

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

MAY - 6 2009

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-005-64002

Release Notification and Corrective Action

11MLB 09/12638091

14424

OPERATOR

☒ Initial Report ☒ Final Report

Name of Company	McKay Oil Corporation c/o Penroc Oil	Contact	M Y. (Merch) Merchant
Address	1515 Calle Sur, Hobbs, NM 88240	Telephone No.	(575) 492-1236
Facility Name	Snakeweed B Federal #1	Facility Type	Well

Surface Owner:	Federal	Mineral Owner:	Federal	API No.	30-005-64002
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	18	6S	23E	1980	South	2080	West	Chaves

Latitude N 33 deg. 47' 41.63" Longitude W 104 deg. 39' 22.07"

NATURE OF RELEASE

Type of Release	Water	Volume of Release	Unknown	Volume Recovered	None
Source of Release	Well (Reserve Drilling Pit)	Date and Hour of Occurrence	Unknown	Date and Hour of Discovery	5/5/09 8:30 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required		If YES, To Whom? Mike Bratcher, OCD, Artesia			
By Whom? Cindy Crain, Ocotillo Environmental		Date and Hour	5/5/09	8:45 am	
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.*

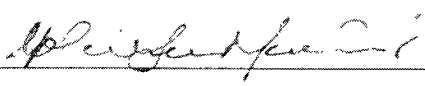
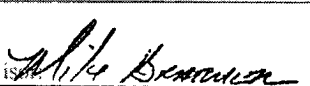
Describe Cause of Problem and Remedial Action Taken *

The contents of the reserve drilling pit were removed from the site and disposed at Gandy-Marley, pursuant to an approved C144. On 4/27/09 a composite soil sample was collected from below the pit liner and analyzed for chloride, BTEX and TPH by Environmental Lab of Odessa, TX. The laboratory reported BTEX concentrations below the test method detection limit, a TPH concentration of 64.9 mg/kg, and a chloride concentration of 1,040 mg/kg. As per NM Rule 19.15.17, this C141 serves as notification of chloride exceeding the approved clean up concentration of 1,000 mg/kg. It is not believed that the existing chloride concentration poses any threat to groundwater, surface water or human consumption, as depth to groundwater at the site is approximately 300 feet. (Analytical Documentation is attached. Sample SS-1 was collected from below the liner. All other samples were collected from the well pad and will be addressed in a separate C141).

Describe Area Affected and Cleanup Action Taken.*

As the pit contents and pit liner have been disposed at Gandy-Marley (Permit Number: NM-711-1-0020) and the soil sample from below the liner reported concentrations that do not pose any threat to groundwater, surface water, or human consumption, the pit will be backfilled according to the closure plan of the previously approved C144 (i.e.: to a depth of approximately one (1) foot below ground surface and compacted. One (1) foot of topsoil will be placed above the compacted soil and contoured to surface grade. The entire area will be re-seeded with a native grass seed mixture per BLM specifications.)

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: M Y. (Merch) Merchant		Approved by District 	
Title: Legal Agent for McKay Oil Corporation		Approval Date: MAY 06 2009	Expiration Date: N/A
E-mail Address: mymerch@penrocoil.com		Conditions of Approval: N/A	Attached <input type="checkbox"/>
Date: 5/5/09 Phone: (575) 492-1236			

* Attach Additional Sheets If Necessary