

RPH 1579