

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

30-045-21470

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company Maralex Disposal, Inc.	Contact Bob L. Bixler
Address P. O. Box 338 Ignacio, CO 81137	Telephone No. (970) 563-4000
Facility Name Trading Post Disposal # 1	Facility Type Produced water disposal well

Surface Owner BLM	Mineral Owner BLM	Lease No. NM 036252
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LOCATION OF RELEASE

Unit Letter C	Section 26	Township T25N	Range R11W	Feet from the 950'	North/South Line North	Feet from the 1600'	East/West Line West	County San Juan
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Latitude N36.37666 Longitude W107.97698

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 480 bbl	Volume Recovered 400bbl
Source of Release Tank overflow	Date and Hour of Occurrence 5/4/2008 PM	Date and Hour of Discovery 5/5/2008 11:00 AM
Was Immediate Notice Given? x Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? pumper notified office at 11:00 and office notified state and BLM by fax	
By Whom? Bob L. Bixler	Date and Hour 5/5/2008 12:30 AM	
Was a Watercourse Reached? x Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. 80 bbl	


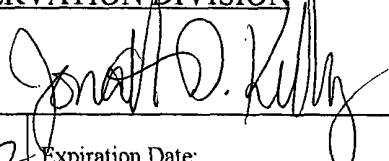
If a Watercourse was Impacted, Describe Fully.* There was 80bbl of water released into the sandy bottom wash.

RCVD MAY 9 2008
OIL CONS. DIV.
DIST. 3

Describe Cause of Problem and Remedial Action Taken.* Pimp failed sometime over the weekend due to water in the fuel supply. Spill was greater than originally reported and was not contained within the berm. Water contained within the berm was recovered by vacuum truck.

Describe Area Affected and Cleanup Action Taken.* Water contained within the berm was recovered by a vacuum truck. Further evaluation is being conducted by the BLM. Additional cleanup action will be determined by the BLM.

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: Bob L. Bixler		Approved by District Supervisor: 	
Title: Engineering Technician		Approval Date: 2/6/2012 Expiration Date:	
E-mail Address: handibob@earthlink.net		Conditions of Approval:	
Date: 5/7/2008 Phone: (970) 563-4000		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

15K1203849350

19.15.3.116 RELEASE NOTIFICATION AND CORRECTIVE ACTION:

A. Notification

(1) The division shall be notified of any unauthorized release occurring during the drilling, producing, storing, disposing, injecting, transporting, servicing or processing of crude oil, natural gases, produced water, condensate or oil field waste including Regulated NORM, or other oil field related chemicals, contaminants or mixture thereof, in the State of New Mexico in accordance with the requirements of Section 116 of 19.15.3 NMAC.

(2) The division shall be notified in accordance with Section 116 of 19.15.3 NMAC with respect to any release from any facility of oil or other water contaminant, in such quantity as may with reasonable probability be detrimental to water or cause an exceedance of the standards in Section 19, Subsection B, Paragraphs (1) and (2) or (3) of 19.15.1 NMAC.

B. Reporting Requirements. Notification of the above releases shall be made by the person operating or controlling either the release or the location of the release in accordance with the following requirements: (1) A Major Release shall be reported by giving both immediate verbal notice and timely written notice pursuant to Subsection C, Paragraphs (1) and (2) of 19.15.3.116 NMAC. A Major Release is:

- (a) an unauthorized release of a volume, excluding natural gases, in excess of 25 barrels;
- (b) an unauthorized release of any volume which:
 - (i) results in a fire;
 - (ii) will reach a water course;
 - (iii) may with reasonable probability endanger public health;or
- (iv) results in substantial damage to property or the environment;

(c) an unauthorized release of natural gases in excess of 500 mcf; or
(d) a release of any volume which may with reasonable probability be detrimental to water or cause an exceedance of the standards in Section 19, Subsection B, Paragraphs (1) and (2) or (3) of 19.15.1 NMAC.

(2) A Minor Release shall be reported by giving timely written notice pursuant to Subsection C, Paragraph (2) of 19.15.3.116 NMAC. A Minor Release is an unauthorized release of a volume, greater than 5 barrels but not more than 25 barrels; or greater than 50 mcf but less than 500 mcf of natural gases.

C. Contents Of Notification

(1) Immediate verbal notification required pursuant to Subsection B of 19.15.3.116 NMAC shall be reported within twenty-four (24) hours of discovery to the division district office for the area within which the release takes place. In addition, immediate verbal notification pursuant to Subsection B, Paragraph (1), Subparagraph (d) of 19.15.3.116 NMAC shall be reported to the division's Environmental Bureau Chief. This notification shall provide the information required on division Form C-141.

(2) Timely written notification is required to be reported pursuant to Subsection B of 19.15.3.116 NMAC within fifteen (15) days to the division district office for the area within which the release takes place by completing and filing division Form C-141. In addition, timely written notification required pursuant to Subsection B, Paragraph (1), Subparagraph (d) of 19.15.3.116 NMAC shall also be reported to the division's Environmental Bureau Chief within fifteen (15) days after the release is discovered. The written notification shall verify the prior verbal notification and provide any appropriate additions or corrections to the information contained in the prior verbal notification.

D. Corrective Action. The responsible person must complete division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC.

[1-1-50...5-22-73...2-1-96; A, 3-15-97; 19.15.3.116 NMAC - Rn, 19 NMAC 15.C.116, 11-15-01]



210 Goddard Ave.
Ignacio, Colorado 81137
(970) 563-4000
FAX (970) 563-4116

May 7, 2008

Monica Kuehling
1000 Rio Brazos Drive
Aztec, New Mexico 87410

Dear Monica Kuehling,

I am sending you a revised C-141 for the spill last Saturday. Jeremy asked that I tell you how we calculated the amount of this spill. I know the numbers are very similar to the last spill which was contained. I think the amount of the last spill may have been inflated.

We had a visual tank level on Saturday evening of 8'. We have 8 tanks with a capacity of 20'. There was 12' of space in the 8 tanks. At 20 bbls per foot we had a capacity of 1920 bbls. The pressure chart of the pump let us know when the pump failed and we observed the spill 36 hours after the pump failure. Our wells produce 1600 bbls per day. 36 hours is 1.5 days so we had $1.5 \times 1600 = 2400$ bbls of incoming water with a capacity for 1920 bbls. The spill was 480 bbls. I had originally reported 450 bbls but that was just a guess from the pumper.

We have called John McKinney at the BLM and told him that he may want to make a site visit to determine what additional cleanup may be necessary. I will let you know what he wants us to do and keep you informed as to what work is being done. Feel free to share this letter with anyone concerned. Thanks for your help.

Sincerely,

Maralex Resources
Bob L. Bixler

RCVD MAY 9 '08

OIL CONS. DIV.

DIST. 8

BUREAU OF LAND MANAGEMENT
WO MAJOR UNDESIRABLE EVENT (MUE) REPORTING FORMAT

BLM Office Reporting: Farmington					
BLM Employee: John McKinney					
Company Official Reporting to BLM: Bob L. Bixler					
Operator: Maralex Resources					
Date/Time of Occurrence: 5/4/2008 early am			Date/Time BLM Notified: 5/5/2008 3:30 pm		
Field/Unit Name: Trading Post Disposal #1			Lease Number: NM-036252		
State: NM	County: San Juan	Twn: 25N	Rng: 11W	Sec: 26	Qtr:
Surface Ownership: (circle one)		Federal	Indian	State	FEE
Type of Event: (circle one)	Oil Spill	Oil/Water Spill	Gas Venting	Toxic Fluid Spill	
	Saltwater Spill	Other Spill (Specify)	Blowout	Fire	
	Injury	Fatality	Property Damage	Explosion	
Nature and Cause of Event: Disposal pump failed due to water in fuel source line.					
Environmental Impact: Spill was not contained within the berm. The water contained in the berm was sucked up by a vacuum truck.					
Time Required to Control Event (Hours):		4			
Volumes Discharged or Consumed:		480bbl			
Volumes Recovered:		400bbl			
Action Taken to Control Event: upon discovery by this office, vacuum truck was dispatched and spill that was in the berm was recovered.					
Resultant Damage: unknown					
Clean-Up Procedures: : upon discovery by this office, vacuum truck was dispatched and spill that was contained in the berm was recovered. Additional recovery procedures may be necessary after further investigation.					
Cause/Extent of Personal Injury: none					
Agency Notification List: (Federal/State/Local):	Agency Name	Contact Name	Date/Time		
	NMO&G		5/5/2008		
	BLM-Farmington	John McKinney	5/5/2008		
Remarks: This is a revised report of the report dated 5/5/2008. The spill was larger than originally reported to this office.					