

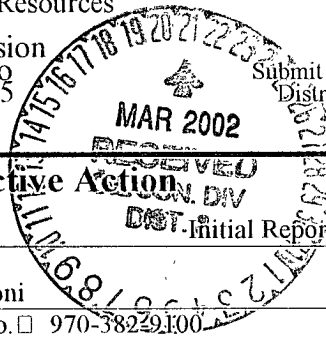
District I
1625 N French Dr, Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

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



Release Notification and Corrective Action

30 039 26104

OPERATOR

Initial Report

Final Report

Name of Company Mallon Oil Company	Contact Ronald Sansoni
Address P.O. Box 2797 Durango, Co 81301	Telephone No. <input type="checkbox"/> 970-38229100
Facility Name Water Station #4	Facility Type Produced Water Storage and Transfer Tank Battery

Surface Owner Jicarilla Apache Nation	Mineral Owner Jicarilla Apache Nation	Lease No. <input type="checkbox"/> Jic. 29-03-11 #1
--	--	---

LOCATION OF RELEASE

Unit Letter P	Section 11	Township T 29 N	Range R3W	Feet from the 835	North/South Line FSL	Feet from the 850	East/West Line FEL	County <input type="checkbox"/> Rio Arriba
------------------	---------------	--------------------	--------------	----------------------	-------------------------	----------------------	-----------------------	--

NATURE OF RELEASE

Type of Release Producing Water from non-H2S producing gas wells	Volume of Release 52 BBLS Est	Volume Recovered <input type="checkbox"/> 47 BBLS Est
Source of Release Four Inch(4") water line to transfer pump suction ruptured	Date and Hour of Occurrence 02-26-02	Date and Hour of Discovery 02-26-02 @ 11.15 PM
Was Immediate Notice Given? X - Yes Not Required	If YES, To Whom? Danny Foust at NMOCD	
By Whom? <input type="checkbox"/> Buck Pruitt	Date and Hour 02/26/02 11 23 AM	
Was a Watercourse Reached? Yes X - No	If YES, Volume Impacting the Watercourse	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

A 4 inch steel pipe that connects the transfer pump suction to the produced water storage tank ruptured. No remedial action was taken because 1) The spill was contained by berm 2) Surface of containment berm was frozen at the time of spill due to extremely cold, ambient temperatures

Describe Area Affected and Cleanup Action Taken *

The spill occurred within a containment berm that surrounds the facility A vacuum truck removed the majority of the water from the area The facility was taken out of service upon discovery of the spill and will remain out of service until repairs are completed

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 <i>Buck Pruitt</i>	OIL CONSERVATION DIVISION	
Printed Name: Buck Pruitt	Approved by <input type="checkbox"/> District Supervisor <i>Denny Foust</i> for Frank Chavez	
Title Production Foreman; Mallon Oil	Approval Date: 03/22/02	Expiration Date.
Date 2-26-02 Phone: 505-486-0316	Conditions of Approval.	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

NDGF0205753664