

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
2000 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

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Maralo, LLC	Contact	Phillip Smith, Operations Manager
Address	P. O. Box 832, Midland, TX 79702	Telephone No.	432-684-7441
Facility Name	Jalmat Yates Unit, Well #22	Facility Type	Waterflood Battery Well
Surface Owner	Clay Osborn	Mineral Owner	N/A
		Lease No.	30-025-09766

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	013	25S	36E	1650	North	330	East	LEA

Latitude 32.132923 Longitude 103.210823

NATURE OF RELEASE

Type of Release	oil/water	Volume of Release	1BO/6BW	Volume Recovered	0 barrels
Source of Release	Flowline from the Jalmat Yates Unit, Well #24	Date and Hour of Occurrence	06/09/04; A.M. MST Hour	Date and Hour of Discovery	06/09/04; 10:45 A.M. MST
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mrs. Clay Osborn; Landowner, Phillip Smith & Donna Frazier; Maralo Office, & Sylvia Dickey; NMOCD Hobbs		
By Whom?	Warren Hunt, Maralo LLC Pumper & Donna Frazier	Date and Hour	06/09/04 12:10 P.M. MST		
Was a Watercourse Reached?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	1 BO/ 6 BW		

If a Watercourse was Impacted, Describe Fully.\*

Flowline from the Jalmat #24 well lies in a watercourse beside the pumping unit of the Jalmat #22 well. The point of release was from a hole in the Jalmat #24 flowline that was released at an area by the Jalmat #22 pumping unit.

Describe Cause of Problem and Remedial Action Taken.\*

Cause: Flowline leak from Jalmat #24 flowline.

Action: Clamped off flowline. Flowline repaired

Describe Area Affected and Cleanup Action Taken.\*

Area Affected: 2' wide X 170' long

Cleanup Action: All fluids released have already soaked into the soil or evaporated. No fluids were recoverable. No immediate cleanup action taken. Will wait on direction from NMOCD & Phillip Smith in Midland office.

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>Donna Frazier</i>		OIL CONSERVATION DIVISION	
Printed Name: Donna Frazier		Approved by District Supervisor: <i>Chris Williams</i>	
Title: Production Clerk	Approval Date: <i>5/2/07</i>	Expiration Date: <i>9/2/07</i>	
E-mail Address: donnafrazier@maralo.com	Conditions of Approval: <i>Mud a. remediation plan and take corrective action</i>	Attached <input type="checkbox"/>	
Date: 06/09/04	Phone: 432-684-7441		

\* Attach Additional Sheets If Necessary

incident - n PACO 71444 8625  
application - p PACO 71444 8695

RP# 1364