

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

30-015-02541

**Release Notification and Corrective Action**

NMLB1034337841

**OPERATOR**

X Initial Report  Final Report

Name of Company Melrose Oil & Gas 184860	Contact Garrett Newton
Address 1905 West Sears Ave., Artesia, New Mexico 88210	Telephone No. 575-513-0230
Facility Name Artesia State Unit #46	Facility Type WIW

Surface Owner	Mineral Owner	Lease No.
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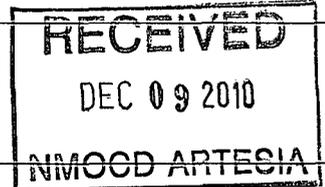
**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	3	18S	28E	2310'	East	2267'	West	EDDY

Latitude 32.7777 Longitude 104.1649

**NATURE OF RELEASE**

Type of Release Produced Waters	Volume of Release <25 bbls	Volume Recovered 15 bbls
Source of Release Flow line	Date and Hour of Occurrence 11/26/2010 1:00AM	Date and Hour of Discovery 11/26/2010 1:00AM
Was Immediate Notice Given? X Yes <input type="checkbox"/> No Not Required	If YES, To Whom? NMOCD after hours answering system.	
By Whom? Garrett Newton	Date and Hour 11/26/2010 am.	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	



If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*  
The flow line located north of the Artesia Unit #46 ruptured. The flow line was taken out of service and then repaired.

Describe Area Affected and Cleanup Action Taken.\*  
The affected area was located on the north side of the well near the flow line. The affected area was measured to be eighty-nine (89') feet long by forty-eight (48') wide. The saturated soil from the impacted area was excavated and transported to and NMOCD approved Solid Waste disposal facility. Talon/LPE has been contracted to construct a work plan for the correction 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: <i>Garrett Newton</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Garrett Newton	Approved by District Supervisor Signed By: <i>Mike Benjamin</i>	
Title: Field Supervisor	Approval Date: <b>DEC 09 2010</b>	Expiration Date:
E-mail Address: gnewton@pvtnetworks.net	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 12/8/2010	Phone: 575-513-0230	

REMEDATION per OCD Rules and Guidelines. SUBMIT REMEDIATION PROPOSAL BY: JAN 9, 2011

*2RP-495*

\* Attach Additional Sheets If Necessary