

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

Release Notification and Corrective Action

NMLB1122445702 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 Artesia Battery 3 Water Transfer Line	Facility Type: Water Transfer Line

Surface Owner : State	Mineral Owner	Lease No. : API #30-015-31488
-----------------------	---------------	-------------------------------

LOCATION OF RELEASE

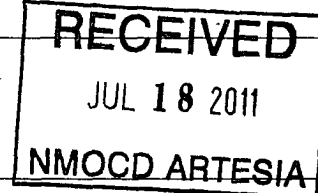
Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
K	35	17S	28E					

Latitude 32.78850 Longitude -104.14735

NATURE OF RELEASE

Type of Release : Produced Water	Volume of Release : 19-22 bbls	Volume Recovered: -0-
Source of Release : Pipeline	Date and Hour of Occurrence: 7/12/11 9:30 am	Date and Hour of Discovery: 7/12/11 9:30am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Voicemail NMOCD/Mike Bratcher	
By Whom? Mike Stubblefield	Date and Hour : 7/12/11 2:30 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 hammer union on the pipeline parted causing release. The saturated soil was immediately excavated and transported to a NMOCD approved disposal facility.

Describe Area Affected and Cleanup Action Taken.\*

The area affected was estimated to be 200 yards due north of the Artesia Unit # 88. The impacted area measured approximately 92' long by 18'-61' wide, in some areas. The impacted area on the lease road measured 43' long by 1'-2' wide.

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: <u>[Signature]</u>	OIL CONSERVATION DIVISION	
Printed Name: Garrett Newton	Signed By <u>[Signature]</u>	
Title: Field Supervisor	Approval Date: <u>AUG 12 2011</u>	Expiration Date:
E-mail Address: gnewton@pvtnetworks.net	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 7/13/11 Phone: 575-513-0230	Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	

\* Attach Additional Sheets If Necessary

9/12/2011

2CP-839