

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

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 # 30-045-32857

OPERATOR

☒ Initial Report ☒ Final Report

Name of Company	Pro NM Energy, Inc.	Contact	Dennis Reimers (Agent for Pro NM)
Address	460 St. Michael's Dr., Ste 402, Santa Fe, NM	Telephone No.	970/563-4000 or 970/799-1638
Facility Name	Gracia Federal 181 #1	Facility Type	Gas Well

Surface Owner	Navajo Nation	Mineral Owner	BLM	Lease No.	SF-78899-A
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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
I	18	26N	11W	1495	South	660	East	San Juan

Latitude 36° 29' 05.8" N Longitude 108° 02' 18.3" W
(NAD 83)

NATURE OF RELEASE

Type of Release	FRESH WATER	Volume of Release	375 BBls	Volume Recovered	None
Source of Release	Frac Tank Leak	Date and Hour of Occurrence		Date and Hour of Discovery	1/19/08
Was Immediate Notice Given? (WEEKEND & FRESH WATER)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	1/19/08 2:30AM		2:30AM
By Whom?		Date and Hour	Faxed report to NMOCDD on 1/21/08		
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.*

RCVD JAN 23 '08
OIL CONS. DIV.
DIST. 3

Describe Cause of Problem and Remedial Action Taken *

A frac tank on location was filled with fresh water. The valve on the bottom of the frac tank froze and broke causing the fresh water to spill out of the tank and into a wash. The fresh water immediately dissipated into the ground. No water was contained and none was recovered. The fresh water spilled did not cause any damage.

Describe Area Affected and Cleanup Action Taken.*

The well location/pad. The fresh water dissipated into the sandy soil. No cleanup was necessary.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCDD 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 NMOCDD 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, NMOCDD 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.

OIL CONSERVATION DIVISION

Signature:	<i>Carla S. Shaw</i>	Approved by District Supervisor: <i>Brandon Sandell</i> For: <i>Charlie Perrin</i>	
Printed Name:	Carla S. Shaw	Approval Date:	1-23-08
Title:	Agent for Pro NM Energy, Inc.	Expiration Date:	
E-mail Address:	production@maralexresources.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date:	01/21/08	Phone:	970/563-4000

* Attach Additional Sheets If Necessary Pro NM phone #
505/988-4171

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