

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

RECEIVED

MAR 29 2010

HOBBSUCD

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

Name of Company WARREN AMERICAN OIL CO.		OPERATOR <input checked="" type="checkbox"/> Initial Report <input type="checkbox"/> Final Report	
Address 6585 S. YALE, STE 800, TULSA, OK 74136		Contact JOHN BURROUGHS	
Facility Name HOBBS #3		Telephone No. 918-481-7925	
		Facility Type 918-481-7922	

Surface Owner JIMMY COOPER	Mineral Owner FEDERAL	Lease No. 009103
		RPI 30.025.06161

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	18	20S	37E	660	SOUTH	660	WEST	LEA

Latitude **32°34'04"** Longitude **103°17'50.5"**

WTR 30'

NATURE OF RELEASE

Type of Release OIL/WATER	Volume of Release 10	Volume Recovered 7
Source of Release HOBBS #3 WELL FLOWLINE	Date and Hour of Occurrence 3/19	Date and Hour of Discovery 3/19/10 2 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? LARRY JOHNSON, NMOCD JIMMY COOPER - LANDOWNER	
By Whom? JOHN BURROUGHS	Date and Hour JOHNSON @ 2:15 PM; COOPER @ 3:45 PM 3/19/10	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.* **N/A**

Describe Cause of Problem and Remedial Action Taken.* **SOMEONE CLOSED FLOWLINE VALVE ON WELLHEAD CAUSING PIPING TO BURST & RELEASING FLUID ONTO AREA APPROXIMATELY 8' WIDE X 90' LONG. ALL FLUID CONTAINED ON LOCATION. PUMPING UNIT WAS STOPPED AND PIPING REPAIRED AND VALVE OPENED. PRESSURE SWITCH INSTALLED TO SHUTDOWN PUMP IN FUTURE.**

Describe Area Affected and Cleanup Action Taken.* **FLUID FLOWED INTO AREA APPROXIMATELY 8' WIDE X 90' LONG BUT STAYED COMPLETELY ON LOCATION. VACUUM TRUCK WAS CALLED AND RECOVERED APPROXIMATELY 7 BBL OIL. A BACKHOE SKIMMED AFFECTED AREA DIRT & PLACED ON PLASTIC ADJACENT TO AREA.**

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: [Signature]	OIL CONSERVATION DIVISION	
Printed Name: JOHN BURROUGHS	Approved by District Supervisor: [Signature]	
Title: OPERATIONS MANAGER	Approval Date: 3.31.10	Expiration Date: 5.31.10
E-mail Address: J.BURROUGHS@WARRENAMERICAN.COM	Conditions of Approval:	
Date: 3/24/10	Phone: 918-481-7925	Submitted Final C-141 w/Docs BY [Signature]
		Attached <input type="checkbox"/> IRP# 10.3.2466

* Attach Additional Sheets If Necessary



WARREN AMERICAN
OIL COMPANY

March 25, 2010

RECEIVED
MAR 29 2010
HOBBSOCD

New Mexico Oil Conservation District
Attn: Larry Johnson
1625 N. French Drive
Hobbs, NM 88240

RE: Form C-141 and Work Plan
Hobbs Unit #3
Unit M, Sect 18, T20S, R37E
Lea Co., NM

Dear Mr. Johnson:

Attached is a work plan and Form C-141 (initial report) concerning a release of oil and produced water from Warren American Oil Company's Hobbs Unit #3 well. The release occurred on or about March 19th and was discovered at approximately 2 PM in the afternoon and you were notified by me soon thereafter. The release occurred due to a valve being closed by someone (not the lease operator) on the flowline next to the wellhead resulting in the piping bursting and allowing the fluids to escape. The initial action taken was to shutdown the pumping unit, vacuum up the freestanding fluid, and then scraping the contaminated dirt onto a plastic sheet. The proposed action will be to haul the contaminated dirt to an OCD approved disposal facility. A final report on C-141 will be filed once all operations are completed.

If you have any questions please call me at (918) 481-7925.

Sincerely,

A handwritten signature in black ink, appearing to read "John Burroughs".

John Burroughs
Operations Manager

Warren American Oil Company
Hobbs Unit #3
Unit M, Sect 18, T20S, R37E
GPS: 32 34'04" N 103 17' 50.5" W
Lea County, NM

RECEIVED
MAR 29 2010
HOBBSOCD

WORK PLAN

Prepared by:
John Burroughs
Operations Manager, Warren American Oil Company
March 25, 2010

WORK PLAN

General:

On or about March 19, 2010, piping burst near the wellhead on the Hobbs #3 pumping well. Approximately 10 Barrels of oil and produced water was released around the well. The area affected was approximately 8' wide by 90' long but was completely contained on the well's location. This work plan is to discuss Warren American Oil Company's plans to remediate the area.

Groundwater:

According to the water information, the depth of groundwater occurs at approximately 30 feet.

Remediation Proposal:

All freestanding fluid was picked up. The affected dirt was initially scraped up and placed on a plastic mat on the location. The proposed plan will be to scrape up any more contaminated dirt and then haul all of the contaminated dirt to an OCD approved disposal facility. After the contaminated soil has been removed the area will be sampled for final cleanup. After obtaining OCD approval the affected area will be smoothed and leveled.