

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

Form C-141
Revised October 10, 2003

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

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-015-02056

Release Notification and Corrective Action

n MCB1035430698

OPERATOR

X Initial Report Final Report

Name of Company Melrose Oil & Gas 124860	Contact Garrett Newton
Address 1905 West Sears Ave., Artesia, New Mexico 88210	Telephone No. 575-513-0230
Facility Name State 647 AC 711 Water flood Station #86	Facility Type Water Flood Station

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
M	27	18S	28E	990'	South	330'	West	EDDY

Latitude 32.71420 Longitude 104.17128

NATURE OF RELEASE

Type of Release Produced Waters	Volume of Release 25-30 bbls	Volume Recovered 20 bbls
Source of Release Flow line	Date and Hour of Occurrence 12/6/2010 AM	Date and Hour of Discovery 12/6/2010 AM
Was Immediate Notice Given? X Yes <input type="checkbox"/> No Not Required	If YES, To Whom? NMOCD/Mike Bratcher	
By Whom? Garrett Newton	Date and Hour 12/6/2010 am.	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse	

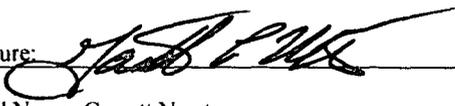
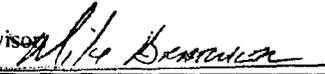
RECEIVED
DEC 15 2010
NMOCD ARTESIA

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
The flow line located of the State 647 AC 711 Water flood Station ruptured. The flow line was taken out of service and then repaired. A vacuum truck was brought to the site and 20 bbls of produced waters were recovered.

Describe Area Affected and Cleanup Action Taken.*
The affected area was located approximately fifty-four (54') feet on the south of the Water flood station. The affected area was measured to be one hundred and eleven (111') feet long by one hundred and fifty-five (155') wide. The saturated soil from the impacted area was excavated and stockpiled on a liner. 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: 	OIL CONSERVATION DIVISION	
Printed Name: Garrett Newton	Approved by District Supervisor Signed By: 	
Title: Field Supervisor	Approval Date: DEC 20 2010	Expiration Date:
E-mail Address: gnewton@pvtnetworks.net	Conditions of Approval:	Attached <input type="checkbox"/>

Date: 12/14/2010 Phone: 513-0230

REMEDATION per OCD Rules and
Guidelines. SUBMIT REMEDIATION
PROPOSAL BY: 1/20/2011

JRP-501

* Attach Additional Sheets If Necessary