

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
821 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

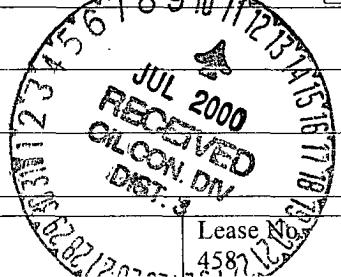
Form C-141  
Revised March 17, 1999

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

Release Notification and Corrective Action

30-039-25950

OPERATOR

Name of Company Mallon Oil Company	Contact Ron Sansoni	
Address 848 E. Second Avenue (P. O. Box 2797) Durango, CO 81302	Telephone No. 970-382-9100	
Facility Name Jicarilla 458-6 No. 4	Facility Type Well Location	
Surface Owner Jicarilla Apache Tribe	Mineral Owner Mallon Oil Company	
		Lease 4587127249418

LOCATION OF RELEASE

Unit Letter F	Section 6	Township 30N	Range 03W	Feet from the 1700'	North/South Line FNL	Feet from the 1060'	East/West Line FWL	County Rio Arriba
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NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 20 bbls	Volume Recovered None - recovered affected soil
Source of Release Produced water tank	Date and Hour of Occurrence 06/30/00 AM	Date and Hour of Discovery 06/30/00 03:15 hrs
Was Immediate Notice Given? X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Jon Becksted (08:15 hrs - 6/30/00) Ron Sansoni (08:45 hrs - 6/30/00)	
By Whom? Orson Harrison, Pumper	Date and Hour 06/30/00 03:15 hrs	
Was a Watercourse Reached? X Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. 1 - 2 barrels	
If a Watercourse was Impacted, Describe Fully *		
Water ran over location and approximately 1 - 2 bbls spilled off location and into a natural dry drainage where it stopped flowing and evaporated / soaked in. (Note: Had exact volume of tank before and after incident which was used to calculate exact spill volume).		
Describe Cause of Problem and Remedial Action Taken.*		
Cow tracks indicate that cow partially opened a valve on the 3" discharge line off of tank. Removed valve handle No standing water left to clean up.		
Describe Area Affected and Cleanup Action Taken.*		
Cleaned up location Removed valve handles from several valves. Removed water soaked soil from drainage.		
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>Ronald Sansoni</i>	OIL CONSERVATION DIVISION	
Printed Name: Ronald Sansoni	Approved by <i>Wendy Faint</i> District Supervisor: <i>for Frank Chavez</i>	
Title District Production Superintendent	Approval Date: <i>7/12/00</i>	Expiration Date
Date 7/9/00 Phone: 970-382-9100	Conditions of Approval:	Attached <input type="checkbox"/>

\* Attach Additional Sheets If Necessary

nJK1217249418

## MEMORANDUM

DATE: July 7, 2000

TO: Jim Costalez

FROM: Ronald Sansoni *Ronald Sansoni*

SUBJECT: Spill prevention – valve handles and water load lines



Jim,

Just recently there was a spill on the 458 6-4 location where some cattle were walking in the spill containment area for the water production tank and knocked open a valve on the load line. This incident resulted in 20 bbls of produced water being spilled onto the location. To prevent the reoccurrence of this type of spill in the future we need to use either of the 2 methods to address this issue.

- 1.) Remove all of the handles on the valves that are susceptible of being unintentionally opened. This includes load lines, separator bleed off valves, and wellhead bleed off valves.
- 2.) Install a bull plug at the end of the load line.

Jim, review this message with your staff and have all handles removed or the bull plugs installed by the end of the month.