

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

OPERATOR

Initial Report Final Report

Name of Company J. Cleo Thompson LP	Contact Jim Stevens
Address P.O. Box 12577 Odessa, TX 79768	Telephone No. 432-550-8887 Email jctwest@nts-online.net
Facility Name Milnesand Unit # 133	Facility Type Milensand Unit # 133
Surface Owner Orbie Luman	Mineral Owner
Lease No.	

LOCATION OF RELEASE API # 30025100430000

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	Cour ty
G	7	8S	35E					Roosvelt

Latitude 33°37'55.9" Longitude 103°23'47.8"

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 110 bbls +	Volume Recovered 0
Source of Release Corrosion of Flow Line	Date and Hour of Occurrence Unkown	Date and Hour of Discovery 9-6-05
Was Immediate Notice Given? Required <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not	If YES, To Whom?	
By Whom?	Date and Hour	
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.* Corrosion of Flow Line causing produced water to impact soil. Clamped Flow line. Contacted Elke Environmental on 9-28-06 to clean up affected area. Eight core samples have been take and sent to lab. Water levels from USGS show to be 85 feet deep. Landowner found leak and cover up water and never told company. ← **COMPANY PAID LANDOWNER TO COVER ACCORDING TO INFO PROVIDED TO NMOCD**

Describe Area Affected and Cleanup Action Taken.* Spill area is approximately 55'x456', Elke is proposing to dig and haul to J. Ly-Dan landfill in Lovington, NM with contaminated material to a threshold of 1,000ppm or to solid rock, then Backfill with Material on site.

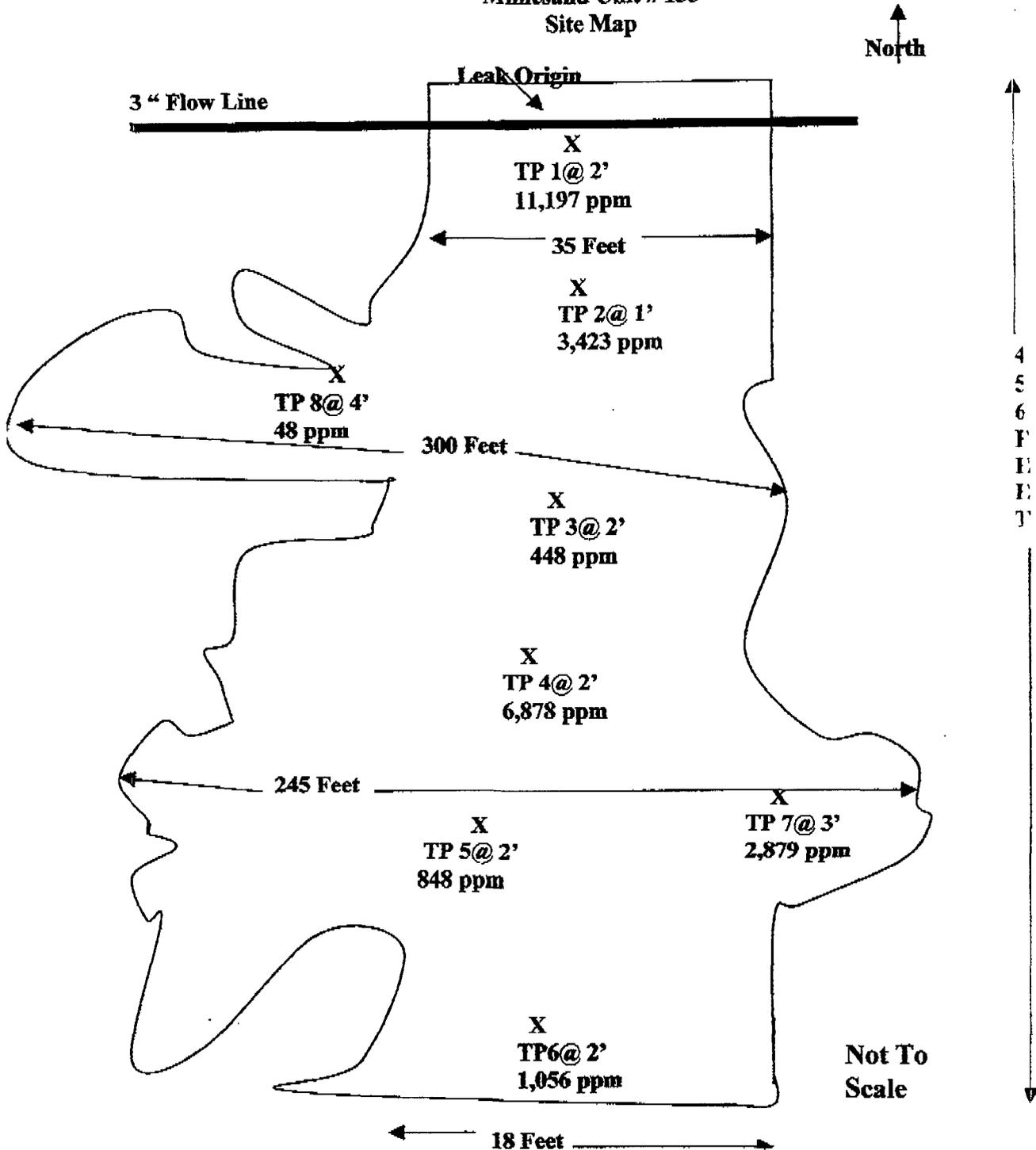
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger 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>Kim Baker</i>	OIL CONSERVATION DIVISION	
Printed Name: Kim Baker	Approved by District Supervisor: <i>[Signature]</i>	
Title: Field Supervisor	Approval Date: 6-27-07	Expiration Date:

E-mail Address: cilkeen@yahoo.com
Conditions of Approval: **SUBMIT FINAL C-141**
Attached: **RP# 1025**
incident - nPAC0627638255
application - nPAC0627638438

J. Cleo Thompson & James Cleo Thompson Jr., LP
Oil Producers
117 West Yukon Road
P.O. Box 12577
Odessa, TX 79768

Milnesand Unit # 133
Site Map





**ARDINAL
LABORATORIES**

Kim Baker

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE TX 79603

PHONE (505) 393 2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
J. CLEO THOMPSON
ATTN: JOHN HUGHES
P.O. BOX 12577
ODESSA, TX 79768
FAX TO: (432) 366-0743

Receiving Date: 09/13/06
Reporting Date: 09/14/06
Project Number: NOT GIVEN
Project Name: NOT GIVEN
Project Location: NOT GIVEN

Analysis Date: 09/13/06
Sampling Date: 09/13/06
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: HM
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H11528-1	#1 1 FT	10477
H11528-2	#1 2 FT	11197
H11528-3	#2 1 FT	3423
H11528-4	#3 1 FT	288
H11528-5	#3 2 FT	448
H11528-6	#4 1 FT	2655
H11528-7	#4 2 FT	6878
H11528-8	#5 2 FT	848
H11528-9	#6 2 FT	1056
H11528-10	#7 3 FT	2879
H11528-11	#8 4 FT	48
	Quality Control	980
	True Value QC	1000
	% Recovery	98
	Relative Percent Difference	3.0

METHOD: Standard Methods 4500-Cl⁻B

NOTE: Analyses performed on 1:4 w:v aqueous extracts.

John S. Thompson
Chemist

09-14-06
Date

H11528

PLEASE NOTE Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



CARDINAL LABORATORIES, INC.
 2111 Beechwood, Abilene, TX 79603 101 East Matland, Hobbs, NM 88240
 (409) 678-7001 Fax (409) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>Y Cleo Thompson</u> Project Manager: <u>Jana Alagos</u>		P.O. # Company: <u>Same</u>					
Address: <u>Box 12579</u> City: <u>Wesley</u> State: <u>TX</u> Zip: <u>79768</u>		Address: City: State: Zip:					
Phone #: <u>432-550-8887</u> Fax #: <u>432-366-0743</u>		Project Owner: State: Zip:					
Project Name: Project Location:		Phone #: Fax #:					
Sampler Name: FOR LAB USE ONLY							
Lab I.D. #11528-1 -2 -3 -4 -5 -6 -7 -8 -9 -10	Sample I.D. #1 1 FT #1 2 FT #2 1 FT #3 1 FT #3 2 FT #4 1 FT #4 2 FT #5 0.5 FT #6 2 FT	(G)RAB OR (C)OMP. # CONTAINERS GROUNDWATER WASTEWATER SOIL CRUDE OIL SLUDGE OTHER: ACID/BASE: ICE / COOL OTHER:	MATRIX PRESERV. SAMPLING DATE TIME				
Relinquished By: <u>[Signature]</u> Date: <u>09-13-06</u> Time: <u>1:14</u>		Received By: (Lab Staff) <u>[Signature]</u>					
Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Sample Condition Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
Checked By: (Initials)		REMARKS: FAX TO 060 ALSO # 393-0720					

† Cardinal cannot accept verbal changes. Please fax written changes to 808-393-2476.

FAX MESSAGE

From:

Elke Environmental, Inc.
P.O. Box 14167
Odessa, Tx. 79768-4167
Phone: 432-366-0043 Fax: 432-366-0884

From: KIM BAKER
To: LARRY JOHNSON
Fax #: 505-393-0720
Date: 10-1-06
No. of pages (incl. cover): 6
Comments:

Confidentiality Notice

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OPERATOR

Initial Report Final Report

Name of Company <i>J. Cle Thompson</i>	Contact <i>John P. Hughes</i>
Address <i>Box 12577 Odessa Tx 79768</i>	Telephone No. <i>432-550-8887</i>
Facility Name <i>Milnesand Unit</i>	Facility Type <i>Well #?</i>
Surface Owner <i>Orbie Luman</i>	Mineral Owner <i>State</i>
Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	<i>7</i>	<i>8 S</i>	<i>34 E</i>		<i>5 W</i>		<i>SE</i>	<i>Roosevelt</i>

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release <i>Oil</i>	Volume of Release <i>1 BBL</i>	Volume Recovered <i>0</i>
Source of Release <i>Flowline</i>	Date and Hour of Occurrence	Date and Hour of Discovery <i>9-24-06</i>
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	<i>2:00 P.M.</i>
By Whom?	Date and Hour	
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.*
Flow line leak, repaired

Describe Area Affected and Cleanup Action Taken.*
10 ft x 10 ft

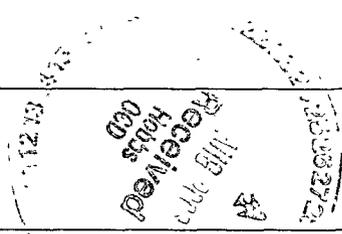
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Signature: <i>John P. Hughes</i>	OIL CONSERVATION DIVISION	
Printed Name: <i>John P. Hughes</i>	Approved by District Supervisor:	
Title: <i>Foreman</i>	Approval Date:	Expiration Date:
E-mail Address: <i>432-550-8887</i>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <i>9-24-06</i> Phone: <i>432-634-8403</i>	<i>WATER</i>	

* Attach Additional Sheets If Necessary *505-760-9558*

IRP-1025

*10/3/06
INFO
NOT CORRECT
REQUESTED
RE SUBMIT*



*GENERAL WELL IN AREA
CHLORIDES - 130,000 PPM
9-5-06 - 11:30 - 11:45 TALK w/ JOHN
OUSTALPE FROM NE TO SUBMIT
(HAS 3 SAMPLES ON WAY TO CARBON)*