

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 87500

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OCT 08 2008
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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 <u>CML Exploration</u>	Contact <u>Nolan von Roeder</u>
Address <u>PO Box 890 Snyder, Texas 79550</u>	Telephone No. <u>325-573-1938</u>
Facility Name <u>JFC 25 State #1</u>	Facility Type <u>Drilling Pit - Plugged Well</u>

Surface Owner State of NM	Mineral Owner State of NM	Lease No.
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LOCATION OF RELEASE

API 30 025 38740

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<u>E</u>	<u>25</u>	<u>17S</u>	<u>33E</u>	<u>1780</u>	<u>North</u>	<u>990</u>	<u>West</u>	<u>Lea</u>

Latitude 32.809 Longitude 103.622 Nad 83

WTE 160'

NATURE OF RELEASE

Type of Release <u>Leakage from drilling pit</u>	Volume of Release <u>Unknown</u>	Volume Recovered <u>none</u>
Source of Release <u>drilling pit</u>	Date and Hour of Occurrence <u>Unknown</u>	Date and Hour of Discovery <u>9/25/08 - morning</u>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <u>Wayne Price and Larry Johnson via email</u>	
By Whom? <u>Randall Hicks - agent for CML</u>	Date and Hour <u>9/25/2008 - 1:23 pm</u>	
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.*

No watercourse was impacted.

Describe Cause of Problem and Remedial Action Taken.*

Sampling demonstrates that the drilling pit released brine below the liner. After meeting with the landowner, CML will submit a remedial plan to NMOCD in accordance with Rule 116

Describe Area Affected and Cleanup Action Taken.*

After NMOCD approval of a remedial plan, CML will move forward with additional characterization and corrective action. See attachments that provide preliminary evaluation of the release.

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>Nolan von Roeder</u>	OIL CONSERVATION DIVISION <u>J. Johnson</u>	
Printed Name <u>Nolan von Roeder</u>	ENVIRONMENTAL ENGINEER	
Title: <u>Engineer</u>	Approved by District <u>Supervisor</u>	Approval Date: <u>10.15.08</u> Expiration Date: <u>12.15.08</u>
E-mail Address: <u>vonroedern@cmlexp.com &</u>	Conditions of Approval.	
Date: <u>October 6, 2008</u> Phone: <u>325-573-1938</u>	Attached <input type="checkbox"/> <u>SUBMIT FULL DELINEATION TO IRP# 1977</u>	

* Attach Additional Sheets If Necessary

'CLEAN' PLUS ONE ON HORIZONTAL & VERTICAL WITH PROPOSAL FOR CLOSURE FOR OCD APPROVAL.

PGRL 0834535534

Chloride Titration Results

$$C_{soil} (mg / kg) = (9997) \times \frac{Water (g)}{Soil (g)} \times \frac{AgNO_3 (ml)}{Solution (ml)}$$

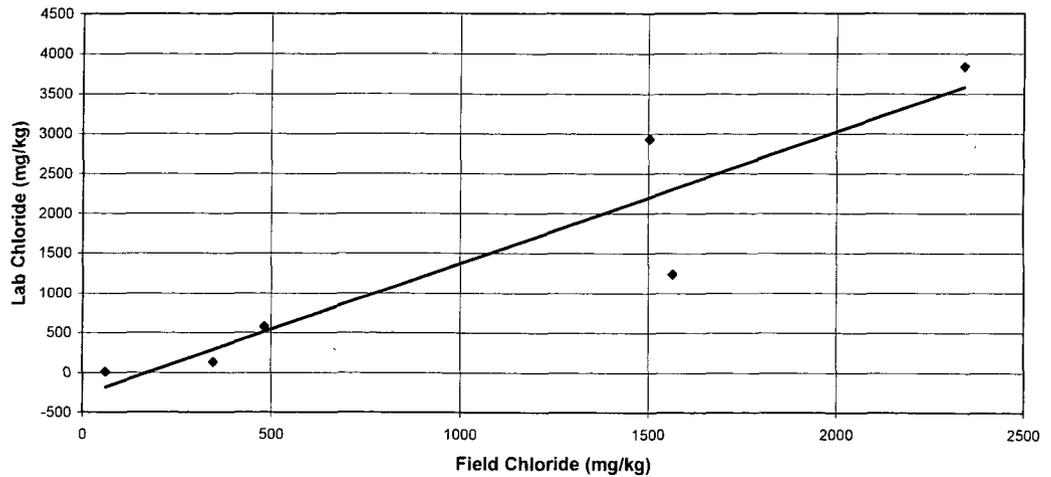
Client: CML Exploration

Site: JFC-25 Reserve Pit Sampling (September 23 & 24, 2008)

Soil Boring (MW)	Sample Depth (feet)	40 ml Vial Designation (A, B, etc.)	Soil Weight (grams)	Distilled Water Wt. (grams)	Extract Sol. Vol. (ml)	AgNO3 Volume (ml)	Chloride Concentration (mg/kg)	Remarks
Stkp W	Comp	A	12.8	26.6	10.0	0.04	83	
Stkp C	Comp	B	16.2	24.3	10.0	0.02	30	
Stkp E	Comp	C	14.4	26.3	10.0	0.02	37	
SE Pit	0.5	D	15.1	29.3	10.0	2.01	3,899	
SE Pit	4.0	E	11.4	30.4	10.0	0.13	347	
Cuttings	SE	F	19.9	27.5	10.0	11.40	15,749	
NE Pit	2.0	G	12.1	30.3	10.0	1.28	3,204	
NE Pit	4.0	H	10.6	29.1	10.0	0.57	1,564	
N Pit	2.0	I	12.8	28.1	10.0	0.12	263	
N Pit	4.0	J	14.3	27.6	10.0	0.25	482	
NW Pit	2.0	K	12.5	27.4	10.0	0.40	877	
NW Pit	5.0	L	12.8	26.2	10.0	0.03	61	
SW Pit	2.0	M	10.8	30.8	10.0	0.82	2,338	
SW Pit	5.5	N	13.2	29.2	10.0	0.68	1,504	

Field Cl	Lab Cl
347	131
1564	1240
482	575
61	5
2338	3840
1504	2930

Field vs Laboratory Chloride
CML JFC-25 Pit Samples



CML Exploration, LLC

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P.O. Box 890
Snyder, Texas 79550-0890

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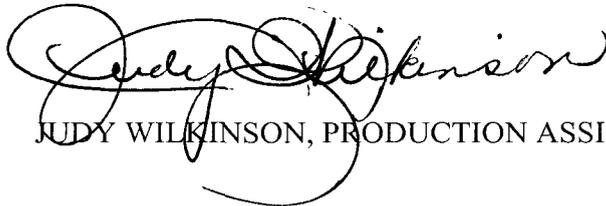
Telephone: (325) 573-0750
Facsimile: (325) 573-0749

October 7, 2008

State of New Mexico
Energy, Mineral & Natural Resources
Oil Conservation Division
Attention Larry Johnson
1625 North French Drive
Hobbs, NM 88240

JFC 25 STATE NO. 1
LEA COUNTY, NM

Enclosed is the Form C-141 for the JFC 25 State No. 1.



JUDY WILKINSON, PRODUCTION ASSISTANT