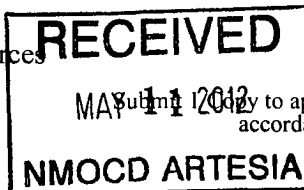


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 August 8, 2011

Release Notification and Corrective Action

nMLB/2/5347504

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Murchison Oil & Gas, Inc. /5343	Contact Greg Boans
Address 1100 Mira Vista Blvd., Plano, TX 75093	Telephone No. 575-628-3932 office; 575-706-0667 cell
Facility Name Bear Draw State Com #1	Facility Type Production Battery

Surface Owner Bogle Ltd.	Mineral Owner Murchison Oil & Gas, Inc.	API No. 30-015-35679
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LOCATION OF RELEASE

Unit Letter B	Section 3	Township 17S	Range 29E	Feet from the 660	North/South Line NORTH	Feet from the 1980	East/West Line EAST	County EDDY
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Latitude **N 32°52'08.61"** Longitude **W 104°03'37.90"**

NATURE OF RELEASE

Type of Release Oil (78 bbls) & Water (22 bbls)	Volume of Release 100 bbls	Volume Recovered NONE
Source of Release Lightning strike & fire destroyed oil tank	Date and Hour of Occurrence 05/10/12 @ 0400	Date and Hour of Discovery 05/10/12 @ 0400
Was Immediate Notice Given? Required <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not	If YES, To Whom? Randy Dade, OCD Dist. II	
By Whom? Cindy Cottrell	Date and Hour 05/10/12 @ 1000	
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.*

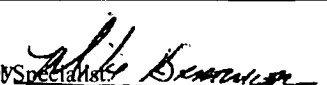
Describe Cause of Problem and Remedial Action Taken.*

Fiberglass production tank was struck by lightning and destroyed. The Loco Hills Fire Department was dispatched, but by the time they arrived the tank was burned to the ground. All of the oil was burned and there were no other fluids in the berm to recover.

Describe Area Affected and Cleanup Action Taken.*

None at this time.

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:		OIL CONSERVATION DIVISION	
Printed Name: Greg Boans		Approved by Environmental Specialist 	
Title: Production Superintendent		Approval Date: JUN 01 2012	Expiration Date:
E-mail Address: gboans@jdmii.com		Conditions of Approval:	Attached <input type="checkbox"/>
Date: 5/10/2012 Phone: 575-628-3932		Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: 7/1/2012	

* Attach Additional Sheets If Necessary

2RP-1145