

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

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 DEC 12 2008
 HOBBSOCD

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Sagebrush Oil & Gas, LLC.	Contact Nelson Patton
Address 400 W Illinois Suite 950	Telephone No. 432-685-0169
Facility Name Bear #1	Facility Type Well

Surface Owner Tom Jones	Mineral Owner Fred Herman Bear III	Lease No.
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LOCATION OF RELEASE API # 30-025-30493-00-00

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	11	18S	38E	1980	North	1980	WEST	Lea

Latitude N32°45.825' Longitude W103°7.245'

WTR701

NATURE OF RELEASE

Type of Release Oil and Produced Water	Volume of Release Unknown	Volume Recovered Unknown
Source of Release Work Over Pit	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given?	If YES, To Whom?	
Unknown <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required		
By Whom?	Date and Hour	
Was a Watercourse Reached?	If YES, Volume Impacting the Watercourse.	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
 Breech of pit liner in work over pit. This occurred while owned by Beach Exploration.

Describe Area Affected and Cleanup Action Taken.*
 Original Pit area was 15x30x8 feet. The area was excavated to 35x80x8 and contaminated soil was hauled to Sundance Services in Eunice, NM. The bottom and south wall was then lined with a 20 mill liner and capped with clean native soil and leveled to prevent pooling.

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>Nelson W. Patton</i>	OIL CONSERVATION DIVISION	
Printed Name: NELSON W. PATTON	Approved by District Superintendent <i>[Signature]</i> ENVIRONMENTAL ENGINEER	
Title: VP of OPERATIONS	Approval Date: 12.18.08	Expiration Date:
E-mail Address:	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 12/10/08 Phone: 432) 685-0169	IRP-09-5-2183	

* Attach Additional Sheets If Necessary

FGRL0913528452