

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	Paladin Energy Corp	Contact	Mickey Horn
Address	12090 Monroe Drive, Suite 301, Dallas, TX 75230	Telephone No.	432-522-2162
Facility Name	State BTA #3	Facility Type	Producing Well – Tank Battery
Surface Owner	State of New Mexico	Mineral Owner	State of New Mexico
		Lease No.	B09950

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	02	12S	33E	1830	North	1980	East	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Oil and Water	Volume of Release	200	Volume Recovered	165
Source of Release	Tank Battery	Date and Hour of Occurrence	01/05/08 - AM	Date and Hour of Discovery	01/05/08 7:30 AM
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mickey Horn, Paladin Energy Corp's Manager of Operations		
By Whom?	Shane Ferguson, Pumper	Date and Hour	01/05/08 7:30		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

RECEIVED

JAN 14 2008

HOBBS OCD

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Free water knock out malfunctioned, flowing water in oil tank and running it over. Repair alarm and automatic shut down system.

Describe Area Affected and Cleanup Action Taken.*
With vacuum truck removed standing water and oil, scrapped up contaminated soil around tanks.

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>Ann Westberry</i>			OIL CONSERVATION DIVISION	
Printed Name:	Ann Westberry	Approved by District Supervisor:	<i>Chris Williams</i>		
Title:	Manager, Corporate Support	Approval Date:	<i>1/16/08</i>	Expiration Date:	<i>4/16/08</i>
E-mail Address:	awestberry@paladinenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>		
Date:	01/09/08	Phone:	214-654-01312 X4		

* Attach Additional Sheets If Necessary

RP # 1731