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 McElvain Oil & Gas Properties, Inc.	Contact E. Reed Fischer
Address 1050–17th St, Ste. 1800 Denver, Colorado 80265	Telephone No. (303) 893-0933
Facility Name McElvain # 5	Facility Type Tank Battery

Surface Owner U.S.A.	Mineral Owner U.S.A.	Lease No. NM-0245247

LOCATION OF RELEASE

API 30.025.29051

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	25	18S	33E	660 ft.	South	810 ft.	West	Lea County, New Mexico

Latitude 32.7130742 **Longitude** -103.621974

WTR 75'

NATURE OF RELEASE

Type of Release Water & Oil Spill from Water Storage Tank	Volume of Release 160 bbls	Volume Recovered 155 bbls
Source of Release Fiberglass Water Tank – Lightening Strike	Date and Hour of Occurrence Estimate Late P.M Aug 11, 2008	Date and Hour of Discovery 1030 on August 12, 2008
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Chris Williams of New Mexico OCD District 1	
By Whom? McElvain's Reed Fischer	Date and Hour 1155 on August 12, 2008	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

RECEIVED
AUG 18 2008
HOBBS OCD

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Lightening Strike on 400 barrel capacity fiberglass water tank some time in the late evening of August 11, 2008. All fluids contained in tank (8' 0" = 160 bbls) estimated at 145-155 Bbls of produced water and 5 – 15 bbls of oil were spilled and contained inside berm walls. Well SI. All fluids hauled to disposal by I&W truck & roustabouts contacted to remove contaminated soil and rebuild berms following installation of replacement water tank.

Describe Area Affected and Cleanup Action Taken.* Approx. 145 – 155 BW and Estimated 5 – 15 BO were spilled and contained inside tank berm. Please see attached SPCC diagram of tank berm dimensions. The well was shut-in & secured. I&W, Inc. trucks were dispatched to remove all free standing fluids, hauling all fluids to commercial disposal. Roustabouts scheduled to haul contaminated soil to disposal. The berms will be rebuilt once a replacement water tank is located and installed.

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: E. Reed Fischer	OIL CONSERVATION DIVISION
Printed Name: E. Reed Fischer	Approved by District Supervisor: ENVIRONMENTAL ENGINEER
Title: Senior Operations Engineer	Approval Date: 8.21.08 Expiration Date: 10.21.08
E-mail Address: reedf@mcelvain.com	Conditions of Approval: SUBMIT FINAL C-141 w/ DOCUMENTATION Attached ☐
Date: Aug. 12, 2008 Phone: (303) 893-0933 xtn 330	By 10.21.08

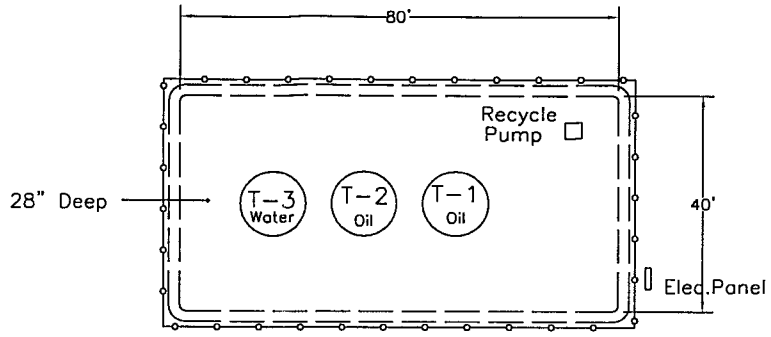
* Attach Additional Sheets If Necessary

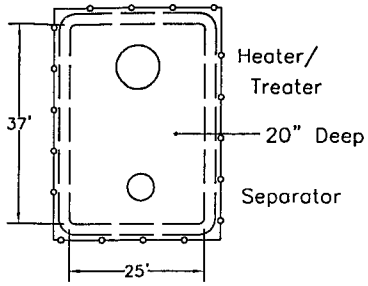
IRP# 1938

FGRL 0824236743

PLEASE INCLUDE THIS # ON ALL FOLLOW UP REPORTS FOR THIS INCIDENT

NOTE: AC062.0





Note:
Meter is located off site at the McElvain Fed. #4 location

Drainage

Note:
To meet SPCC Plan requirements the following repairs or changes need to be made:
-Tanks T5 & T6 need to be removed from the site.

Note:
T-4, 5 & 6 are 55 Gal Drums.
T4 has 38"x62"x9" plastic secondary containment.
T5 & T6 are not being used.

KEY:

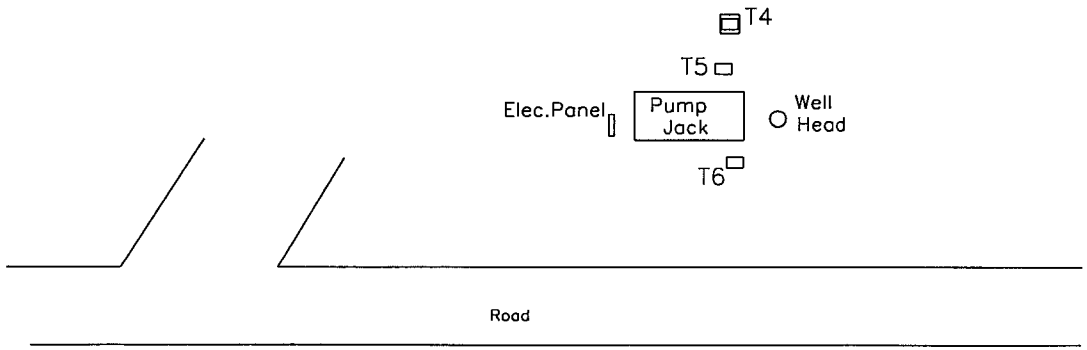
Tank
T1

Drainage Direction

Fence

Secondary Containment Boundary

(Dimensions taken from top inside of berm)



Approximate

GEOMAT INC

GEOMAT Project No. 43-0100

SPCC PLAN

Facility Layout & Surface Drainage

Date of Inspection: 1-22-2008

Facility Description

McElvain Lease Well No.5

NMNM 0245247

SW SW, Sec. 25, T18S, R33E

Lea County, New Mexico

McElvain Oil & Gas Properties, Inc

McElvain Oil & Gas Properties, Inc.
Spill Prevention, Control, and Countermeasure Plan
Potential spill sources at the facility are summarized in the following table:

Well: McElvain Lease Well #5

Oil Source	Associated Substance (Contents)	Potential Failure	Direction of Flow	Containment System(s)
Fixed Containers				
Oil Tank, #T1	Oil, 400 bbls	Leaks/Overflow/Tank Rupture/Corrosion	Southwest	Dike
Oil Tank, #T2	Oil, 400 bbls	Leaks/Overflow/Tank Rupture/Corrosion	Southwest	Dike
Water Tank, #T3	Produced Water, 400 bbls	Leaks/Overflow/Tank Rupture/Corrosion	Southwest	Dike
Mobil Containers				
Drum, #T4	Demulsifier, 55 gallons	Leaks/Overflow/Drum Rupture/Corrosion	Southwest	Plastic Drum
Empty Drum, #T5	Unknown	Leaks/Overflow/Drum Rupture/Corrosion	Southwest	None
Empty Drum, #T6	Unknown	Leaks/Overflow/Drum Rupture/Corrosion	Southwest	None
Operational Equipment				
Separator	Oil/Produced Water/Condensate	Leaks/Piping Rupture/Corrosion	Southwest	Dike
Heater/Treater	Oil/Produced Water/Condensate	Leaks/Piping Rupture/Corrosion	Southwest	Dike
Recycle Pump	Oil/Produced Water/Condensate	Leaks/Piping Rupture/Corrosion	Southwest	Dike
Pump Jack	Oil/Produced Water/Condensate	Leaks/Piping Rupture/Corrosion	Southwest	None
Two Electric Panels	N/A	N/A	N/A	N/A
Truck Loading/Unloading Areas				
Truck Loading	Oil/Produced Water	Leaks/Overflow/Tank or Piping Rupture/Corrosion	Southwest	Pipe Capped
Other Potential Spill Sources				
Wellhead/Flowlines	Oil/Produced Water	Leaks/Piping Rupture/Corrosion	Southwest	None

1) The material and construction of bulk storage containers are compatible with the material stored and the conditions of storage such as pressure and temperature

☒ Yes ☐ No

2) All secondary containments are constructed so that the entire capacity of the largest single container and sufficient freeboard to contain precipitation volume is provided for.

☒ Yes **Upon making repairs/changes noted on site plan.**

3) Berm areas are sufficiently impervious to prevent discharge of oil to navigable water. Secondary containment consists of native soil.

☒ Yes ☐ No

4) Visible discharges, which result in loss of product from containers, will promptly be corrected and any accumulations returned to the system.

☒ Yes ☐ No

Drums (generally >5 gallons) may be stored temporarily onsite and only in containment areas.