

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

30-015-23694

Release Notification and Corrective Action

nscB0929950003

OPERATOR

Initial Report  Final Report

Name of Company: Melrose Operating Company OGRID 184860	Contact: Barry Archer
Address: 20333 State Hwy 249, Ste 310, Houston, TX	Telephone No. 832 698 7000
Facility Name: Conoco 7 State Battery	Facility Type: Battery

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
E	7	19S	29E					Eddy

Latitude N32.67714 Longitude W104.11526

NATURE OF RELEASE

Type of Release: Produced oil and water	Volume of Release: +5 bbls	Volume Recovered:
Source of Release: Line to heater ruptured	Date and Hour of Occurrence: 09/09/09	Date and Hour of Discovery: 09/09/09
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom? Gary Newton, Field Supervisor	Date and Hour: 09/09/09	
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.\*  
No

Describe Cause of Problem and Remedial Action Taken.\*  
Line to heater ruptured causing discharge in bermed battery area. The free fluids were immediately removed and sent to disposal.

Describe Area Affected and Cleanup Action Taken.\*  
All facilities were removed from the area. The area of the spill origin was excavated to a total depth of approximately 10' below the saturation zone. In mid-December, the affected area was cored to an approximate depth of 37' below ground surface and determined to have soil concentrations of TPH, BTEX and chlorides within the acceptance range. Lateral delineation of the site was completed on December 15th. With the depth to groundwater greater than 150', the ranking score for this site is zero. Approximately 855 cubic yards of brine contaminated soils were transported to the Lea Land commercial disposal facility near Carlisbad, New Mexico for internment. New soils were brought in to replace the excavated materials. In accordance with the approved protocol PR-132A, a 20 mil HDPE liner was installed atop compacted clay to a depth of 5-6' bgs and covered to ground level with mixed and blended soils having a maximum 500 ppm chloride concentration. A second surface liner was installed atop a 6" clay layer and extended to cover the containment berms. Tank Battery was re-built

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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>Renee Maldonado</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Renee Maldonado	Approved by District Supervisor: <i>Mike Brannan</i>	
Title: Regulatory Agent	Approval Date: <i>2/25/2011</i>	Expiration Date: <i>N/A</i>
E-mail Address: renee.maldonado@melroseenergy.com	Conditions of Approval: <i>N/A</i>	Attached <input type="checkbox"/>
Date: 03/12/10	Phone: 832 698 7000	

\* Attach Additional Sheets If Necessary

IRP-355