

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

Form C-141  
Revised October 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

Release Notification and Corrective Action

API 30-045-21470

Name of Company Maralex Disposal, LLC		OPERATOR		<input checked="" type="checkbox"/> Initial Report: <input type="checkbox"/> Final Report
Address PO Box 338 Ignacio, CO 81137		Contact Jeremy Golob		
Facility Name Trading Post Disposal Tank Battery		Telephone No. 970-563-4000		
		Facility Type Water Disposal Tank Battery		
Surface Owner BLM		Mineral Owner BLM		Lease No. NM-036252

LOCATION OF RELEASE

Unit Letter C	Section 26	Township 25N	Range 11W	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 400 bbl	Volume Recovered 360 bbl
Source of Release Fruitland Coal Seam Produced Water	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Bureau of Land Management and Oil Conservation Division. Also, Maralex Resource Office.	
By Whom? Steve Szumlinski	Date and Hour 02/13/07 @ 10:30am	
Was a Watercourse Reached? X Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. 40 Barrels	

If a Watercourse was Impacted, Describe Fully.\* Water ran 250 yards down arroya.

RCVD FEB20'07  
OIL CONS. DIV.  
DIST. 3

Describe Cause of Problem and Remedial Action Taken.\* Problem due to electrical failure in electrical panel at injection pump site. Dug holes and captured water; sucked up water and hauled away; backfilled holes.

Describe Area Affected and Cleanup Action Taken.\* Containment walls held 90% of the spilled water; approximately 10% of spilled water seeped through containment walls and down arroya. All water was contained, sucked up and hauled away. Water and dirt samples were taken and are at lab for analysis.

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.

OIL CONSERVATION DIVISION

Signature: <i>Steven R. Szumlinski</i>	Approved by District Supervisor: <i>Brandon Powell</i> For: <i>Charlie Perrin</i>	
Printed Name: Steven R. Szumlinski	Approval Date: 2-20-07	Expiration Date:
Title: Pumper	Conditions of Approval:	
E-mail Address: production@maralexresources.com	Attached <input type="checkbox"/>	
Date: February 13 2007	Phone: 1-970-799-1610	

\* Attach Additional Sheets If Necessary

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