

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

RECEIVED
SEP 18 2008
HOBBS

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	Celero Energy II, LP	Contact	Lisa Hunt
Address	400 W. Illinois, Ste. 1601, Midland, TX 79701	Telephone No.	432/686-1883
Facility Name	VV Wallace Tank Battery WVLP3	Facility Type	Tank Battery
Surface Owner	Dean Kinsolving	Mineral Owner	Various private
		Lease No.	

LOCATION OF RELEASE

API 30 025 07148

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	6	12S	38E	1980	North	660	East	Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

WTR 30'

Type of Release	Oil	Volume of Release	520 bbls	Volume Recovered	510 bbls
Source of Release	Oil Storage Tanks	Date and Hour of Occurrence	9/4/08 am	Date and Hour of Discovery	9/4/08 am
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Maxey Brown		
By Whom?	Raymond Sizemore	Date and Hour	9/4/08 am		
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.*
Bottom on knock out fell out. Fluid was sucked up with a vacuum truck. Scraped surface of soil.

Describe Area Affected and Cleanup Action Taken.*
390 bbls were recovered inside the dike and 120 were recovered outside the dike. Highlander Environmental has been notified to take soil samples.

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>Lisa Hunt</i>	OIL CONSERVATION DIVISION	
Printed Name: Lisa Hunt	<i>J. Johnson</i> Approved by District Supervisor ENVIRONMENTAL ENGINEER	
Title: Regulatory Analyst	Approval Date: 9.23.08	Expiration Date: 11.20.08
E-mail Address: LHunt@celeroenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 9/17/08 Phone: 432/686-1883	SUBMIT FINAL C141 31	IRP# 1956

* Attach Additional Sheets If Necessary

FGRL 0827036735