

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

RECEIVED

JAN 15 2009

HOBBSOCD

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: CML Exploration, LLC	Contact: Nolan von Roeder at CML, Katie Lee at RT Hicks
Address: PO Box 890 Snyder, Texas 79550	Telephone No.: CML: 325-573-1938 RT Hicks: 505-266-5004
Facility Name: Paddy 19 State #3	Facility Type: Temporary Lined Drilling Pit

Surface Owner: State of NM	Mineral Owner: State of NM	Lease No. 303999
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### LOCATION OF RELEASE

API# 30-025-38591-00-00

Unit Letter F	Section 19	Township 17S	Range 33E	Feet from the 2140	North/South Line North	Feet from the 1650	East/West Line West	County Lea
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Latitude 32.821 Longitude 103.707

### NATURE OF RELEASE

Type of Release: produced water	Volume of Release: unknown	Volume Recovered: none
Source of Release: Lined Pit	Date and Hour of Occurrence: unknown	Date and Hour of Discovery: Mon, Jan 12, 2009, approx 16:00
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Paul Kautz and Larry Johnson	
By Whom? Katie Lee	Date and Hour: Tuesday, January 13, 2009 approx 14:00	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. WATER @ 150'	

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*

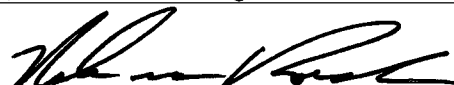
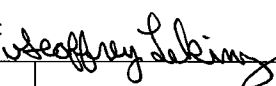
Leakage from lined pit was confirmed through field analysis of soil samples taken from bottom of pit below the liner after liner and cuttings were removed.

Describe Area Affected and Cleanup Action Taken.\*

Evidence of chloride impact at five locations below the pit liner and in wall composites suggest the pit floor and walls are affected by a release of an unknown quantity of produced water from the pit. Cuttings have been removed. Upon laboratory analyses of soil samples, a timely written notification of release and further proposed characterization will be submitted to NMOCD for review.

Attached: table showing results of field analysis for chloride in 12 soil samples and map noting soil sample locations.

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: 	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Nolan von Roeder	Approved by District Supervisor: 	
Title: Engineer	Approval Date: 01/20/09	Expiration Date: 03/23/09
E-mail Address: vonroedern@cmlexp.com	Conditions of Approval: DELINEATE/REMEDIATION TO CLEAN UP - SUBMIT FINAL C-141 BY 03/23/09	Attached <input type="checkbox"/> IRP-2053
Date: 1-14-09	Phone: 325-573-1938	

\* Attach Additional Sheets If Necessary

FGRL0902035031

# Chloride Titration Results

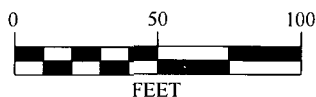
$$C_{soil} (mg / kg) = (9997) \times \frac{Water (g)}{Soil (g)} \times \frac{AgNO_3 (ml)}{Solution (ml)}$$

Client: CML Exploration

Site: Paddy-19 No. 3 Reserve Pit Sampling

Soil Boring (MW)	Sample Depth (feet)	40 ml Vial Designation (A, B, etc.)	Soil Weight (grams)	Distilled Water Wt. (grams)	Extract Sol. Vol. (ml)	AgNO3 Volume (ml)	Chloride Concentration (mg/kg)	Remarks
No. 1	4-6'	A	12.3	24.0	10.0	2.69	5,247	
No. 2	4-6'	B	11.2	21.7	9.0	2.18	4,692	
No. 3	4-6'	C	9.2	27.5	10.0	1.88	5,618	
No. 4	4-6'	D	4.7	31.8	5.0	0.29	3,923	
No. 5	4-6'	E	7.4	25.8	10.0	2.16	7,529	
Comp.	0-2'	F	9.4	25.1	10.0	3.30	8,809	
No. 5	12'	G	8.5	26.7	10.0	0.92	2,889	
No. 5	22'	H	7.6	27.7	10.0	0.06	219	
North	Comp.	I	10.3	26.8	10.0	1.83	4,760	
South	Comp.	J	7.4	25.2	10.0	1.00	3,404	
East	Comp.	K	13.3	26.4	10.0	0.36	714	
West	Comp.	L	9.7	28.2	10.0	3.55	10,318	

Plate 1  
 Soil Sample Results  
 CML Exploration  
 Paddy 19 State No. 3  
 Sec. 19, T-17-S, R-33-E  
 Lea County, New Mexico  
 API 30-25-38591



Caliche Road

Paddy 19 State #3  
 Pumping Unit

Caliche Pad

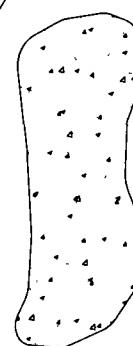
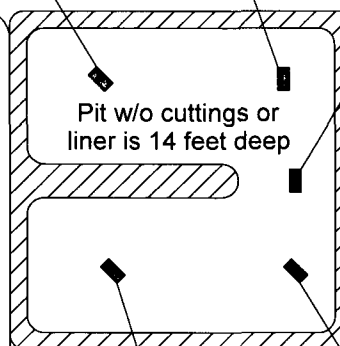
Composite Walls - January 12, 2009			
Location	Field Cl (mg/kg)	Lab Cl (mg/kg)	PID (ppm)
North	4,760		14
South	3,404		0
East	714		0
West	10,318		138

Composite of all Trenches - January 12, 2009						
Depth (feet)	Field Cl (mg/kg)	Lab Cl (mg/kg)	PID (ppm)	Benzene (mg/kg)	BTEX (mg/kg)	GRO+DRO (mg/kg)
14-16	8,809		0			

Trench No 1 - January 12, 2009			
Depth (feet)	Field Cl (mg/kg)	Lab Cl (mg/kg)	PID (ppm)
14-16	--	--	0
16-18	--	--	0
18-20	5,247		0

Trench No 2 - January 12, 2009			
Depth (feet)	Field Cl (mg/kg)	Lab Cl (mg/kg)	PID (ppm)
14-16	--	--	10
16-18	--	--	0
18-20	4,692		0

Trench No 3 - January 12, 2009			
Depth (feet)	Field Cl (mg/kg)	Lab Cl (mg/kg)	PID (ppm)
14-16	--	--	36
16-18	--	--	21
18-20	5,618		0



Trench No 5 - January 12, 2009			
Depth (feet)	Field Cl (mg/kg)	Lab Cl (mg/kg)	PID (ppm)
14-16	--	--	7
16-18	--	--	0
18-20	7,529		0
25-26	2,889		0
35-36	219		0

Trench No 4 - January 12, 2009							
Depth (feet)	Field Cl (mg/kg)	Lab Cl (mg/kg)	PID (ppm)	Benzene (mg/kg)	BTEX (mg/kg)	GRO+DRO (mg/kg)	TPH to C15 (mg/kg)
14-16	--	--	499				
16-18	--	--	7	--	--	--	--
18-20	3,923		10				

Lithology (14-36 feet) Sand, brown, medium grain, sub-rounded, well sorted, with very little clay or silt.