NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

November 6, 2006

Jim Stevens jtcwest@nts-online.net
J. Cleo Thompson.
PO Box 12577
Odessa, TX 79768

Re: SiteClosure Report – Millensand Unit # 133 **OCD 1RP-1025**
Site Location: UL-G Sec 7 T 8 R35E
Report Received: November 6, 2006

Dear Mr. Stevens,

The New Mexico Oil Conservation Division (OCD) reviewed the above referenced closure report. This report was submitted for J. Cleo Thompson (JCT) by your agent, Elke Environmental, Inc. (ECI). Based on information provided, the site requires no further action at this time.

Please be advised that OCD approval does not relieve JCT of responsibility should operations result in pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve JCT of responsibility for compliance with any federal, state or local laws and/or regulations.

If you have any questions or need assistance please call me at (505) 393-6161, x111 or e-mail larry.Johnson@state.nm.us

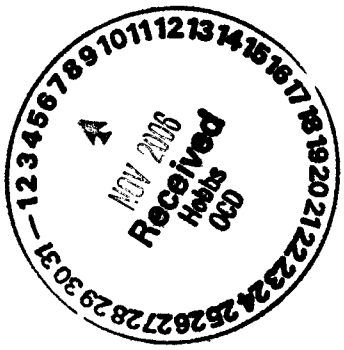
Sincerely,

Larry Johnson - Environmental Engineer

CC: Wayne Price - Environmental Bureau Chief
Chris Williams - District I Supervisor
Patricia Caperton- District 1 Environmental Tech

Elke Environmental, Inc.
P. O. Box 14167
Odessa, Tx. 79768

IRP# 1025



Closure Report 10-11-06

Prepared for: Mr. Larry Johnson, New Mexico Oil Conservation Division – Hobbs, New Mexico

Mr. Jim Stevens – J. Cleo Thompson & James Cleo Thompson Jr., LP

API #30025 10043 00 00

Project:
Milnesand Unit # 133
U/L G Sec. ~~8 T 35 R 37~~ 7-8-35
Milnesand, Roosevelt County New Mexico

Elke Environmental, Inc.

4617 Andrews Highway
Odessa, TX. 79768

Re: Milnesand Unit # 133

J. Cleo Thompson contacted Elke Environmental on 9-29-06 about a Salt Water leak in Roosevelt County in New Mexico. The site is located 3.3 miles west of Milnesand, NM. The spill was 110+ barrels of Salt Water that occurred about 9-2-05. Elke proposed using a Dozer with rippers and a backhoe to load the trucks to haul to a Landfarm. Elke arrived on site on 10-2-06 and started ripping the rock and pushing up contaminated material and loading material with a backhoe. We had a total of seven trucks. We excavated a total of 3,610 cubic yards of contaminated material. The area of the leak source was excavated to a depth of 10' rest of spill area was excavated from a depth of 1' to 4.5'. The entire spill area was taken down to solid rock. TP 1 and TP 3 had the highest levels of Chloride. NMOCD instructed Elke to install a 40- mill liner over TP 3 and TP 11. Elke then used on site clean material to backfill the spill area and leveled site. Job was completed on 10-11-06.

Sincerely,

Kim Baker

Elke Environmental, Inc.
P.O. Box 14167, Odessa Texas 79768
Phone 432-366-0043 Fax 432-366-0884

Job Summary Sheet

Start Date: 10-2-06 **Completion Date: 10-11-06**

One Call Confirmatiom #: 2006361392

GPS Point of Origin:33°37'55.9" 103°23' 47.8"

U/L G **Section 8s** **Township 35e** **Range 7**

Client Information

Company: J. Cleo Thompson, & James Cleo Thompson JR.,LP

Site Name: Milensand Unit #133

Client Contact: Jim Stevens

Client Phone #: 432-550-8887

Client Reference #:

Reportable Spill: xYES – NO

Spill Type: Salt Water

Spill Amount: 110 bbl

Site Dimensions

Before Excavation: 55'x456'

After Excavation: 60' x 480' x 3'

Total Cubic Yards Excavated: 3,610

Laboratory Analysis: xYes – No

Analysis Type & Date Collected: Chloride and TPH on 10-6-06

ELKE ENVIROMENTAL, INC.
P.O. BOX 14167
ODESSA, TX. 79768
432-366-0043

9-28-06 Kim looked at site took pictures and recommended Dozer with ripper and Backhoe along with 8 Trucks

9-29-06 Jose Hauled the Dozer to Site.

9-30-06 Jose Hauled the Backhoe to site.

10-02-06 Rego, Curtis, Kim and seven haul trucks arrived on site and started ripping and Pushing with Dozer and loading trucks to go to Landfarm in Lovington, NM. Trucks include Soils, P&H, P&P, JAS #50, JAS #04, Franco, H&L. Hauled 24 Loads to Landfarm for a total of 560 cu yds.

10-3-06 Rego ripping and pushing contaminated soil with Dozer and Curtis loading Trucks to go to Landfarm. Hauled a total of 38 loads or 760 cu yds for the day and a grand total of 1,320 cu yds.

10-4-06 Rego ripping and pushing contaminated soil with Dozer and Curtis loading Trucks going to Landfarm. Hauled 31 loads or 590 cu yds for the day and 1,910 total.

10-5-06 Rego ripping and pushing contaminated soil with Dozer and Curtis loading Trucks with Backhoe. Hauled 39 loads or 780 cu yds and a total of 2,690 cu yds.

10-6-06 Rego pushing up backfill material with Dozer. Curtis loading trucks with Backhoe. Hauled 21 loads or 420 cu yds and a total of 3,110 cu yds.

10-9-06 Rego backfilling clean material with Dozer. Curtis loading trucks with Backhoe. Hauled 25 loads or 500 cu yds for a total of 3,610 cu yds. Installed a liner at test point #3 and #11 a 40-mil plastic.

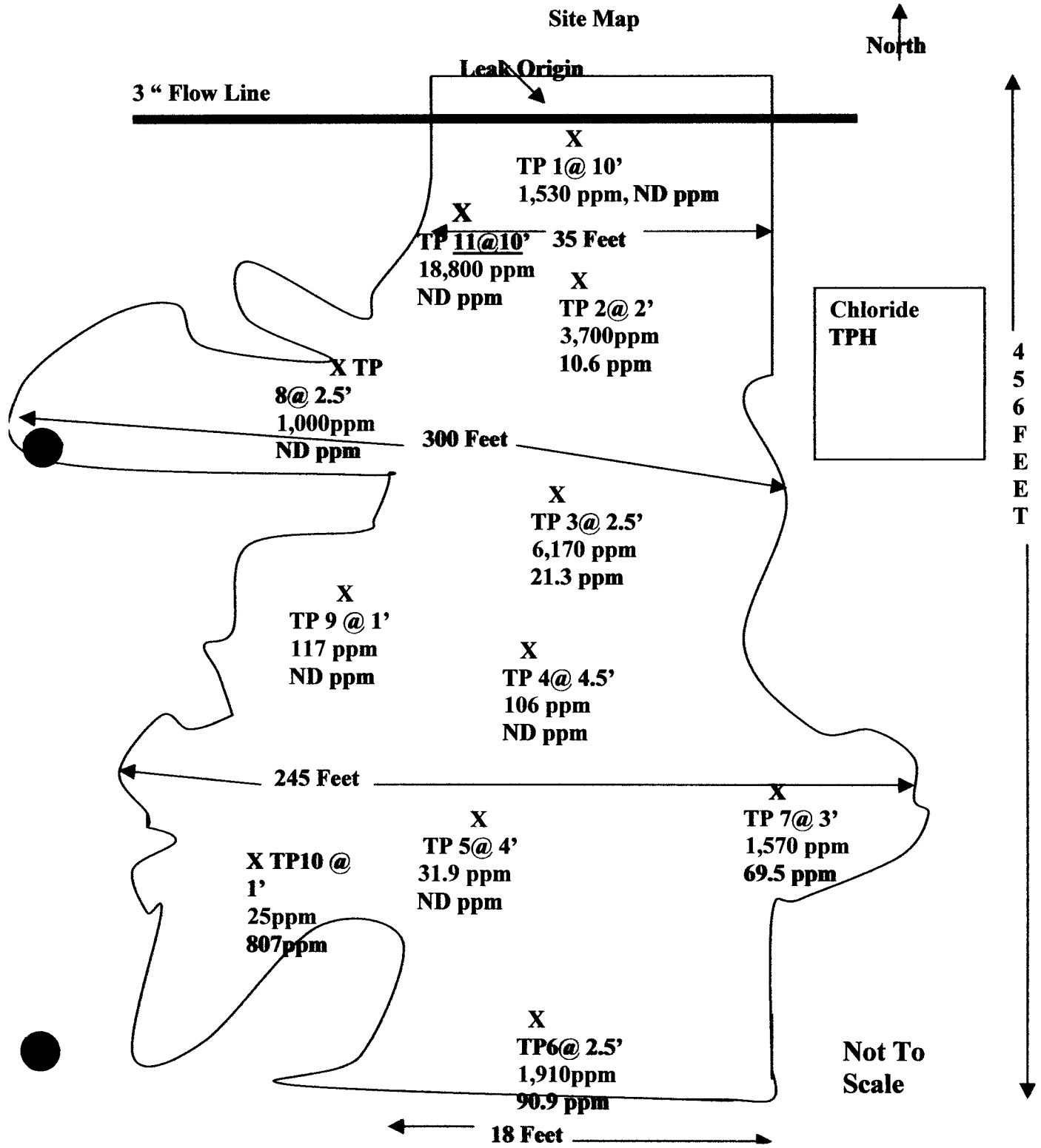
10-10-06 Rained out.

10-11-06 Curtis loading trucks with backfill material and Rego backfilling with Dozer. Jose hauling Dozer to yard.

10-12-06 Jose hauling backhoe to yard.

J. Cleo Thompson & James Cleo Thompson Jr., LP
Oil Producers
117 West Yukon Road
P.O. Box 12577
Odessa, TX 79768

Milnesand Unit # 133
Site Map



Trucking to Landfarm

Date	Trucking Company	Loads	Cu Yds.	
10-2-06	Solis Trucking	4	80	
10-2-06	JAS Trucking #50	4	80	
10-2-06	JAS Trucking #04	4	80	
10-2-06	P&P Trucking	4	80	
10-2-06	P&H Trucking	4	80	
10-2-06	Franco Trucking	4	80	
10-2-06	H&L Trucking	4	80	560 cu yds
10-3-06	Solis Trucking	5	100	
10-3-06	JAS Trucking #50	5	100	
10-3-06	JAS Trucking #04	5	100	
10-3-06	P&P Trucking	5	100	
10-3-06	P&H Trucking	5	100	
10-3-06	Franco Trucking	5	100	
10-3-06	H&L Trucking	5	100	
10-3-06	Meza Trucking	3	60	760 cu yds
10-4-06	Solis Trucking	4	80	
10-4-06	JAS Trucking #50	4	80	
10-4-06	JAS Trucking #04	4	80	
10-4-06	P&P Trucking	4	80	
10-4-06	P&H Trucking	4	80	
10-4-06	Franco Trucking	4	80	
10-4-06	H&L Trucking	3	60	
10-4-06	Meza Trucking	4	80	590 cu yds
10-5-06	Solis Trucking	5	100	
10-5-06	JAS Trucking #50	5	100	
10-5-06	JAS Trucking #04	5	100	
10-5-06	P&P Trucking	5	100	
10-5-06	P&H Trucking	5	100	
10-5-06	Franco Trucking	5	100	
10-5-06	H&L Trucking	4	80	
10-5-06	Meza Trucking	5	100	780 cu yds
10-6-06	Solis Trucking	3	60	
10-6-06	JAS Trucking #50	3	60	
10-6-06	JAS Trucking #04	3	60	
10-6-06	P&P Trucking	2	40	
10-6-06	P&H Trucking	3	60	
10-6-06	Franco Trucking	2	40	
10-6-06	H&L Trucking	2	40	
10-6-06	Meza Trucking	3	60	420 cu yds

10-9-06	Solis Trucking	4	80	
10-9-06	JAS Trucking #50	4	80	
10-9-06	JAS Trucking #04	4	80	
10-9-06	P&H Trucking	4	80	
10-9-06	Franco Trucking	4	80	
10-9-06	H&L Trucking	2	40	
10-9-06	Meza Trucking	3	60	500 cu yds

A total of 1,640 cubic yards was hauled to Jay-Dan Landfarm the five samples were 396,364,230,135,and 375 ppm of Chlorides.
A total of 1,970 cubic yards were hauled to Gandy-Marley landfarm.

Total of 3,610 yds. Hauled to Landfarm

Elke Environmental, Inc.

P.O. Box 14167 Odessa, Tx 79768

Field Analytical Report Form

Client: J. Cleo Thompson & James Cleo Thompson, JR. LP **Analyst: Kim Baker**

Site: Milnesand Unit # 133

Sample ID	Sample Date	Depth	TPH/PPM	Cl/PPM	PID/PPM
TP 1	10-4-06	3.5'	1,027	8,636	
TP 1	10-5-06	4'		6,383	
TP 1	10-5-06	6'		8,634	10
TP 2	10-5-06	2'	650	2,230	5
TP 3	10-3-06	2'		6,397	
TP 3	10-4-06	2.5'	430	2,413	6
TP 4	10-3-06	2.5'		1,638	
TP 4	10-3-06	3'		2,378	
TP 4	10-4-06	4.5'	88	876	2
TP 5	10-3-06	3'		2,551	
TP 5	10-4-06	4'	120	490	2
TP 6	10-2-06	2.5'	246	807	1
TP 7	10-3-06	3'	85	798	3
TP 8	10-5-06	2.5'	95	768	2
TP 9	10-2-06	1'	15	552	0
TP 10	10-2-06	1'	25	807	0
TP 11	10-5-06	3'		6,830	
TP 11	10-5-06	6'	225	11,054	12

Analyst Signature_____

Elke Environmental, Inc.

4617 Andrews Highway
Odessa, TX. 79768

Laboratory Summary

Sample Point	Depth	TPH PPM	Chloride PPM
TP 1	10'	ND	1,530
TP 2	2'	10.6	3,700
TP 3	2.5'	21.3	6,170
TP 4	4.5'	ND	106
TP 5	4'	ND	31.9
TP 6	2.5'	90.9	1,910
TP 7	3'	69.5	1,570
TP 8	2.5'	ND	1,000
TP 9	1'	ND	117
TP 10	1'	ND	319
TP 11	10'	ND	18,800

ENVIRONMENTAL LAB OF

12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Kim Baker

Elke Environmental

P.O. Box 14167

Odessa, TX 79768

Project: Milnesand Unit #133

Project Number: None Given

Location: J. Cleo Thompson

Lab Order Number: 6J06001

Report Date: 10/09/06

Elke Environmental	Project: Milnesand Unit #133	Fax: (432) 366-0884
P.O. Box 14167	Project Number: None Given	
Odessa TX, 79768	Project Manager: Kim Baker	

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
TP-1	6J06001-01	Soil	10/05/06 17:00	10-06-2006 08:00
TP-2	6J06001-02	Soil	10/05/06 16:30	10-06-2006 08:00
TP-3	6J06001-03	Soil	10/05/06 16:00	10-06-2006 08:00
TP-4	6J06001-04	Soil	10/05/06 15:45	10-06-2006 08:00
TP-5	6J06001-05	Soil	10/05/06 15:30	10-06-2006 08:00
TP-6	6J06001-06	Soil	10/05/06 15:15	10-06-2006 08:00
TP-7	6J06001-07	Soil	10/05/06 15:00	10-06-2006 08:00
TP-8	6J06001-08	Soil	10/05/06 14:45	10-06-2006 08:00
TP-9	6J06001-09	Soil	10/05/06 14:30	10-06-2006 08:00
TP-10	6J06001-10	Soil	10/05/06 14:15	10-06-2006 08:00
TP-11	6J06001-11	Soil	10/05/06 14:00	10-06-2006 08:00

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Elke Environmental	Project: Milnesand Unit #133	Fax: (432) 366-0884
P.O. Box 14167	Project Number: None Given	
Odessa TX, 79768	Project Manager: Kim Baker	

Organics by GC

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TP-1 (6J06001-01) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EJ60607	10/06/06	10/06/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*97.8 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*96.2 %*	*70-130*		"	"	"	"	
TP-2 (6J06001-02) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EJ60607	10/06/06	10/06/06	EPA 8015M	
Carbon Ranges C12-C28	**10.6**	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	**10.6**	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*95.2 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*89.6 %*	*70-130*		"	"	"	"	
TP-3 (6J06001-03) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EJ60607	10/06/06	10/06/06	EPA 8015M	
Carbon Ranges C12-C28	**21.3**	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	**J [5.26]**	10.0	"	"	"	"	"	"	J
Total Hydrocarbons	**21.3**	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*94.8 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*89.8 %*	*70-130*		"	"	"	"	
TP-4 (6J06001-04) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EJ60607	10/06/06	10/06/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*94.8 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*88.4 %*	*70-130*		"	"	"	"	

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Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Milnesand Unit #133
Project Number: None Given
Project Manager: Kim Baker

Fax: (432) 366-0884

Organics by GC

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TP-5 (6J06001-05) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EJ60607	10/06/06	10/06/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*101 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*94.0 %*	*70-130*		"	"	"	"	
TP-6 (6J06001-06) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EJ60607	10/06/06	10/06/06	EPA 8015M	
Carbon Ranges C12-C28	**72.1**	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	**18.8**	10.0	"	"	"	"	"	"	
Total Hydrocarbons	**90.9**	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*104 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*97.4 %*	*70-130*		"	"	"	"	
TP-7 (6J06001-07) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EJ60607	10/06/06	10/06/06	EPA 8015M	
Carbon Ranges C12-C28	**54.4**	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	**15.1**	10.0	"	"	"	"	"	"	
Total Hydrocarbons	**69.5**	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*96.8 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*92.8 %*	*70-130*		"	"	"	"	
TP-8 (6J06001-08) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EJ60607	10/06/06	10/06/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*93.6 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*88.8 %*	*70-130*		"	"	"	"	

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Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Milnesand Unit #133
Project Number: None Given
Project Manager: Kim Baker

Fax: (432) 366-0884

Organics by GC

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TP-9 (6J06001-09) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EJ60607	10/06/06	10/06/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*94.2 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*87.8 %*	*70-130*		"	"	"	"	
TP-10 (6J06001-10) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EJ60607	10/06/06	10/06/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*93.8 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*88.2 %*	*70-130*		"	"	"	"	
TP-11 (6J06001-11) Soil									
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EJ60607	10/06/06	10/06/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbons	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*94.4 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*91.8 %*	*70-130*		"	"	"	"	

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Elke Environmental	Project: Milnesand Unit #133	Fax: (432) 366-0884
P.O. Box 14167	Project Number: None Given	
Odessa TX, 79768	Project Manager: Kim Baker	

General Chemistry Parameters by EPA / Standard Methods

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TP-1 (6J06001-01) Soil									
Chloride	**1530**	20.0	mg/kg Wet	2	EJ60602	10/06/06	10/06/06	SW 846 9253	
% Moisture	**10.0**	0.1	%	1	EJ60612	10/06/06	10/06/06	% calculation	
TP-2 (6J06001-02) Soil									
Chloride	**3700**	20.0	mg/kg Wet	2	EJ60602	10/06/06	10/06/06	SW 846 9253	
% Moisture	**9.1**	0.1	%	1	EJ60612	10/06/06	10/06/06	% calculation	
TP-3 (6J06001-03) Soil									
Chloride	**6170**	20.0	mg/kg Wet	2	EJ60602	10/06/06	10/06/06	SW 846 9253	
% Moisture	**8.6**	0.1	%	1	EJ60612	10/06/06	10/06/06	% calculation	
TP-4 (6J06001-04) Soil									
Chloride	**106**	20.0	mg/kg Wet	2	EJ60602	10/06/06	10/06/06	SW 846 9253	
% Moisture	**19.2**	0.1	%	1	EJ60612	10/06/06	10/06/06	% calculation	
TP-5 (6J06001-05) Soil									
Chloride	**31.9**	20.0	mg/kg Wet	2	EJ60602	10/06/06	10/06/06	SW 846 9253	
% Moisture	**27.5**	0.1	%	1	EJ60612	10/06/06	10/06/06	% calculation	
TP-6 (6J06001-06) Soil									
Chloride	**1910**	20.0	mg/kg Wet	2	EJ60602	10/06/06	10/06/06	SW 846 9253	
% Moisture	**12.7**	0.1	%	1	EJ60612	10/06/06	10/06/06	% calculation	
TP-7 (6J06001-07) Soil									
Chloride	**1570**	20.0	mg/kg Wet	2	EJ60602	10/06/06	10/06/06	SW 846 9253	
% Moisture	**9.4**	0.1	%	1	EJ60612	10/06/06	10/06/06	% calculation	
TP-8 (6J06001-08) Soil									
Chloride	**1000**	20.0	mg/kg Wet	2	EJ60602	10/06/06	10/06/06	SW 846 9253	
% Moisture	**12.6**	0.1	%	1	EJ60612	10/06/06	10/06/06	% calculation	

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Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Milnesand Unit #133
Project Number: None Given
Project Manager: Kim Baker

Fax: (432) 366-0884

General Chemistry Parameters by EPA / Standard Methods

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
TP-9 (6J06001-09) Soil									
Chloride	**117**	20.0	mg/kg Wet	2	EJ60602	10/06/06	10/06/06	SW 846 9253	
% Moisture	**20.8**	0.1	%	1	EJ60612	10/06/06	10/06/06	% calculation	
TP-10 (6J06001-10) Soil									
Chloride	**319**	20.0	mg/kg Wet	2	EJ60602	10/06/06	10/06/06	SW 846 9253	
% Moisture	**16.4**	0.1	%	1	EJ60612	10/06/06	10/06/06	% calculation	
TP-11 (6J06001-11) Soil									
Chloride	**18800**	20.0	mg/kg Wet	2	EJ60602	10/06/06	10/06/06	SW 846 9253	
% Moisture	**13.1**	0.1	%	1	EJ60612	10/06/06	10/06/06	% calculation	

Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Milnesand Unit #133
Project Number: None Given
Project Manager: Kim Baker

Fax: (432) 366-0884

Organics by GC - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EJ60607 - Solvent Extraction (GC)										
Blank (EJ60607-BLK1)				Prepared & Analyzed: 10/06/06						
Carbon Ranges C6-C12	ND	10.0	mg/kg wet							
Carbon Ranges C12-C28	ND	10.0	"							
Carbon Ranges C28-C35	ND	10.0	"							
Total Hydrocarbons	ND	10.0	"							
Surrogate: 1-Chlorooctane	*48.5*		*mg/kg*	*50.0*		*97.0*	*70-130*			
Surrogate: 1-Chlorooctadecane	*46.6*		*"*	*50.0*		*93.2*	*70-130*			
LCS (EJ60607-BS1)				Prepared & Analyzed: 10/06/06						
Carbon Ranges C6-C12	448	10.0	mg/kg wet	500		89.6	75-125			
Carbon Ranges C12-C28	443	10.0	"	500		88.6	75-125			
Carbon Ranges C28-C35	ND	10.0	"	0.00			75-125			
Total Hydrocarbons	891	10.0	"	1000		89.1	75-125			
Surrogate: 1-Chlorooctane	*58.0*		*mg/kg*	*50.0*		*116*	*70-130*			
Surrogate: 1-Chlorooctadecane	*46.1*		*"*	*50.0*		*92.2*	*70-130*			
Calibration Check (EJ60607-CCV1)				Prepared & Analyzed: 10/06/06						
Carbon Ranges C6-C12	207		mg/kg	250		82.8	80-120			
Carbon Ranges C12-C28	243		"	250		97.2	80-120			
Total Hydrocarbons	450		"	500		90.0	80-120			
Surrogate: 1-Chlorooctane	*64.0*		*"*	*50.0*		*128*	*70-130*			
Surrogate: 1-Chlorooctadecane	*52.6*		*"*	*50.0*		*105*	*70-130*			
Matrix Spike (EJ60607-MS1)	**Source: 6J06001-01**			Prepared & Analyzed: 10/06/06						
Carbon Ranges C6-C12	522	10.0	mg/kg dry	556	ND	93.9	75-125			
Carbon Ranges C12-C28	497	10.0	"	556	ND	89.4	75-125			
Carbon Ranges C28-C35	ND	10.0	"	0.00	ND		75-125			
Total Hydrocarbons	1020	10.0	"	1110	ND	91.9	75-125			
Surrogate: 1-Chlorooctane	*61.1*		*mg/kg*	*50.0*		*122*	*70-130*			
Surrogate: 1-Chlorooctadecane	*47.9*		*"*	*50.0*		*95.8*	*70-130*			

Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Milnesand Unit #133
Project Number: None Given
Project Manager: Kim Baker

Fax: (432) 366-0884

Organics by GC - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EJ60607 - Solvent Extraction (GC)										
Matrix Spike Dup (EJ60607-MSD1)	**Source: 6J06001-01**			Prepared & Analyzed: 10/06/06						
Carbon Ranges C6-C12	514	10.0	mg/kg dry	556	ND	92.4	75-125	1.54	20	
Carbon Ranges C12-C28	477	10.0	"	556	ND	85.8	75-125	4.11	20	
Carbon Ranges C28-C35	ND	10.0	"	0.00	ND		75-125		20	
Total Hydrocarbons	991	10.0	"	1110	ND	89.3	75-125	2.88	20	
Surrogate: 1-Chlorooctane	*57.8*		*mg/kg*	*50.0*		*116*	*70-130*			
Surrogate: 1-Chlorooctadecane	*46.2*		*"*	*50.0*		*92.4*	*70-130*			

Elke Environmental
P.O. Box 14167
Odessa TX, 79768

Project: Milnesand Unit #133
Project Number: None Given
Project Manager: Kim Baker

Fax: (432) 366-0884

General Chemistry Parameters by EPA / Standard Methods - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EJ60602 - Water Extraction										
Blank (EJ60602-BLK1)				Prepared & Analyzed: 10/06/06						
Chloride	ND	20.0	mg/kg Wet							
LCS (EJ60602-BS1)				Prepared & Analyzed: 10/06/06						
Chloride	92.5	5.00	mg/kg Wet	100		92.5	80-120			
Matrix Spike (EJ60602-MS1)		Source: 6J06001-01		Prepared & Analyzed: 10/06/06						
Chloride	2040	20.0	mg/kg Wet	500	1530	102	80-120			
Matrix Spike Dup (EJ60602-MSD1)		Source: 6J06001-01		Prepared & Analyzed: 10/06/06						
Chloride	2020	20.0	mg/kg Wet	500	1530	98.0	80-120	0.985	20	
Reference (EJ60602-SRM1)				Prepared & Analyzed: 10/06/06						
Chloride	50.0		mg/kg	50.0		100	80-120			
Batch EJ60612 - General Preparation (Prep)										
Blank (EJ60612-BLK1)				Prepared & Analyzed: 10/06/06						
% Solids	99.8		%							
Duplicate (EJ60612-DUP1)		Source: 6J06001-01		Prepared & Analyzed: 10/06/06						
% Solids	89.6		%		90.0			0.445	20	

Elke Environmental	Project: Milnesand Unit #133	Fax: (432) 366-0884
P.O. Box 14167	Project Number: None Given	
Odessa TX, 79768	Project Manager: Kim Baker	

Notes and Definitions

J	Detected but below the Reporting Limit; therefore, result is an estimated concentration (CLP J-Flag).
DET	Analyte DETECTED
ND	Analyte NOT DETECTED at or above the reporting limit
NR	Not Reported
dry	Sample results reported on a dry weight basis
RPD	Relative Percent Difference
LCS	Laboratory Control Spike
MS	Matrix Spike
Dup	Duplicate

Report Approved By: Celey D Keene Date: 10/9/2006

Raland K. Tuttle, Lab Manager
Celey D. Keene, Lab Director, Org. Tech Director
Peggy Allen, QA Officer
Jeanne Mc Murrey, Inorg. Tech Director
La Tasha Cornish, Chemist
Sandra Sanchez, Lab Tech.

Environmental Lab of Texas I, Ltd.

12600 West I-20 East
Odessa, Texas 79763
Phone: 915-563-1800
Fax: 915-563-1713

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Project Manager: Kim Baker
Company Name: Elke Environmental, Inc.
Company Address: P. O. Box 14167
City/State/Zip: Odessa, Tx 79768
Telephone No: 432-366-0043 Fax No: 432-366-0884
Sampler Signature: [signature] 889-5654 cell Verbals

Project Name: MILNESAND UNIT #133
Project #:
Project Loc: J. CLEO THOMPSON
PO #:

(lab use only) ORDER #: 6J06001

FIELD CODE	Date Sampled	Time Sampled	No. of Containers (4 oz jars)	Preservative: Ice	HNO3	HCl	NaOH	H2SO4	None	Other (Specify)	Matrix: Water	Sludge	Soil	Other (specify)	Analyze For: TCLP: TPH: 418.1 / 8015 / 1005 / 1006	Cations (Ca, Mg, Na, K)	Anions (Cl, SO4, CO3, HCO3)	SAR / ESP / CEC	Metals: As Ag Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	BTEX 8021B/5030	RCI	ignitability	TDS/ TSS	RUSH TAT (Pre-Schedule)	Standard TAT
-01 TP1	10-7-06	5:00	1	X									X		X		X									X	
-02 TP2	"	4:30	1																								
-03 TP3	"	4:00																									
-04 TP4	"	3:45																									
-05 TP5	"	3:30																									
-06 TP6	"	3:15																									
-07 TP7	"	3:00																									
-08 TP8	"	2:45																									
-09 TP9	"	2:30																									
-10 TP10	"	2:15																									

Special Instructions: Ions:
TAT ASAP OR 24 Hour

Relinquished by:	Date	Time	Received by:	Date	Time
[signature]	10-6-06	8:00			
Relinquished by:	Date	Time	Received by ELOT:	Date	Time
			Jeanne McMurry	10-06-06	0800

Sample Containers Intact? (Y) N
Temperature Upon Receipt: 6.0°C
Laboratory Comments: w/labelist seals

Environmental Lab of Texas I, Ltd.

12600 West I-20 East
Odessa, Texas 79763
Phone: 915-563-1800
Fax: 915-563-1713

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Project Manager: Kim Baker
Company Name: Elke Environmental, Inc.
Company Address: P. O. Box 14167
City/State/Zip: Odessa, Tx 79768
Telephone No: 432-366-0043 Fax No: 432-366-0884
Sampler Signature: Kim Baker

Project Name: MILNESAND UNIT #33
Project #:
Project Loc: J. CLEO THOMPSON
PO #:

(lab use only) ORDER #: 610600 1

FIELD CODE	Date Sampled	Time Sampled	No. of Containers	4oz glass	Preservative: Ice	HNO_3	HCl	NaOH	H_2SO_4	None	Other (Specify)	Matrix: Water	Sludge	Soil	Other (specify)	Analyze For: TCLP: TPH: 418.1 / 8015M / 1005 / 1006	TOTAL: Cations (Ca, Mg, Na, K)	Anions (Cl, SO_4, CO_3, HCO_3)	SAR / ESP / CEC	Metals: As Ag Ba Cd Cr Pb Hg Se	Volatiles	Semivolatiles	BTEX 8021B/5030	RCI	NORM	TDS/TSS			RUSH TAT (Pre-Schedule)	Standard TAT
TP11	10.5.06 ~~2:00~~	2.00	1	X									X		X	X		X										X	

Special Instructions: Ions:
TAT ASAP on 24 hour

Sample Containers Intact? Y N
Temperature Upon Receipt:
Laboratory Comments: 6.0 °C
w/ label + seal

Relinquished by:	Date	Time	Received by:	Date	Time
Kim Baker	10-6-06	8:00			
Relinquished by:	Date	Time	Received by ELOT:	Date	Time
			Jeanna McMurry	10-06-06	0800

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client: Elke Environmental

Date/ Time: 10-06-06 @ 0800

Lab ID #: 610600 01

Initials: JMM

Sample Receipt Checklist

					Client Initials
#1	Temperature of container/ cooler?	(Yes)	No	6.0 °C	
#2	Shipping container in good condition?	Yes	No	N/A	
#3	Custody Seals intact on shipping container/ cooler?	Yes	No	Not Present N/A	
#4	Custody Seals intact on sample bottles/ container?	(Yes)	No	Not Present	
#5	Chain of Custody present?	(Yes)	No		
#6	Sample instructions complete of Chain of Custody?	(Yes)	No		
#7	Chain of Custody signed when relinquished/ received?	(Yes)	No		
#8	Chain of Custody agrees with sample label(s)?	(Yes)	No	ID written on Cont./ Lid	
#9	Container label(s) legible and intact?	(Yes)	No	Not Applicable	
#10	Sample matrix/ properties agree with Chain of Custody?	(Yes)	No		
#11	Containers supplied by ELOT?	(Yes)	No		
#12	Samples in proper container/ bottle?	(Yes)	No	See Below	
#13	Samples properly preserved?	(Yes)	No	See Below	
#14	Sample bottles intact?	(Yes)	No		
#15	Preservations documented on Chain of Custody?	(Yes)	No		
#16	Containers documented on Chain of Custody?	(Yes)	No		
#17	Sufficient sample amount for indicated test(s)?	(Yes)	No	See Below	
#18	All samples received within sufficient hold time?	(Yes)	No	See Below	
#19	VOC samples have zero headspace?	(Yes)	No	Not Applicable	

Variance Documentation

Contact: _____ Contacted by: _____ Date/ Time: _____

Regarding: _____

Corrective Action Taken: _____

Check all that Apply:

- ☐ See attached e-mail/ fax
- ☐ Client understands and would like to proceed with analysis
- ☐ Cooling process had begun shortly after sampling event

CARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

Kim Baker

ANALYTICAL RESULTS FOR
J. CLEO THOMPSON
ATTN: JOHN HUGHES
P.O. BOX 12577
ODESSA, TX 79768
FAX TO: (432) 366-0743

Receiving Date: 09/13/06
Reporting Date: 09/14/06
Project Number: NOT GIVEN
Project Name: NOT GIVEN
Project Location: NOT GIVEN

Analysis Date: 09/13/06
Sampling Date: 09/13/06
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: HM
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl^- (mg/kg)
H11528-1	#1 1 FT	10477
H11528-2	#1 2 FT	11197
H11528-3	#2 1 FT	3423
H11528-4	#3 1 FT	288
H11528-5	#3 2 FT	448
H11528-6	#4 1 FT	2655
H11528-7	#4 2 FT	6878
H11528-8	#5 2 FT	848
H11528-9	#6 2 FT	1056
H11528-10	#7 3 FT	2879
H11528-11	#8 4 FT	48
Quality Control		980
True Value QC		1000
% Recovery		98
Relative Percent Difference		3.0

METHOD: Standard Methods	4500-Cl^-B

NOTE: Analyses performed on 1:4 w:v aqueous extracts.

Hope S. Moreno
Chemist

09-14-06
Date

H11528

CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 2

Company Name:	J. Cleo Thompson	BILL TO	
Project Manager:	John Hughes	P.O. #:	
Address:	Box 12577	Company:	Same
City:	Odessa State: Tx Zip: 79768	Attn:	
Phone #:	432-550-8887 Fax #: 432-366-0743	Address:	
Project #:	Project Owner:	City:	
Project Name:		State: Zip:	
Project Location:		Phone #:	
Sampler Name:		Fax #:	

ANALYSIS REQUEST

FOR LAB USE ONLY Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX: GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER :	PRESERV.: ACID/BASE:	ICE / COOL	OTHER :	SAMPLING: DATE	TIME	Cl
#11528-1	#1 1 FT					✓							09-13-06		
-2	#1 2 FT					✓									
-3	#2 1 FT					✓									
-4	#3 1 FT					✓									
-5	#3 2 FT					✓									
-6	#4 1 FT					✓									
-7	#4 2 FT					✓									
-8	#5 2 FT					✓									
-9	#6 2 FT					✓									
-10	#7 3 FT					✓									

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished:	Date:	Received By:	
	Time:		
Relinquished By: John P. Hughes	Date: 09-13-06	Received By: (Lab Staff) Hope S. Mcaeve	
	Time: 1:45		
Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Sample Condition Cool: ☐ Yes ☐ No Intact: ☑ Yes ☐ No	CHECKED BY: (Initials)

Phone Result: ☐ Yes ☐ No Add'l Phone #:
Fax Result: ☑ Yes ☐ No Add'l Fax #:
REMARKS: FAX TO OCD ALSO # 393-0720

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.

CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name:	J. CLEO THOMPSON	**BILL TO**	
Project Manager:	JOHN HUGHES	**P.O. #:**	
Address:	P.O. BOX 12577	**Company:**	
City:	Odessa **State:** Tx **Zip:** 79768	**Attn:**	
Phone #:	432-550-8887 **Fax #:** 432-366-0943	**Address:**	SAME
Project #:	**Project Owner:**	**City:**	
Project Name:		**State:** **Zip:**	
Project Location:		**Phone #:**	
Sampler Name:		**Fax #:**	

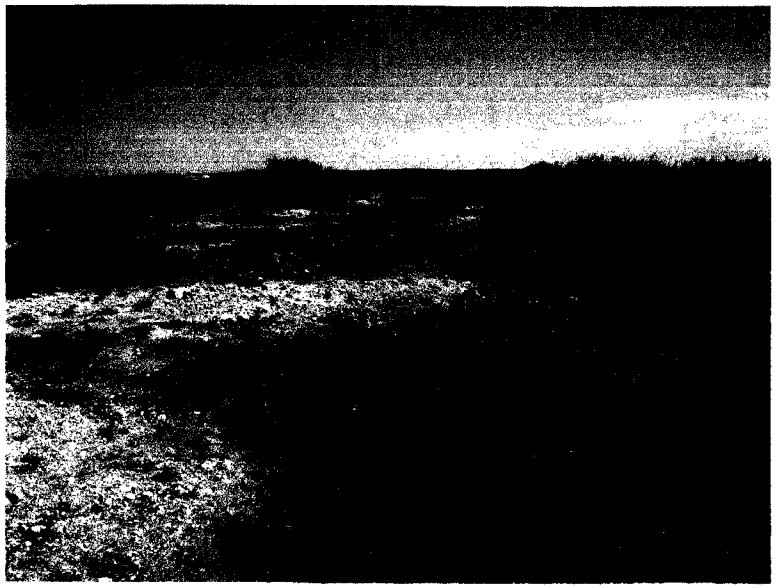
FOR LAB USE ONLY				MATRIX						PRESERV.			SAMPLING		ANALYSIS REQUEST										
Lab I.D.	**Sample I.D.**	(G)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER :	ACID/BASE:	ICE / COOL	OTHER :	**DATE**	**TIME**	BE										
H11529-11	#8 4FT					✓							09-13-06		✓										

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished:	**Date:**	**Received By:**	**Phone Result:** ☐ Yes ☐ No	**Add'l Phone #:**	
	Time:		**Fax Result:** ☐ Yes ☐ No	**Add'l Fax #:**	
Relinquished By: John R. Hughes	**Date:**	**Received By: (Lab Staff)** Hope S. Monroe	**REMARKS:**		
	Time:				
Delivered By: (Circle One) Sampler - UPS - Bus - Other:		**Sample Condition** Cool ☐ Yes ☐ No Intact ☐ Yes ☐ No	**CHECKED BY: (Initials)**		

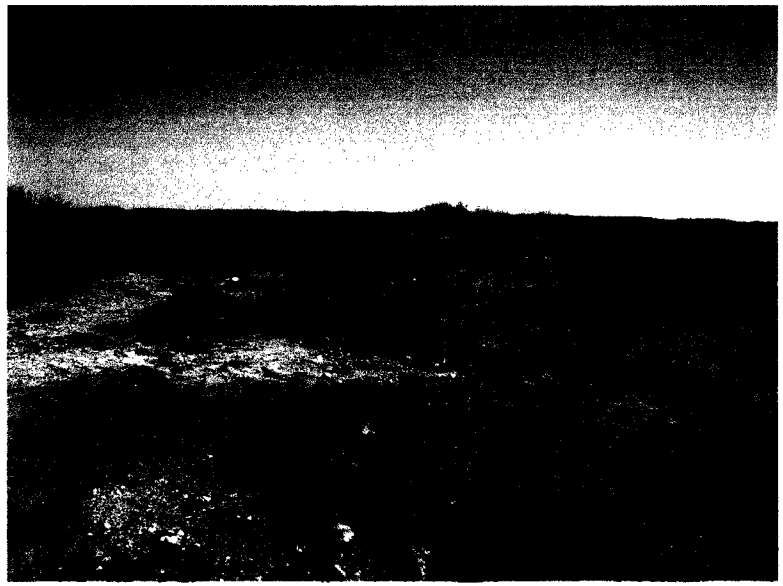
† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.



North to South

North to South TP2

North to South



North to South

North to South

North to South

East to West

East to West

West to East

West to East

West to East

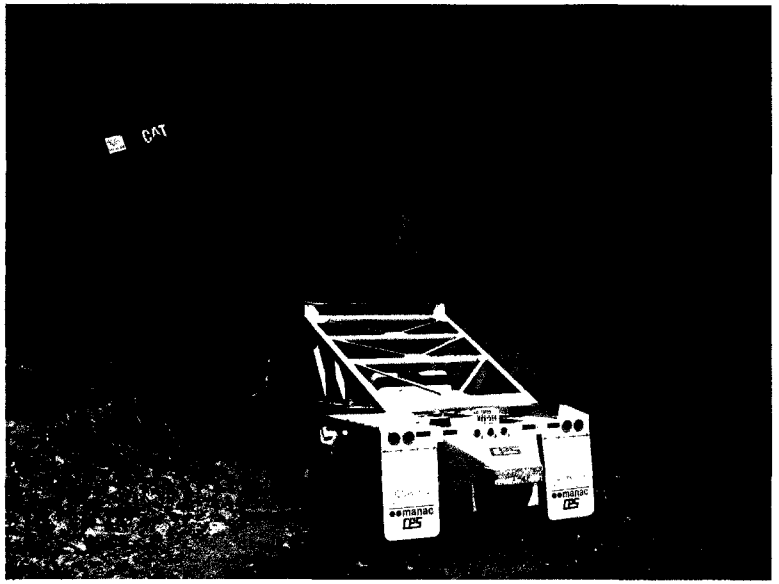
West to East

South to North Leak Source

South to North Leak Source

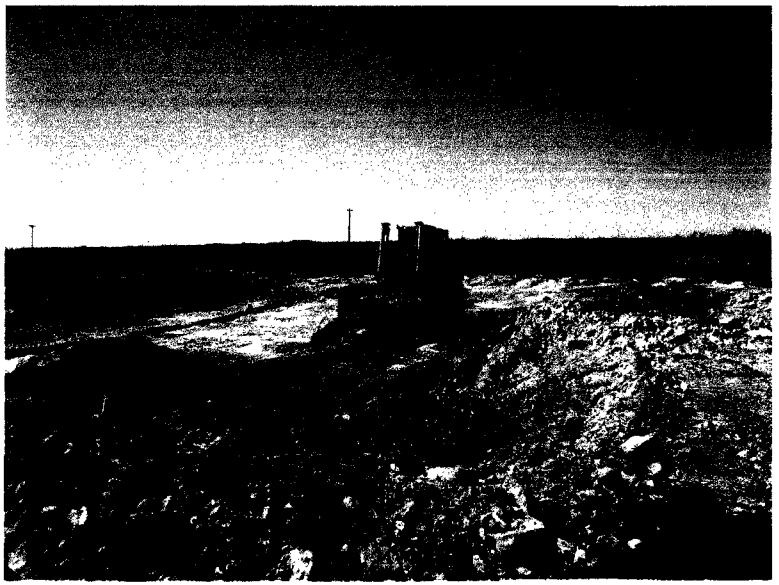
East to West Leak Source

East to West Leak Source



Loading Trucks

Loading Trucks



Pushing with Dozer

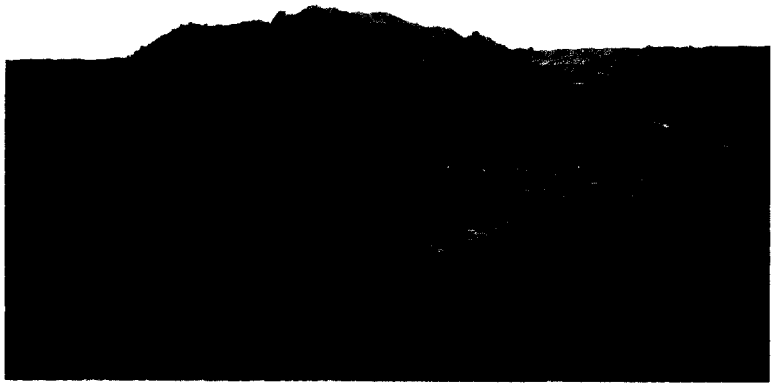
Pushing with Dozer

Ripping Rock with Dozer

Ripping Rock with Dozer

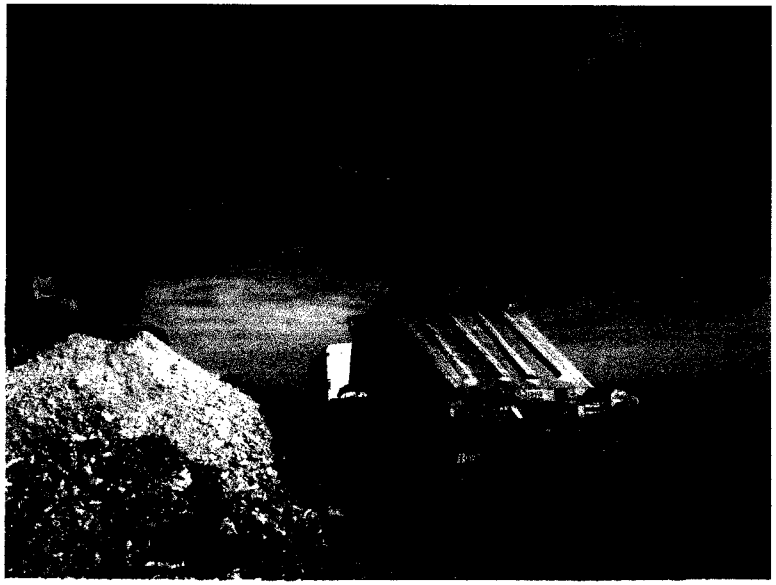
Loading Trucks with Contaminated Soil

Loading Trucks with Contaminated Soil



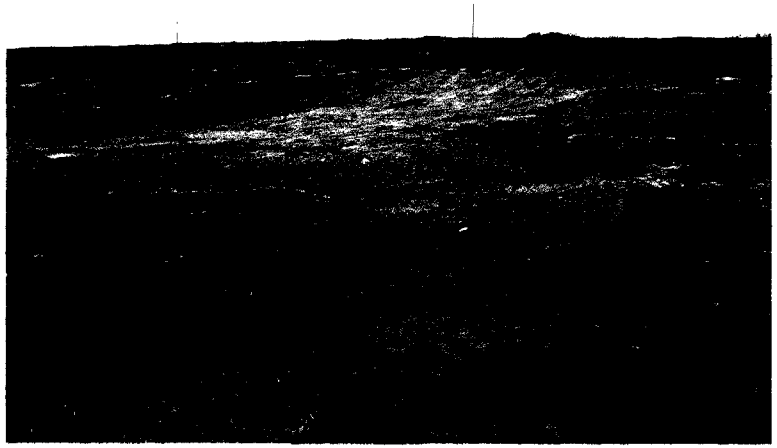
Spoil Pile

Pushing with Dozer



Loading Trucks

Final Excavation North to South



East to West Final Excavation

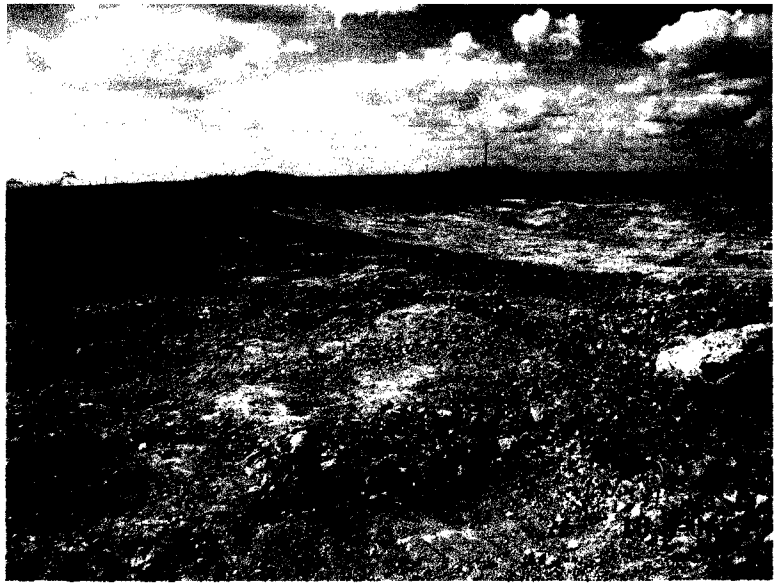
North to South Final Excavation

North to South Final Excavation

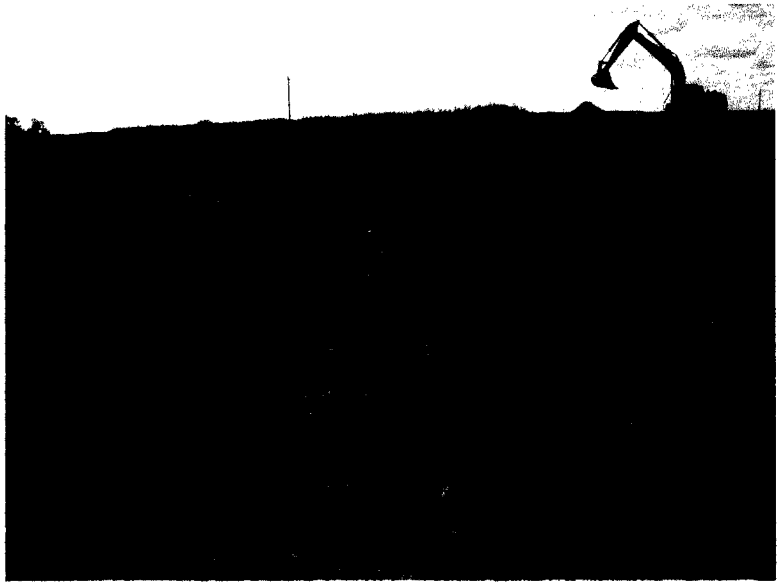
West to East Final Excavation

West to East Final Excavation

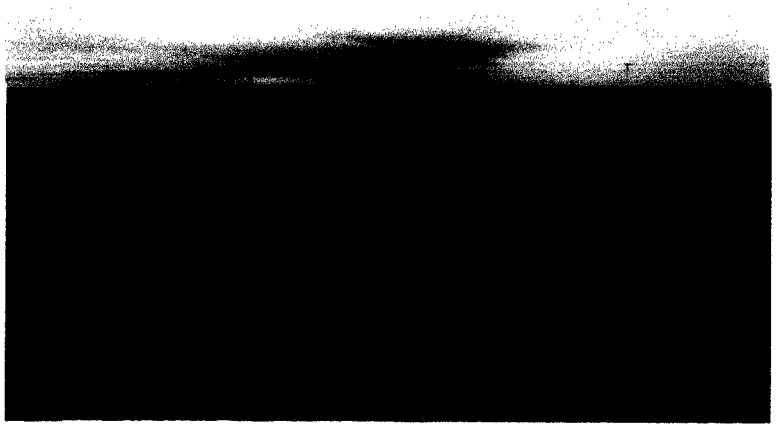
Southto North Final Excavation



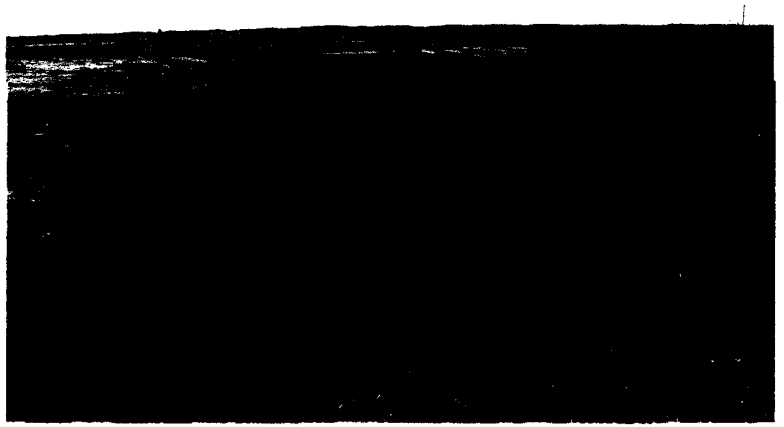
South to North Final Excavation



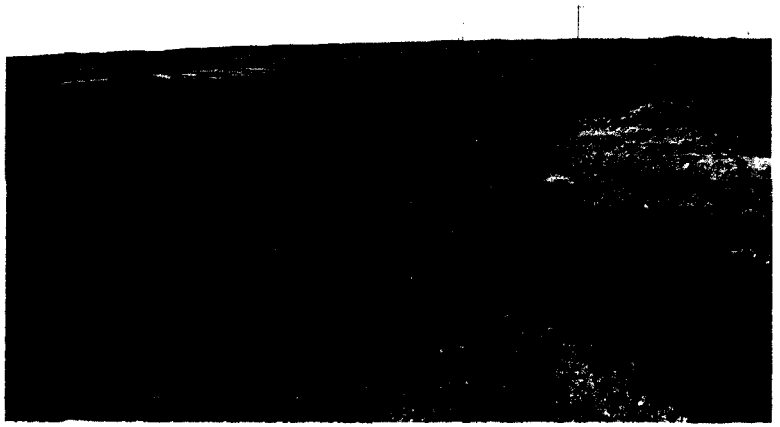
South to North Final Excavation



Backfilling with Dozer



East to West Final



East to West Final

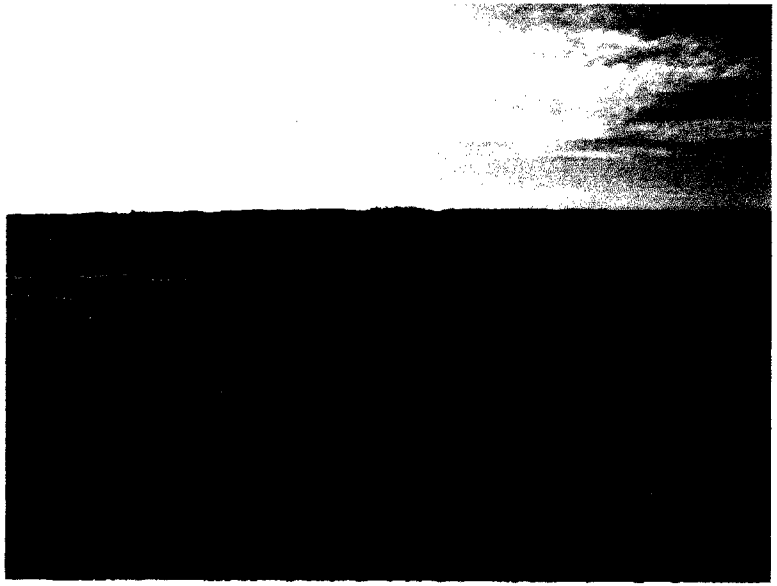
West to East Final

North to South Final

East to West Final

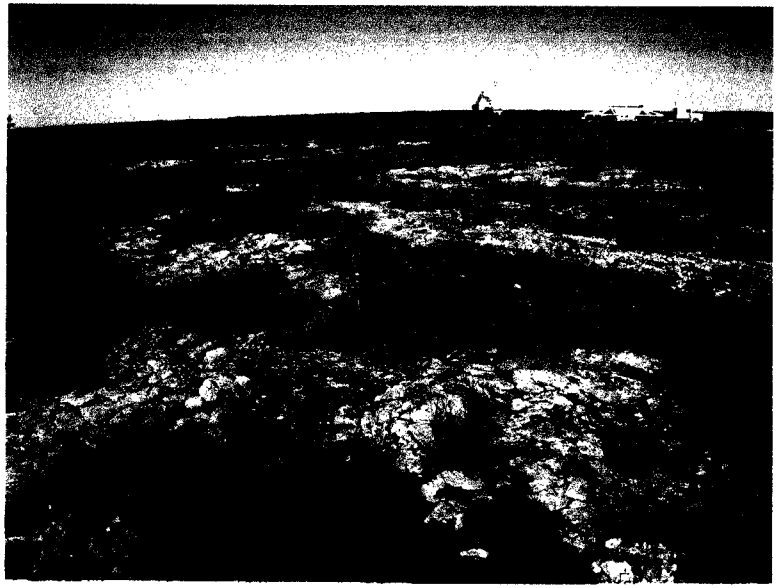
East to West Final

East to West Final

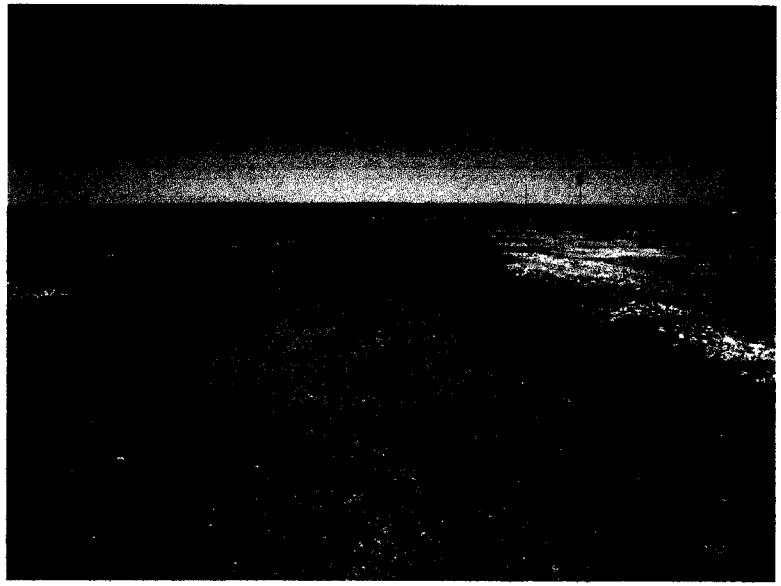


North to South Final

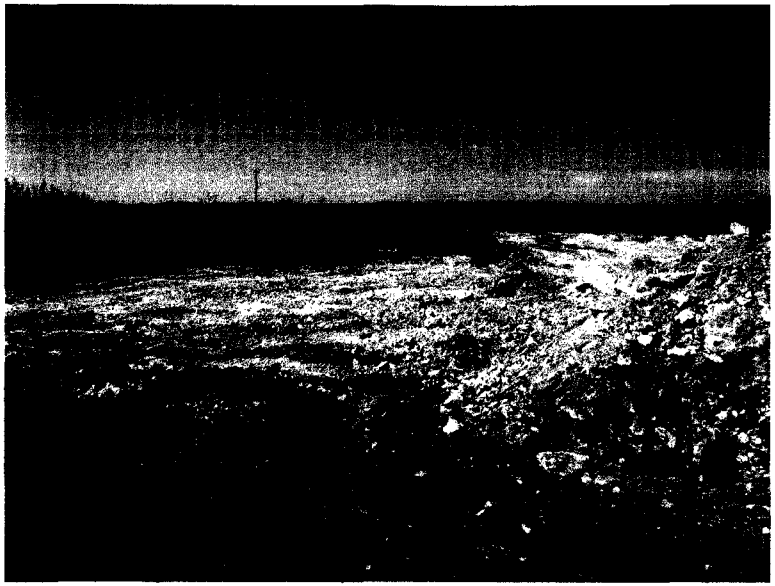
North to South Final



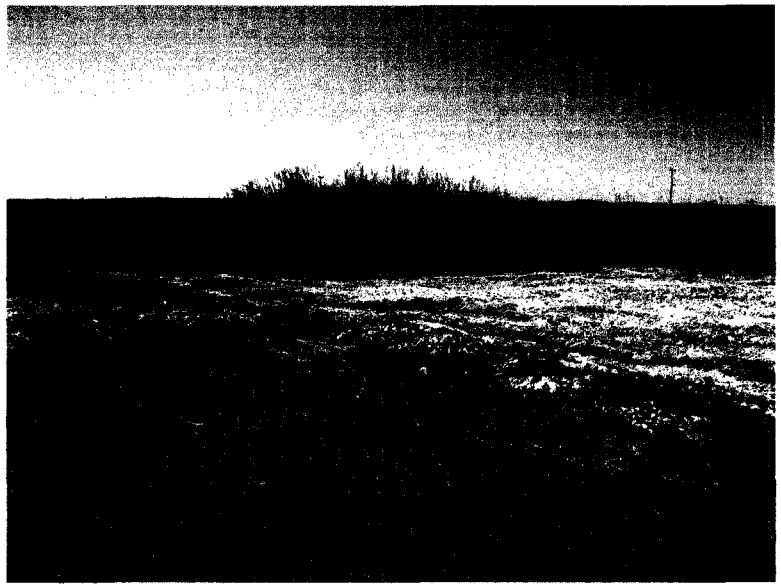
East to West Final



South to North Final



East to West South End



East to West South End

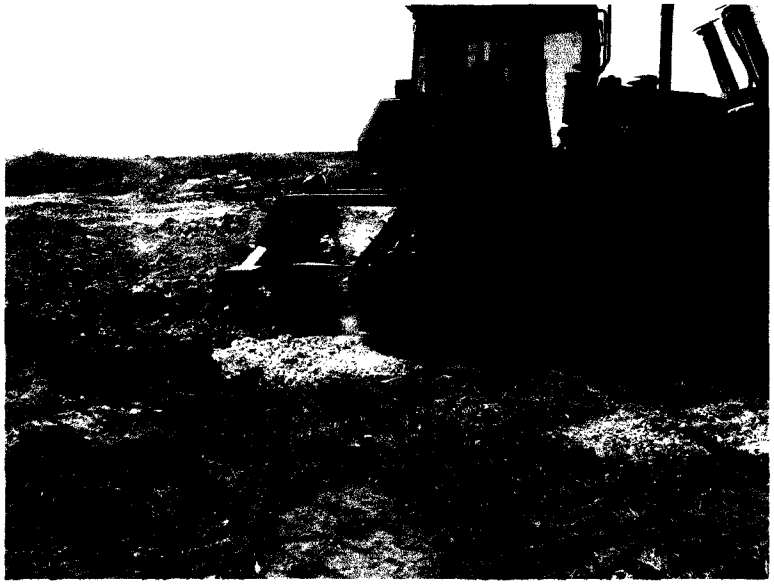
North to South

North to South

East to West

North to South

North to South



Ripping Rock with Dozer

Ripping Rock with Dozer

Excavating with Trackhoe

Excavating with Trackhoe

ELKE ENVIRONMENTAL WORKSITE SAFETY PLAN

Job Start Date: 10-2-06 Client Name and Contact: J. CLEO THOMPSON

Lease/Well Name: MILNESAND JIM STEVENS

UNIT #133

Driving Directions: FROM TATUM GO 27.5 MILES NORTH TURN WEST ON 258 GO 3.3 MILES TURN SOUTH GO 0.7 MILES TO SITE

Nearest Town and County: Tatum, Lea

Map Coordinates (Legals or GPS):

Job Description: DIG + ~~Haul~~ TO LAND FARM, + BACKFILL

Expected Safety Hazards: H_2S, SNAKES

Emergency Contacts:

Elke Safety Coordinator: Hamp Kerby 432-556-3145 Field Project Manager: Rob Elam - 432 556-3140

Work Site Supervisor: KIM BAKER 432-889-5654

Nearest Town with Medical Facilities: PORTALES, NM, OR LOVINGTON

Hospital Name and Phone Number: North Lea General Hospital - Lovington, NM - 505-396-6611 or 911

County Sheriff's Dept. Phone Number: Lea County - Lovington - 505-396-3611 or 911

Fire Department Phone Number: Tatum Fire Dept. 505-398-5555 or 911

Local Police Department Phone Number: Tatum - 505-398-4444 or 911

Ambulance Service Phone Number: Tatum Ambulance Svc. - 505-398-3223 or 911

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

☐ Initial Report ☐ x Final Report

Name of Company J. Cleo Thompson LP	Contact Jim Stevens
Address P.O. Box 12577 Odessa, TX 79768	Telephone No. 432-550-8887 Email jctwest@nts-online.net
Facility Name Milnesand Unit # 133	Facility Type Milensand Unit # 133

Surface Owner Orbie Luman	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	8S	35E	7					Roosevelt

Latitude 33°37'55.9"_____ Longitude 103°23'47.8"_____

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 110 bbls +	Volume Recovered 0
Source of Release Corrosion of Flow Line	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? ☐ Yes ☐ No ☐ Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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.* Corrosion of Flow Line causing produced water to impact soil. Clamped Flow line. Contacted Elke Environmental on 9-28-06 too clean up affected area. Water levels from USGS show to be 85 feet deep.

Describe Area Affected and Cleanup Action Taken.* Spill area is approximately 55'x456'. Spill area was excavated using Dozer with rippers and excavated to a depth from 1' to 10 feet deep at leak source. Contaminated material was hauled to a approved landfarm. A 40 mill liner was installed over test points 3 and 11. Site was backfilled using clean material from area.

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:	OIL CONSERVATION DIVISION		
Printed Name: Kim Baker	Approved by District Supervisor:		
Title: Field Supervisor	Approval Date:	Expiration Date:	
E-mail Address: elkeenv@yahoo.com	Conditions of Approval:	Attached ☐	
Date: 10-12-06 Phone: 432-366-0043			

* Attach Additional Sheets If Necessary

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
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Release Notification and Corrective Action

OPERATOR

☐ x Initial Report ☐ Final Report

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Address P.O. Box 12577 Odessa, TX 79768	Telephone No. 432-550-8887 Email jctwest@nts-online.net
Facility Name Milnesand Unit # 133	Facility Type Milensand Unit # 133

Surface Owner Orbie Luman	Mineral Owner	Lease No.

LOCATION OF RELEASE

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G	7	8S	35E					Roosevelt

Latitude 33°37'55.9"_____ Longitude 103°23'47.8"_____

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 110 bbls +	Volume Recovered 0
Source of Release Corrosion of Flow Line	Date and Hour of Occurrence Unkown	Date and Hour of Discovery 9-6-05
Was Immediate Notice Given? ☐ Yes x☐ No ☐ Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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.* Corrosion of Flow Line causing produced water to impact soil. Clamped Flow line. Contacted Elke Environmental on 9-28-06 too clean up affected area. Eight core samples have been take and sent to lab. Water levels from USGS show to be 85 feet deep. Landowner found leak and cover up water and never told company.

Describe Area Affected and Cleanup Action Taken.* Spill area is approximately 55'x456'. Elke is proposing to dig and haul to Jay-Dan landfarm in Lovington, NM with contaminated material to a threshold of 1,000ppm or to solid rock, then Backfill with Material on site.

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: Kim Baker	OIL CONSERVATION DIVISION	
Printed Name: Kim Baker	Approved by District Supervisor:	
Title: Field Supervisor	Approval Date:	Expiration Date:
E-mail Address: elkeenv@yahoo.com	Conditions of Approval:	Attached ☐