

RECEIVED

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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

Form C-141  
Revised October 10, 2003

Oil Conservation Division

HOBBS OGD  
HOBBS OGD  
Santa Fe, NM 87505

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 ☐ Final Report

Name of Company <i>Penroc Oil Corporation</i>	Contact <i>M. Y. (Merch) Merchant</i>
Address <i>1515 Calle Sur, Hobbs, NM 88240</i>	Telephone No. <i>(575) 492-1236</i>
Facility Name <i>Sapphire Federal #1</i>	Facility Type <i>Tank Battery</i>

Surface Owner <i>BLM</i>	Mineral Owner <i>MMJ</i>	Lease No. <i>NMNM63763</i>
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## LOCATION OF RELEASE

30 025 30S10

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<i>J</i>	<i>23</i>	<i>19S</i>	<i>33E</i>	<i>1600</i>	<i>FSL</i>	<i>1750</i>	<i>FEL</i>	<i>Lea</i>

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

## NATURE OF RELEASE

Type of Release <i>Produced water</i>	Volume of Release <i>56615</i>	Volume Recovered <i>90%</i>
Source of Release <i>Injection pump</i>	Date and Hour of Occurrence	Date and Hour of Discovery <i>3/19/08 8 AM EST</i>
Was Immediate Notice Given? <i>BLM, Simultaneous by pump</i> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Trishia Bad Bear was by the location. Pump arrived his regular time. BLM knew.</i>	
By Whom? <i>Phone call for Ms. Bad Bear</i>	Date and Hour <i>3/19/08 Midmorning</i>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <i>NO</i>	

If a Watercourse was Impacted, Describe Fully.\*

NO

Describe Cause of Problem and Remedial Action Taken.\* *Plunger in the injection pump broke releasing water and (oil was around injection pump) - spread in the low spot. Water picked up by Victory services. Original clean up was not satisfactory to Ms. Bad Bear.*

Describe Area Affected and Cleanup Action Taken.\* *Pump (new) was ordered and had to wait over a month. On 5.3.08 Victory dug up and hauled contaminated soil to Sundance Services. New pump was installed. Samples taken to Cardinal. Analysis attached. BLM was not notified - Ms. Bear wait another place of action per NMOC guidelines & redo work.*

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: <i>[Signature]</i>	OIL CONSERVATION DIVISION	
Printed Name: <i>M. Y. Merchant</i>	Approved by District Supervisor: <i>[Signature]</i>	
Title: <i>President</i>	ENVIRONMENTAL ENGINEER	
E-mail Address: <i>mymench@penrocoil.com</i>	Approval Date: <i>8.1.08</i>	Expiration Date: <i>10.1.08</i>
Date: <i>7/31/08</i> Phone: <i>(575) 492-1236</i>	Conditions of Approval:	Attached <input type="checkbox"/>
<i>SUBMIT FINAL C. 141 w/ DOCUMENTATION BY</i>		

\* Attach Additional Sheets If Necessary

IRP#1917

FGRL0821432606

Penroc Oil Corporation  
Attachment to C-141  
Sapphire Federal Lease  
NMNM63763  
Section 23, T-19-S, R-33-E  
Lea County, New Mexico

Met with Ms. Tirishia Bad Bear and Mr. Steve Caffey of BLM on Wednesday, July 30, 2008. It was agreed to redo the cleanup including resampling.

Penroc plans to do the following:

1. Notify Ms. Bad Bear and get backhoe to the battery.
2. Dig up affected area (may need shovels to work around small areas by the pump and control panel) and either (a) haul contaminated dirt to Sundance Services, or (b) using 20 mil plastic liner, store dirt on location for in-place cleanup. To be decided after knowing the volume of dirt.
3. After reaching clean dirt (3 – 4') per NMOCD, take samples to Cardinal Labs for testing.
4. If tests okay, replace with clean dirt. If not okay, dig deeper and repeat Step 3.
5. Once Ms. Bad Bear and NMOCD satisfied, submit final report to BLM and NMOCD.



M. Y. (Merch) Merchant