

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

OPERATOR

X ☐ Initial Report X ☐ Final Report

| | |
|---|--|
| Name of Company Mar Oil and Gas Corp | Contact Billy Prichard |
| Address PO Box 5155 Santa Fe, NM 87502 | Telephone No. 505-390-9100 cellular |
| Facility Name SFPRR # 15 Disposal | Facility Type Disposal plant |

| | | |
|-------------------------------------|---------------|-----------|
| Surface Owner Michael Harton | Mineral Owner | Lease No. |
|-------------------------------------|---------------|-----------|

LOCATION OF RELEASE

| | | | | | | | | |
|-------------------------|----------------------|-----------------------|---------------------|-----------------------------|----------------------------------|------------------------------|-------------------------------|----------------------|
| Unit Letter B | Section 34 | Township 9S | Range 37E | Feet from the 800 | North/South Line North | Feet from the 2121 | East/West Line East | County Lea |
|-------------------------|----------------------|-----------------------|---------------------|-----------------------------|----------------------------------|------------------------------|-------------------------------|----------------------|

186' Latitude 33.4955900 Longitude -103.1385000

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release Salt Water | Volume of Release 20 bbls | Volume Recovered 15 |
| Source of Release 1/4" plug on SWD Pump blew out | Date and Hour of Occurrence 8/8/2006 unknown | Date and Hour of Discovery 8/8/2006 Estimated 8am |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? OCD Inspector Buddy Hill informed Mar pumper Dale Hale of the release | |
| By Whom? | Date and Hour | |
| 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.*

Corrosion had eroded the threads off of a 1/4" plug on the SWD pump

Describe Area Affected and Cleanup Action Taken.*

The inside of the tank containment berm was the only area affected. Vacuum truck was called to the location and the water was picked up. Dug small hole in corner of containment area and water was swept to the hole for pick up by the vacuum truck. Damp surface was allowed to dry

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>Debbie McKelvey</i> | | OIL CONSERVATION DIVISION | |
| Printed Name: <i>Debbie McKelvey</i> | | Approved by District Supervisor: <i>[Signature]</i> | |
| Title: <i>Agent</i> | | Approval Date: <i>9.20.06</i> | Expiration Date: <i>—</i> |
| E-mail Address: | | Conditions of Approval: | |
| Date: <i>9/18/06</i> | Phone: <i>505-392-3576</i> | Attached <input type="checkbox"/> | |

* Attach Additional Sheets If Necessary

Facility - #PAC0626349350
Incident - #PAC0626349482

application - #PAC0626350635
RP# 1040