

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 **RECEIVED**  
Energy Minerals and Natural Resources  
Oil Conservation Division **OCT 16 2009**  
1220 South St. Francis Dr. **HOBBSOCD**  
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 <b>CELERO ENERGY II, LP</b>	Contact <b>Lisa Hunt</b>
Address <b>400 W. Illinois, Ste. 1601 Midland, TX 79701</b>	Telephone No. <b>(432)686-1883</b>
Facility Name <b>Glad Wallace #2</b>	Facility Type <b>Well</b>

Surface Owner <b>Dean Kinsolving</b>	Mineral Owner	Lease No.
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**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	31	11S	38E	1650'	South	1650'	East	Lea

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ API # **30-025-07115-00-00**

**NATURE OF RELEASE**

Type of Release <b>Produced water</b>	Volume of Release <b>100-150 bbls</b>	Volume Recovered <b>40 bbls</b>
Source of Release <b>Flowline</b>	Date and Hour of Occurrence <b>10/13/09 am</b>	Date and Hour of Discovery <b>10/13/09 pm</b>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <b>Geoffrey Leking</b>	
By Whom? <b>Lisa Hunt</b>	Date and Hour <b>10/14/09 11:00 am</b>	
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.\*

**WATER @ 36'**

Describe Cause of Problem and Remedial Action Taken.\*

Flowline busted. Doing immediate remediation by scraping up 8-12 inches of dirt off affected area & stock piling it on plastic on caliche pad.

Describe Area Affected and Cleanup Action Taken.\*

150 x 150 area affected. Tetra Tech will be running the assessment and taking 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.

**OIL CONSERVATION DIVISION**

Signature: *Lisa Hunt*

Printed Name: Lisa Hunt

Approved by **ENV ENGINEERING**  
District Supervisor: *Geoffrey Leking*

Title: Regulatory Analyst

Approval Date: **10/19/09**

Expiration Date: **12/21/09**

E-mail Address: **LHunt@celeroenergy.com**

Date: **10/14/2009**

Phone: **(432)686-1883**

Conditions of Approval: **DELINATE TO CLEAN + 1. SUBMIT FINAL C-141 BY 12/21/09.**

Attached

**IRP-09-11-2329**

\* Attach Additional Sheets If Necessary

**f GRL 0930936024**