

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

**RECEIVED**

Form C-141  
Revised October 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

JUL 12 2010

**HOBBSOCD**

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	Arco Tank Battery	Facility Type	Tank Battery

Surface Owner	Gary Jackson	Mineral Owner		Lease No.	306092
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**LOCATION OF RELEASE API # 30-025-31846-00-00**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	18	17S	39E	793	South	2271	East	Lea

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

**NATURE OF RELEASE**

Type of Release	Oil spill	Volume of Release	415 bbls	Volume Recovered	390 bbls
Source of Release	Tank overflowed	Date and Hour of Occurrence	7/6/10 @ 5pm	Date and Hour of Discovery	7/6/10am
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Buddy Hill		
By Whom?	Lisa Hunt	Date and Hour	7/6/10 @ 5pm		
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 @ 90'

Describe Cause of Problem and Remedial Action Taken.\*

Tank overflowed due to power issue. Lost about 350 bbls inside dike and 65 bbls outside dike. Fluid was sucked up with a vacuum truck.

Describe Area Affected and Cleanup Action Taken.\*

Approx 100 x 100 area affected. Tetra Tech has been notified and will run an assessment.

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>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Lisa Hunt	Approved by ENV ENGINNER District Supervisor: <i>Steve Perkins</i>	
Title: Regulatory Analyst	Approval Date: 07/14/10	Expiration Date: 09/14/10
E-mail Address: LHunt@celeroenergy.com	Conditions of Approval: DELINEATE TO CLEAN + 1. SUBMIT FINAL C-141 BY	Attached <input type="checkbox"/>
Date: 07/09/2010	Phone: (432)686-1883	IRP-10-9-2625

\* Attach Additional Sheets If Necessary