

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Hrazos 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

API # 30-045-33059 OPERATOR ☒ Initial Report ☐ Final Report

Name of Company	Maralex Resources, Inc.	Contact	Jeremy Golob
Address	PO BOX 338, Ignacio, CO 81137	Telephone No.	(970) 563-4000
Facility Name	Atlantic 32-1A	Facility Type	Well site (compressor building)

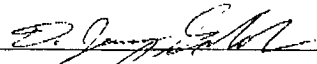
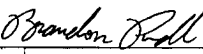
Surface Owner	State of New Mexico	Mineral Owner	State of New Mexico	Lease No.	Atlantic
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### LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	32	31N	10W	800	North	1500	West	San Juan

Latitude 36.86006 N Longitude 107.90917 W

### NATURE OF RELEASE

Type of Release	Small Natural Gas Leak	Volume of Release	<5 MCF	Volume Recovered	N/A
Source of Release	Compressor Scrubber Dump Line	Date and Hour of Occurrence	11:00 AM 2/5/08	Date and Hour of Discovery	11:00 AM 2/5/08
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	N/A		
By Whom?	N/A	Date and Hour	N/A		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse	N/A		
If a Watercourse was Impacted, Describe Fully. * N/A					
Describe Cause of Problem and Remedial Action Taken *					
The problem was caused by two leaky scrubber dump valves and a leaky hammer union on the scrubber dump line. Both dump valves were replaced and the leaky hammer union was tightened before the well was put back into service.					
Describe Area Affected and Cleanup Action Taken *					
The gas leak resulted in an explosion inside the compressor building probably ignited by a spark from a set of jumper cables. The cables were being hooked to the compressor battery at the time of the explosion. The flash only lasted a brief moment and did not affect any area outside the building and did not require any cleanup.					
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: D. Jeremy Golob		Approved by District Supervisor:  For: Charlie Perrin			
Title: Sr. Petroleum Engineer		Approval Date: 7/28/08		Expiration Date:	
E-mail Address: jgolob@maralexresources.com		Conditions of Approval:		Attached <input type="checkbox"/>	
Date: 4/7/08 Phone: (970) 563-4000					

\* Attach Additional Sheets If Necessary

Incident # nBP0920341931