

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

30-015-01747

Release Notification and Corrective Action

NMLB 1112932046

243874

OPERATOR

Initial Report Final Report

Name of Company Quantum Resources Management, LLC	Contact Garrett Newton
Address 1905 West Sears Ave., Artesia, New Mexico 88210	Telephone No. 575-513-0230
Facility Name Artesia Battery 1 to Battery 3 Transfer line	Facility Type Water Transfer line

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

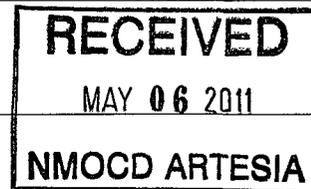
Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	35	T17S	R28E	2187'	FSL	2310'	FWL	EDDY

Latitude 32.79069N Longitude 104.14837W

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 10 BBLS	Volume Recovered -0-
Source of Release Water Transfer line	Date and Hour of Occurrence 04/29/2011 2:00 pm	Date and Hour of Discovery same
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? NMOCD/Mike Bratcher	
By Whom? Garrett Newton	Date and Hour 04/29/2011 2:15 pm	
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.*



Describe Cause of Problem and Remedial Action Taken.*

The water transfer line coming from the Artesia Battery No. 1 to the Artesia Battery No. 3 was found to be leaking. The line was shut-in, excavated and repaired.

Describe Area Affected and Cleanup Action Taken.*

The impacted area is located north of the Apache Corporation D State No. 17 well location. The weather at the time of the release was dry and windy. The impacted area was measured to be by forty-five feet (45') long by thirty feet (30') wide. The impacted soil was immediately excavated and placed on a liner. Talon/LPE has been contracted for the construction of a work plan and the correction of the impacted 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: <i>Garrett L Newton</i>	OIL CONSERVATION DIVISION	
Printed Name: Garrett Newton	Signed By <i>Mike Bratcher</i> Approved by District Supervisor:	
Title: Field Supervisor	Approval Date: <i>5/9/2011</i>	Expiration Date:
E-mail Address: gnewton@pvtnetworks.net	Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	Attached <input type="checkbox"/>
Date: 05/4/2011 Phone: 575-513-0230	<i>6/9/2011</i>	

* Attach Additional Sheets If Necessary

Incident Tracking: Artesia Unit #22
30-015-01747

2RP-775