

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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 August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company	Murchison Oil & Gas, Inc.	Contact	Greg Boans
Address	1100 Mira Vista Blvd, Plano, TX 75093	Telephone No.	(575) 628-3932
Facility Name	Hackberry State #1	Facility Type	Production Battery
Surface Owner	State of New Mexico	Mineral Owner	API No. 30-015-34803

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	17	18S	23E	660	South	1980	East	Eddy

Latitude 32° 44' 32.2" N Longitude 104° 42' 39.8" W

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	155 bbls	Volume Recovered	0 bbls
Source of Release	Open-top fiberglass tank	Date and Hour of Occurrence	After 3:00 pm on 5/19/2014	Date and Hour of Discovery	5/20/2014 4:00 pm
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? In person to Mike Bratcher			
By Whom?	Chace Walls	Date and Hour	5/21/2014 4:15 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.*

n/a

Describe Cause of Problem and Remedial Action Taken.*

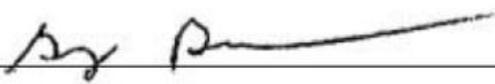
Fluid was lost due to a failure of the nipple on the backside of a 200-bbl open-top fiberglass tank. A vacuum truck was dispatched to the location but no standing fluid remained at the time of its arrival. The nipple on the tank was replaced.

Describe Area Affected and Cleanup Action Taken.*

Produced water leaked out of the tank and onto the location, affecting approximately 4,000 square feet, all of which was contained on the location pad. Vertical and lateral delineation of chloride concentrations confirm that this release poses no threat to fresh water, public health, or the environment. A directive from NMOCD required excavation of the areas affected by the release. On 9/30/2014, approximately 120 cubic yards of material was removed from two areas—immediately north of the tank and due east of the tank. These excavations were backfilled using pad material scraped from east side of location surface, downsizing the footprint of the pad.

Attached: delineation table, lab reports, sample map, groundwater map, emails

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: Greg Boans	Approved by Environmental Specialist:		
Title: Production Superintendent	Approval Date: 2/9/15	Expiration Date: N/A	
E-mail Address: gboans@jdmii.com	Conditions of Approval: N/A		Attached <input type="checkbox"/>
Date: 11/25/2014	Phone: (575) 628-3932		Final

* Attach Additional Sheets If Necessary

2RP-2347