

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

RECEIVED

Form C-141
Revised October 10, 2003
JUN 25 2010
Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form
HOBBSDO

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Jay Management	Contact Kirk Broussard
Address 2425 West Loop So. Suite 810 Houston, TX 77027	Telephone No. 713.621.3882 X 302
Facility Name State: Near NBF State # 1	Facility Type Salt Water Disposal Line

Surface Owner NMSLO	Mineral Owner Jay Mgmt.	Lease No. OG-1402
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LOCATION OF RELEASE

Unit Letter F	Section 22	Township 11S	Range 33E	Feet from the	North/South Line	Feet from the	East/West Line	County Lea
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release: Salt water	Volume of Release >300 Bbls	Volume Recovered Approx 280 Bbls
Source of Release: Pipeline Leak	Date and Hour of Occurrence: <input checked="" type="checkbox"/> Approx. 5:00 AM 1/18/09 2010	Date and Hour of Discovery Approx. 7:00 AM 1/18/09 2010 <input checked="" type="checkbox"/>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Maxie Brown	
By Whom? Kirk Broussard	Date and Hour: Approx. 8:00 AM 1/18/09	
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.*

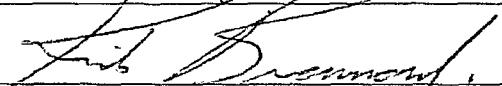


Describe Cause of Problem and Remedial Action Taken.*

During well workover, the deadman was set too close to pipeline. High winds caused the anchor to flex, damaging the transite pipeline.

Describe Area Affected and Cleanup Action Taken.*

The fluids ran to the east along the lease road. Approx. 280 bbls of fluid were removed by vacuum truck, and affected soils were removed & sent to commercial disposal. Jay Mgmt. has contracted Whole Earth Environmental to conduct full delineation & remediation of affected areas.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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: 	OIL CONSERVATION DIVISION	
Printed Name: Kirk Broussard	Approved by District Supervisor  ENVIRONMENTAL ENGINEER	
Title: Engineer	Approval Date: 6.23.10	Expiration Date: 8.23.10
E-mail Address: kirkb@isramco-jay.com	Conditions of Approval:  <input checked="" type="checkbox"/> Attached <input type="checkbox"/> Not Attached	
Date: 1-28-10 Phone: 713.621.3882 X 302	SUBMIT FINAL C-141 w/DOCS BY IRP# 10.6.2567	

* Attach Additional Sheets If Necessary

nLWJ 101 7456509
7LWJ 101 7437127