

## 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 June 10, 2003

RECEIVED

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

JUN 29 2009

HOBBSOCD

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	McElvain Oil & Gas Properties, Inc.	Contact	E. Reed Fischer
Address	P.O. Box 1849 Denver, CO 80265	Telephone No.	303-893-0933 ext 330
Facility Name	McElvain #5	Facility Type	Produced Water Tank

Surface Owner	BLM	Mineral Owner	BLM	API No.	30-025-29051
---------------	-----	---------------	-----	---------	--------------

## LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from South Line	Feet from West Line	Longitude-W	Latitude-N	County
M	25	18S	33E	660	810	103.6226	32.7133	Lea

## NATURE OF RELEASE

Type of Release	Volume of Release	Volume Recovered
Produced Water w/ 10% hydrocarbon component	Approx 160 bbl	55 bbl
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
Lightning strike on 400-bbl Fiberglass PW Tank	8/11/2008 PM	8/12/08 10:30 AM
Was Immediate Notice Given?	If YES, To Whom?	
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Not Required	NMOCD - Hobbs - Chris Williams	
By Whom?	Date and Hour	
Reed Fischer, McElvain	8/12/08 11:55 AM	
Was a Watercourse Reached?	If YES, Volume Impacting the Watercourse	
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	NA	

If a Watercourse was Impacted, Describe Fully\*

Describe Cause of Problem and Remedial Action Taken. \*

Lightning strike on 400-bbl fiberglass PW tank. Approx 160-bbl total fluid release. 55-bbl recovered by vacuum truck. Well shut-in until repairs were facilitated.

Describe Area Affected and Cleanup Action Taken. \*

All released fluids contained within battery containment area (80' X 40'). 535-yd<sup>3</sup> of HC and chloride contaminated soil removed from within battery area and disposed of at Sundance Services. Bottom and Sidewalls excavated to <250-ppm Cl concentration.

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: 

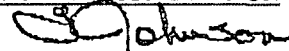
Printed Name: E. Reed Fischer

Title: Senior Operations Engineer

E-Mail Address: Reedf@mcelvain.com

Date: 5/22/2009 Phone: 303-893-0933 ext 330

## OIL CONSERVATION DIVISION



Approved by District ENVIRONMENTAL ENGINEER

Approval Date: 06/30/2009 Expiration Date:

Conditions of Approval: IRP# 1931

☐ Attached

McELVAIN OIL &amp; GAS PROPERTIES, INC.

19

McElvain #5

# **McElvain Oil & Gas Properties, Inc.**

**RECEIVED**  
JUN 29 2009  
HOBBSOCD

## **McELVAIN #5 PRODUCED WATER TANK RELEASE**

## **FINAL C141 CLOSURE REPORT**

**API 30-025-29051**

**UL-M (SW¼ OF THE SW¼) OF SECTION 25 T18S R33E  
LATITUDE: N 32° 42.796'    LONGITUDE: W 103° 37.356'  
~15.9 MILES W (BEARING 373.3°) OF ARKANSAS JUNCTION  
LEA COUNTY, NEW MEXICO**

**NMOCD 1RP #1931**

**May 22, 2009**

**PREPARED FOR McELVAIN OIL & GAS PROPERTIES, INC. BY:**

**JOHN GOOD, ENV. CONSULTANT  
HOBBS, NEW MEXICO  
(575) 631-3277; jcgood4614@aol.com**

## Table of Contents

1.0 Project Summary.....	3
2.0 Site Description .....	4
2.1 Geological Description .....	4
2.2 Ecological Description .....	4
2.3 Area Ground Water .....	4
2.4 Area Water Wells .....	4
2.5 Area Surface Water Features .....	4
3.0 Contaminant and Size of Area .....	4
4.0 NMOCD Site Ranking .....	4
5.0 Remediation Process .....	5

## ATTACHMENTS ..... 7-19

Plate 1: Site Location Map .....	7
Plate 2: Site Topography Map .....	8
Plate 3: Site Aerial Photograph .....	9
Plate 4: Ground Water Elevation Contour Map .....	10
Plate 5: Site Detail Drawing .....	11
Analytical Results Summary Table .....	12
Cardinal Laboratory Analytical Reports .....	13-15
Photographs .....	16
Initial NMOCD C-141(s) .....	17
Site Metrics Information .....	18
Final NMOCD C-141 Form .....	19

## 1.0 Project Summary

Release Site Name: McElvain #5 (Fiberglass PW Tank)  
Operating Company: McElvain Oil & Gas Properties, Inc  
Company Representative: E. Reed Fischer, Sr. Operations Engineer Phone: 303-893-0933  
Address: 1050 17<sup>th</sup> St, Suite 1800, Denver, CO 80265 Email: reedf@mcelvain.com  
Remediation Company: CW's Backhoe Service – Eunice, NM Phone: 575-393-6371

### SITE SPECIFIC DATA:

Legal Description: Lea County, New Mexico UL-M Section 25 T18S R33E  
General Location: 15.9 miles W (373.3°) of Arkansas Junction, Lea County, NM  
Latitude: N32° 42.796' Longitude: W103° 37.356' Elevation: 3,840-ft amsl  
Land Ownership: Public – Bureau of Land Management  
Ground Water Elevation: 100-ft (Water Contour Map)  
Water Wells within 1000-ft: none Surface Water within 1000-ft: none

### RELEASE SPECIFIC DATA:

Date and Time of Release(s): 8/11/08 – discovered on 8/12/08 @ 10:30 AM  
Material Released: Produced Water and Crude Oil component  
Volume Released: ~160-bbl Volume Recovered: 55-bbl  
Cause of Release: Lightning Strike – 400-bbl Fiberglass PW Tank  
Release Affected Area: ~3200-ft<sup>2</sup>  
Depth of Contamination: 8-ft bgs  
**NMOCD Site Ranking:** 10 (ground water >50-ft, <100-ft)

**Remediation Action Levels:** TPH: 1000-ppm; Benzene: 10-ppm; BTEX: 50-ppm

### REMEDIATION SUMMARY:

Remediation of the release affected area consisted of the excavation and disposal of 535-yd<sup>3</sup> of hydrocarbon and chloride contaminated soil at Sundance Services, Eunice, NM. In order to maintain base support, contaminated soil was excavated only to within 2-ft of the bases of the two oil storage tanks within the battery. The bottom (8-ft bgs) and the sidewalls of the excavation were sampled. All samples were confirmed to be below the 250-ppm threshold chloride concentration through analyses by Cardinal Laboratories, Hobbs, NM. The excavation was backfilled with clean caliche purchased from a private source, and a new containment berm was constructed around the battery.

## **2.0 Detailed Site Description**

### **2.1 Geological Description**

The United States Geological Survey (USGS) Ground-Water Report 6, "Geology and Ground-Water Conditions in Southern Lea County, New Mexico," A. Nicholson and A. Clebsch, 1961, describes the near surface geology of southern Lea County as "an intergrade of the Quaternary Alluvium (QA) sediments, i.e., fine to medium sand, with the mostly eroded Cenozoic Ogallala (CO) formation. Typically, the QA and CO formations in the area are capped by a thick interbed of caliche and generally overlain by sandy soil." The release site is located in the Querecho Plains physiographic subdivision, described by Nicholson & Clebsch as "covered almost entirely by dune sand which is stable or semi-stable over most of the area, but which locally drifts. The surface is very irregular and has no drainage features except at the edges of several playas. The sand is generally underlain by recent alluvium but in several places the sand forms topographic highs where it is underlain by a caliche surface. The thickness of the sand cover ranges from a few inches to a probable maximum of 20 feet."

### **2.2 Ecological Description**

The area is typical of the Upper Chihuahuan Desert Biome consisting primarily of hummocky sand hills covered with Harvard Shin Oak (*Quercus harvardi*) interspersed with Honey Mesquite (*Prosopis glandulosa*) along with typical desert grasses, flowering annuals and flowering perennials. Mammals represented, include Orrd's and Merriam's Kangaroo Rat, Deer Mouse, White Throated Wood Rat, Cottontail Rabbit, Black Tailed Jackrabbit, Mule Deer, Bobcat, Red Fox and Coyote. Reptiles, Amphibians, and Birds are numerous and typical of the area. A survey of Listed, Threatened, or Endangered species was not conducted.

### **2.3 Area Ground Water**

The Chevron-Texaco water contour map (*Plate 4 of Attachments*) indicates that water in this area is 100-ft bgs.

### **2.4 Area Water Wells**

There are no recorded or observed water wells within 1000 horizontal feet of the site.

### **2.5 Area Surface Water Features**

No permanent surface water bodies exist within 1000 horizontal feet of the site.

## **3.0 Contaminant and Size of Area**

The primary Contaminants of Concern (COC's) were Total Chlorides and TPH resulting from the produced water release on 8/11/08. Hydrocarbon contamination was limited to the top 2-ft of the affected area. The extent of the release was contained within the bermed battery containment area (~5,000-ft<sup>2</sup>).

## **4.0 NMOCD Site Ranking**

Contaminant delineation and site evaluation work done at this site indicate that the chemical parameters of the soil and the physical parameters of the ground water were characterized

consistent with the characterization and remediation/abatement goals and objectives set forth in the following New Mexico Oil Conservation Division (NMOCD) publications:

- *Guidelines for Remediation of Leaks, Spills and Releases (August 13, 1993)*
- *Unlined Surface Impoundment Closure Guidelines (February 1993)*

Acceptable thresholds for contaminants/constituents of concern (CoCs), i.e., TPH<sup>8015m</sup>, Benzene, and the mass sum of Benzene, Toluene, Ethyl Benzene, and total Xylenes (BTEX<sup>8260</sup>), was determined based on the NMOCD Ranking Criteria as follows:

- *Depth to Ground water, i.e., distance from the lower most acceptable concentration to the ground water.*
- *Wellhead Protection Area, i.e., distance from fresh water supply wells.*
- *Distance to Surface Water Body, i.e., horizontal distance to all down gradient surface water bodies.*

Based on the proximity of the site to area water wells, surface water bodies, and depth to ground water from the lower most contamination, the NMOCD ranking score for the site is 10 points with the soil remedial goals highlighted in the Site Ranking Table.

**SITE RANKING TABLE**

<b>1. GROUND WATER</b>	<b>2. WELLHEAD PROTECTION</b>	<b>3. DISTANCE TO SURFACE WATER</b>	
<b>DEPTH TO GW &lt;50 FEET: 20 POINTS</b>	<b>IF &lt;1000' FROM WATER SOURCE, OR; &lt;200' FROM PRIVATE DOMESTIC WATER SOURCE: 20 POINTS</b>	<b>&lt;200 HORIZONTAL FEET: 20 POINTS</b>	
<b>DEPTH TO GW 50 TO 99 FEET: 10 POINTS</b>		<b>200-1000 HORIZONTAL FEET: 10 POINTS</b>	
<b>DEPTH TO GW &gt;100 FEET: 0 POINTS</b>	<b>IF &gt;1000' FROM WATER SOURCE, OR; &gt;200' FROM PRIVATE DOMESTIC WATER SOURCE: 0 POINTS</b>	<b>&gt;1000 HORIZONTAL FEET: 0 POINTS</b>	
<b>GROUND WATER SCORE = 0</b>	<b>WELLHEAD PROTECTION SCORE= 0</b>	<b>SURFACE WATER SCORE= 0</b>	
<b>SITE RANK (1+2+3) =10 + 0 + 0 = 0 POINTS</b>			
<b>TOTAL SITE RANKING SCORE AND ACCEPTABLE REMEDIAL GOAL CONCENTRATIONS</b>			
<b>PARAMETER</b>	<b>20+</b>	<b>10</b>	<b>0</b>
<b>BENZENE</b>	<b>10 PPM</b>	<b>10 PPM</b>	<b>10 PPM</b>
<b>BTEX</b>	<b>50 PPM</b>	<b>50 PPM</b>	<b>50 PPM</b>
<b>TPH</b>	<b>100 PPM</b>	<b>1000 PPM</b>	<b>5000 PPM</b>

## 5.0 Remediation Process

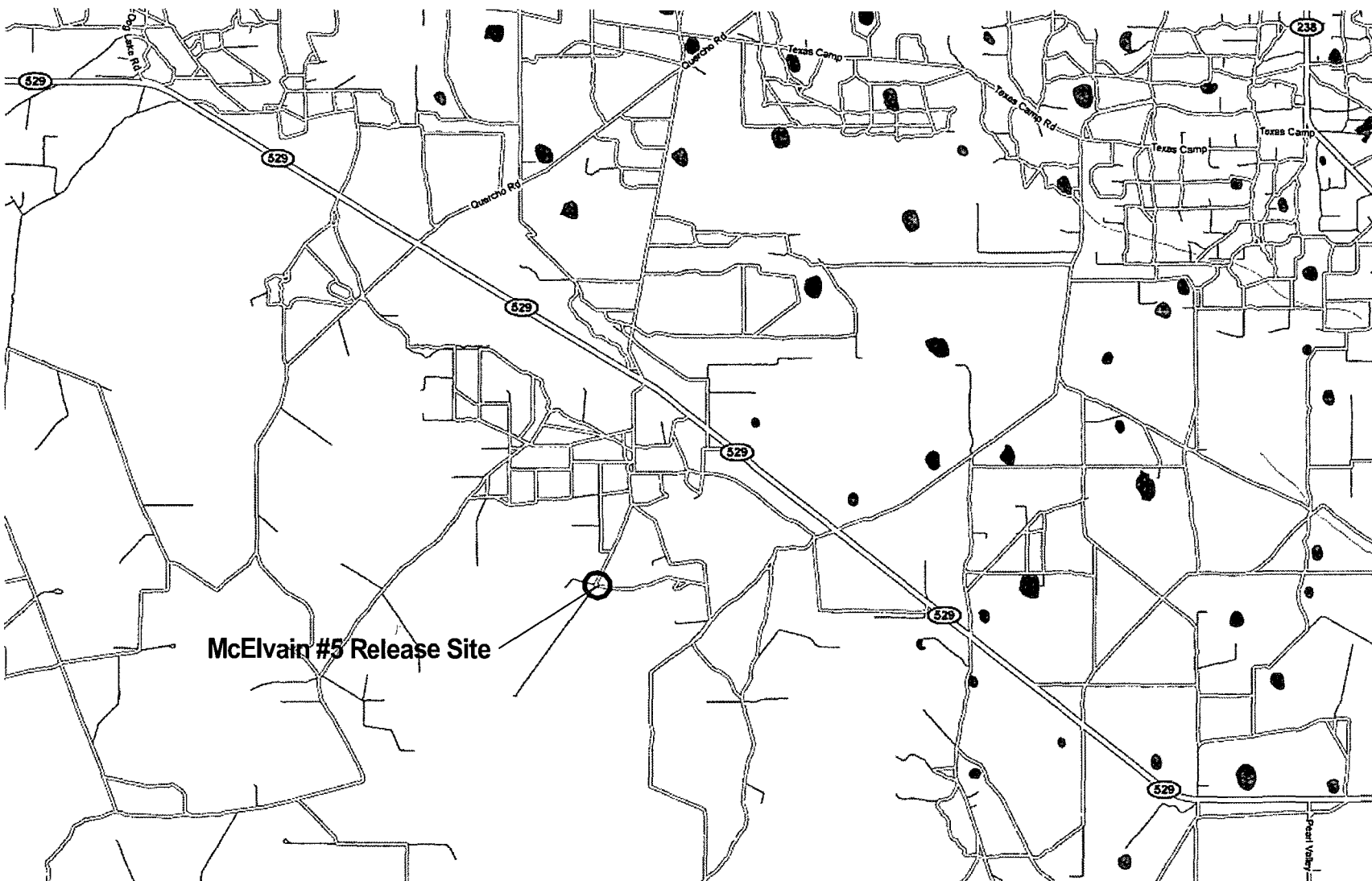
Remediation of the release affected area consisted of the excavation and disposal of 535-yd<sup>3</sup> of hydrocarbon and chloride contaminated soil at Sundance Services, Eunice, NM. In order to maintain base support, contaminated soil was excavated only to within 2-ft of the bases of the two oil storage tanks within the battery. The bottom (8-ft bgs) and the sidewalls of the excavation were sampled. All samples were confirmed to be below the 250-ppm threshold chloride concentration through analyses by Cardinal Laboratories, Hobbs, NM.


The excavation was backfilled with clean caliche purchased from a private source, and a new containment berm was constructed around the battery.

Based on the contents and data contained herein, McElvain Oil & Gas Properties, Inc. requests that NMOCD require “no further action” as regards the soil contamination resulting from the August 11, 2008 release of produced water and crude oil at this location.

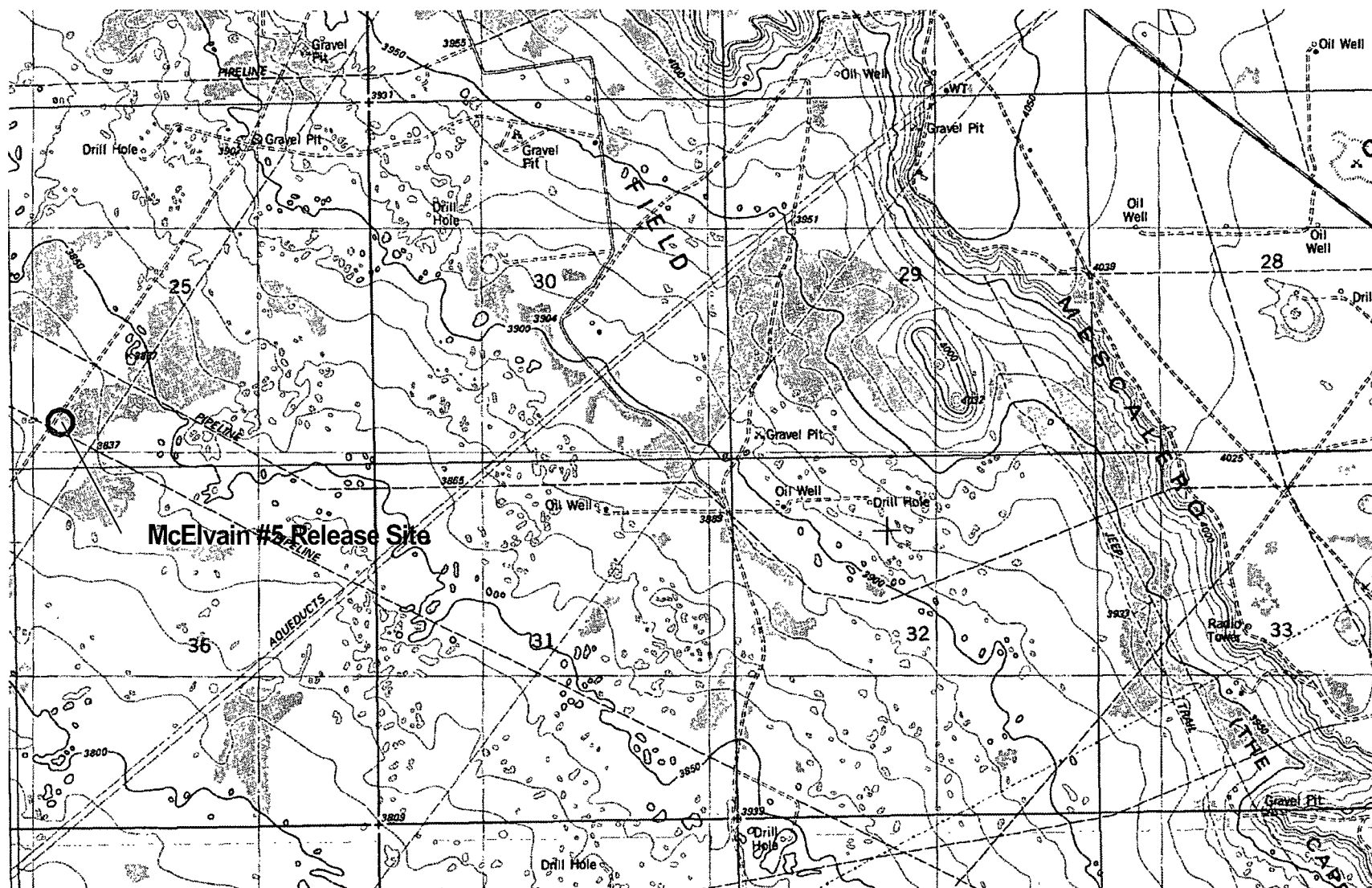
**ATTACHMENTS**


Plate 1: Site Location Map .....	7
Plate 2: Site Topography Map .....	8
Plate 3: Site Aerial Photograph .....	9
Plate 4: Ground Water Elevation Contour Map .....	10
Plate 5: Site Detail Drawing .....	11
Analytical Results Summary Table .....	12
Cardinal Laboratory Analytical Reports .....	13-15
Photographs .....	16
Initial NMOCD C-141(s) .....	17
Site Metrics Information .....	18
Final NMOCD C-141 Form .....	19

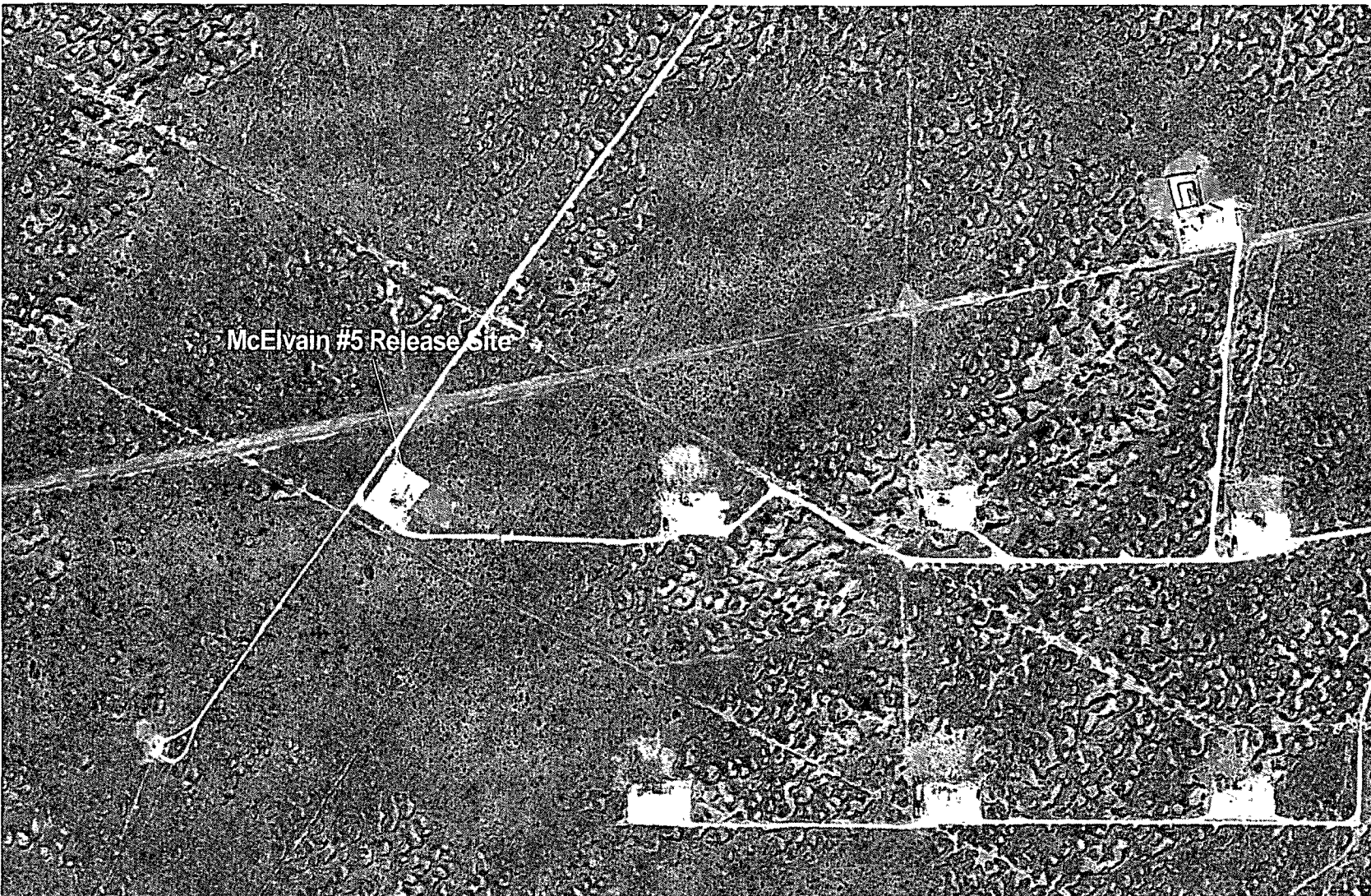



<p>Plate 1 Release Site Location McElvain Oil &amp; Gas Properties, Inc. McElvain #5 Battery</p>	<p>Lea County, New Mexico UL-M SECTION 25 T18S R33E N 32° 42.796', W 103° 37.356' Elevation: ~3840-ft amsl</p>	<p>Drawing by: John Good May - 2009</p> <p>SCALE: 0 3 Miles</p>	<p>Rev: 1</p> 
--	--	---	---





<p>Plate 2 Release Site Topography McElvain Oil &amp; Gas Properties, Inc. McElvain #5 Battery</p>	<p>Lea County, New Mexico UL-M SECTION 25 T18S R33E N 32° 42.796', W 103° 37.356' Elevation: ~3840-ft amsl</p>	<p>Drawing by: John Good May - 2009</p>	<p>Rev: 1</p> <p>SCALE: 0 Feet 4000</p> 
--	--	---	---



<p>Plate 3 Release Site Aerial Photograph McElvain Oil &amp; Gas Properties, Inc. McElvain #5 Battery</p>	<p>Lea County, New Mexico UL-M SECTION 25 T18S R33E N 32° 42.796', W 103° 37.356' Elevation: ~3840-ft amsl</p>	<p>Drawing by: John Good May - 2009</p> <p>SCALE: 0      Feet      1200</p>	<p>Rev: 1</p> 
---	--	---	---

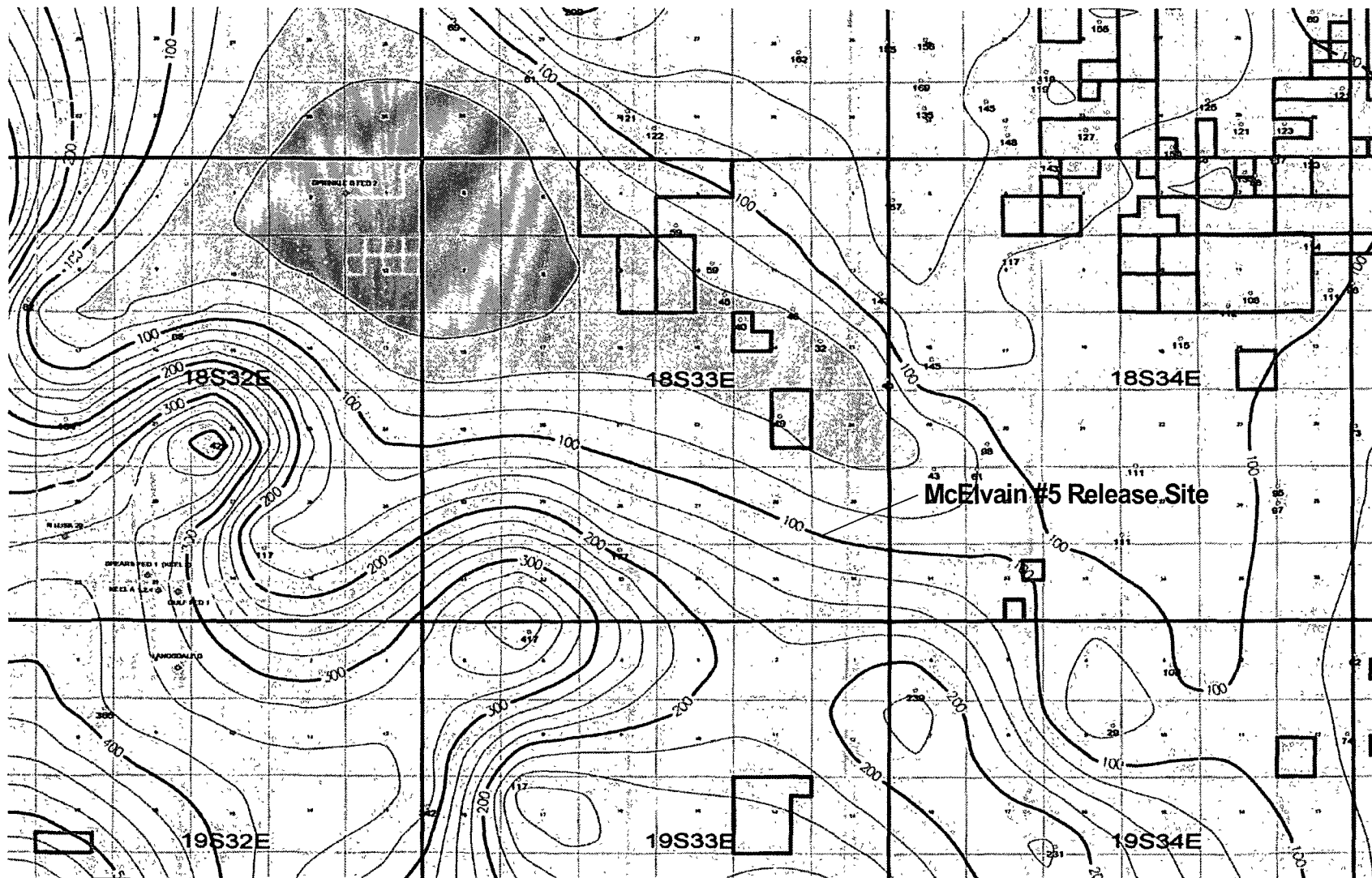


Plate 4  
Release Site Water Depth Contour  
McElvain Oil & Gas Properties, Inc.  
McElvain #5 Battery

Lea County, New Mexico  
UL-M SECTION 25 T18S R33E  
N 32° 42.796', W 103° 37.356'  
Elevation: ~3840-ft amsl

Drawing by: John Good  
May - 2009

Rev:  
1

SCALE:

0 Feet 3000



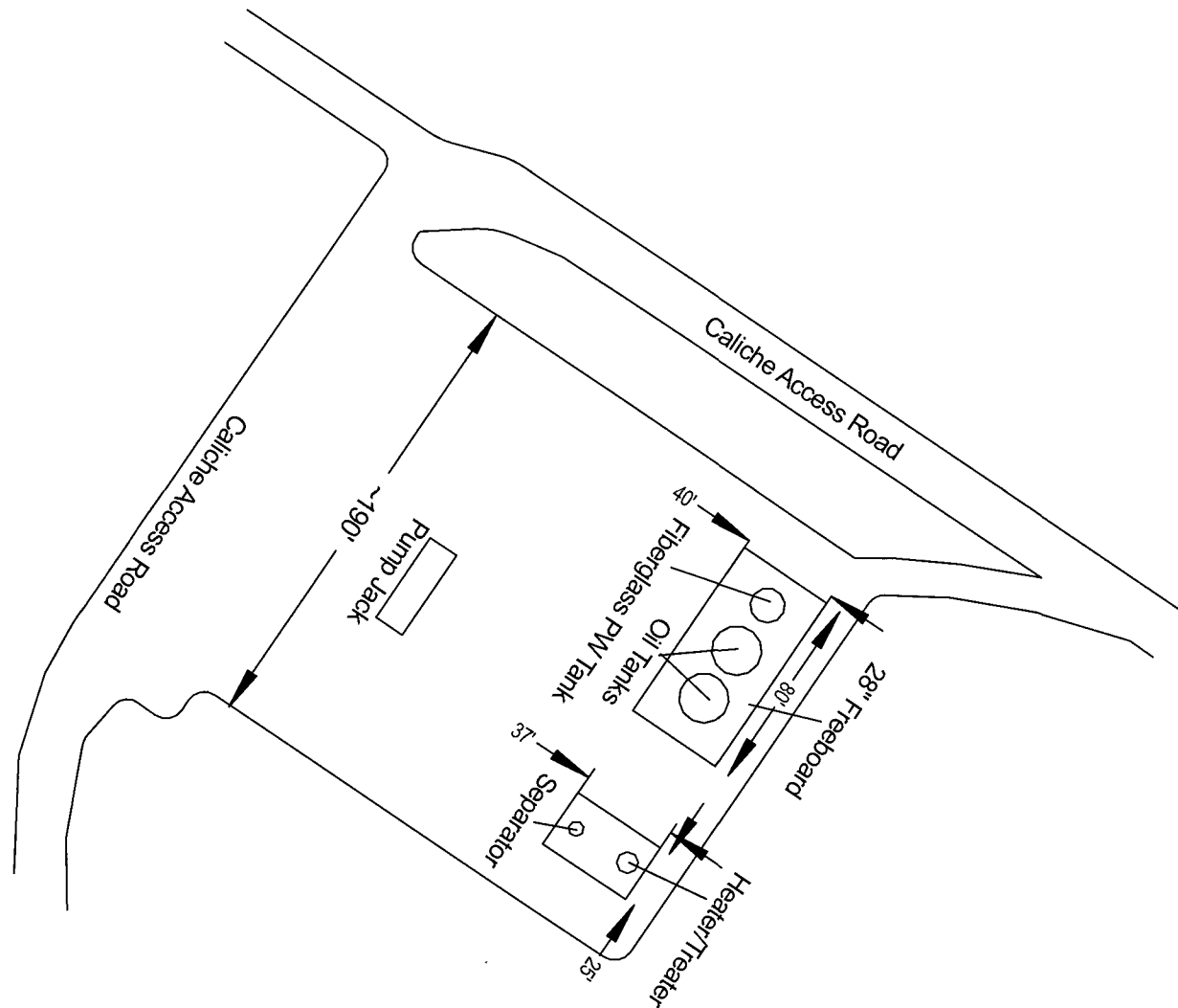


Plate 5  
Release Site Detail Drawing  
McElvain Oil & Gas Properties, Inc.  
McElvain #5 Battery

Lea County, New Mexico  
UL-M SECTION 25 T18S R33E  
N 32° 42.796', W 103° 37.356'  
Elevation: ~3840-ft amsl

Drawing by: John Good  
May - 2009

Rev.  
1

SCALE:  
0 Feet 100



McELVAIN #5 HYDROCARBON & CHLORIDE ANALYTICAL RESULTS										
Sample Location	Sample Depth <sup>1</sup>	GRO <sup>2</sup> mg/Kg	DRO <sup>3</sup> mg/Kg	TPH <sup>4</sup> mg/Kg	BTEX <sup>5</sup> mg/Kg	Benzene mg/Kg	Toluene mg/Kg	Ethyl Benzene mg/Kg	Total Xylenes mg/Kg	Chlorides mg/Kg
BH-NORTH	8-ft	10	10	20	0.300	0.05	0.05	0.05	0.15	112
BH-WEST	8-ft	10	10	20	0.300	0.05	0.05	0.05	0.15	112
BH-SOUTH	8-ft	10	10	20	0.300	0.05	0.05	0.05	0.15	112
BH-EAST	8-ft	10	10	20	0.300	0.05	0.05	0.05	0.15	112
SW-NORTH	4-ft	10	10	20	0.300	0.05	0.05	0.05	0.15	112
SW-WEST	4-ft	10	10	20	0.300	0.05	0.05	0.05	0.15	32
SW-SOUTH	4-ft	10	10	20	0.300	0.05	0.05	0.05	0.15	32
SW-EAST	4-ft	10	10	20	0.300	0.05	0.05	0.05	0.15	192

<sup>1</sup>bgs (below ground surface); <sup>2</sup>Gasoline Range Organics (detection limit = 10 mg/Kg); <sup>3</sup>Diesel Range Organics (detection limit = 10 mg/Kg); <sup>4</sup>TPH = sum of GRO-DRO; <sup>5</sup>BTEX = sum of Benzene, Toluene, Ethyl Benzene and Total Xylenes (detection limits = 0.025 or 0.001 mg/Kg). Note: Detection limits are considered "de minimus" values and are included in TPH and BTEX summations.





PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

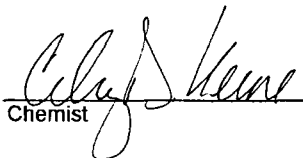
ANALYTICAL RESULTS FOR  
McELVAIN OIL COMPANY  
ATTN: CW MOTES  
P.O. BOX 1083  
EUNICE, NM 88231

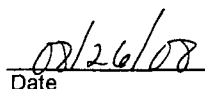
Receiving Date: 08/21/08  
Reporting Date: 08/25/08  
Project Owner: McELVAIN OIL COMPANY  
Project Name: McELVAIN WELL #5  
Project Location: UL-M S25 T18S R33E

Sampling Date: 08/20/08  
Sample Type: SOIL  
Sample Condition: INTACT  
Sample Received By: ML  
Analyzed By: AB/HM

LAB NUMBER	SAMPLE ID	GRO (C <sub>6</sub> -C <sub>10</sub> ) (mg/kg)	DRO (>C <sub>10</sub> -C <sub>28</sub> ) (mg/kg)	Cl* (mg/kg)
		08/22/08	08/22/08	08/22/08
H15787-1	BH-NORTH	<10.0	<10.0	112
H15787-2	BH-WEST	<10.0	<10.0	112
H15787-3	BH-SOUTH	<10.0	<10.0	112
H15787-4	BH-EAST	<10.0	<10.0	112
H15787-5	SW-NORTH	<10.0	<10.0	112
H15787-6	SW-WEST	<10.0	<10.0	32
H15787-7	SW-SOUTH	<10.0	<10.0	32
H15787-8	SW-EAST	<10.0	<10.0	192
Quality Control		555	494	500
True Value QC		500	500	500
% Recovery		111	98.8	100
Relative Percent Difference		3.8	4.1	3.9

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-Cl B  
\*Analyses performed on 1:4 w:v aqueous extracts.

  
Chemist

  
Date

H15787TCL MO

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 client for 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 thirty (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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



PHONE (575) 393-2326 • 101 E MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
McELVAIN OIL COMPANY  
ATTN: CW MOTES  
PO BOX 1083  
EUNICE, NM 88231

Receiving Date: 08/21/08  
Reporting Date: 08/22/08  
Project Owner: McELVAIN OIL COMPANY  
Project Name: McELVAIN WELL #5  
Project Location: UL-M S25 T18S R33E

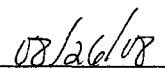
Sampling Date: 08/20/08  
Sample Type: SOIL  
Sample Condition: INTACT  
Sample Received By: ML  
Analyzed By: ZL

LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE		08/21/08	08/21/08	08/21/08	08/21/08
H15787-1	BH-NORTH	<0.050	<0.050	<0.050	<0.150
H15787-2	BH-WEST	<0.050	<0.050	<0.050	<0.150
H15787-3	BH-SOUTH	<0.050	<0.050	<0.050	<0.150
H15787-4	BH-EAST	<0.050	<0.050	<0.050	<0.150
H15787-5	SW-NORTH	<0.050	<0.050	<0.050	<0.150
H15787-6	SW-WEST	<0.050	<0.050	<0.050	<0.150
H15787-7	SW-SOUTH	<0.050	<0.050	<0.050	<0.150
H15787-8	SW-EAST	<0.050	<0.050	<0.050	<0.150
Quality Control		0.045	0.048	0.049	0.153
True Value QC		0.050	0.050	0.050	0.150
% Recovery		90.0	96.0	98.0	102
Relative Percent Difference		16.1	2.0	3.9	2.5

METHOD: EPA SW-846 8021B

TEXAS NELAP CERTIFICATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,  
AND TOTAL XYLENES.

  
Chemist

  
Date

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 client for analyses. All claims shall be subject to the negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



**ARDINAL**  
LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E MARLAND • HOBBS NM 88240

## CHAIN OF CUSTODY AND ANALYSIS REQUEST

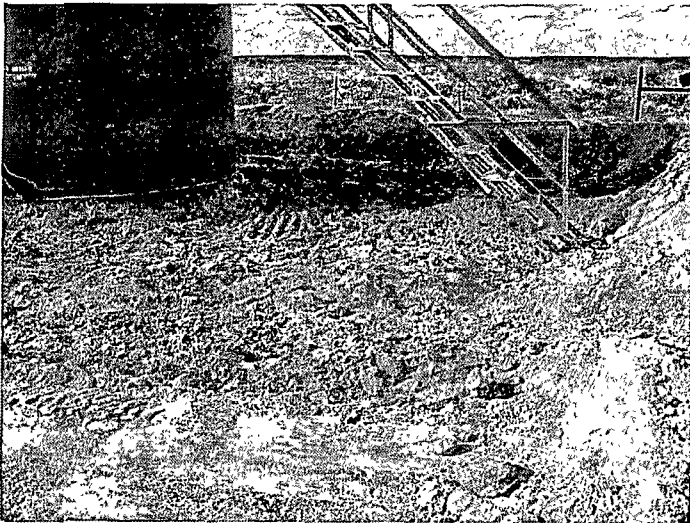
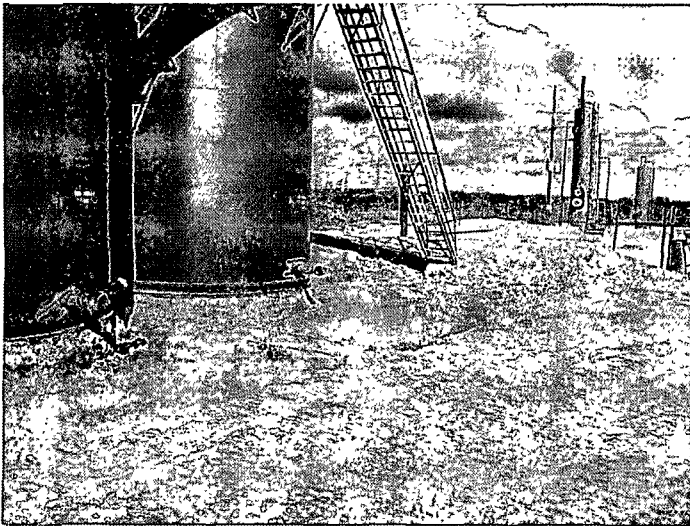
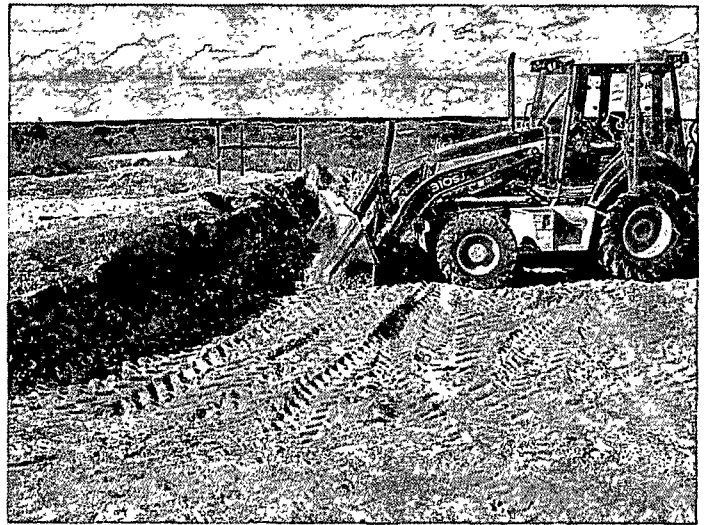
Sheet 1 of 1

[illegible]



PHOTOS

08/18/08 – Excavation of saturated  
battery containment area.



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 ☐ Final Report

Name of Company	McElvain Oil & Gas Properties, Inc.	Contact	E. Reed Fischer
Address	1050-17 <sup>th</sup> St, Ste. 1800 Denver, Colorado 80265	Telephone No.	(303) 893-0933
Facility Name	McElvain # 5	Facility Type	Tank Battery

Surface Owner	U.S.A.	Mineral Owner	U.S.A.	Lease No.	NM-0245247
---------------	--------	---------------	--------	-----------	------------

LOCATION OF RELEASE

API 3002529051

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	25	18S	33E	660 ft.	South	810 ft.	West	Lea County, New Mexico

Latitude 32.7130742 Longitude -103.621974

WTR 100'

NATURE OF RELEASE

Type of Release	Water & Oil Spill from Water Storage Tank	Volume of Release	160 bbls	Volume Recovered	55 bbls
Source of Release	Fiberglass Water Tank - Lightning Strike	Date and Hour of Occurrence	Estimate Late P.M Aug 11, 2008	Date and Hour of Discovery	1030 on August 12, 2008
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Chris Williams of New Mexico OCD District I		
By Whom?	McElvain's Reed Fischer	Date and Hour	1155 on August 12, 2008		
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.\* ☐ Lightning Strike on 400 barrel capacity fiberglass water tank some time in the late evening of August 11, 2008. All fluids contained in tank (8' 0" = 160 bbls) estimated at 145-155 Bbls of produced water and 5 - 15 bbls of oil were spilled and contained inside berm walls. Well SI. All fluids hauled to disposal by I&W truck & roustabouts contacted to remove contaminated soil and rebuild berms following installation of replacement water tank.

Describe Area Affected and Cleanup Action Taken.\* ☐ Approx. 145 - 155 BW and Estimated 5 - 15 BO were spilled and contained inside tank berm. Please see attached SPCC diagram of tank berm dimensions. The well was shut-in & secured. I&W, Inc. trucks were dispatched to remove all free standing fluids, hauling all fluids to commercial disposal. Roustabouts scheduled to haul contaminated soil to disposal. The berms will be rebuilt once a replacement water tank is located and installed.

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:	OIL CONSERVATION DIVISION	
Printed Name: E. Reed Fischer	Approved by District Supervisor	
Title: Senior Operations Engineer	Approval Date: 8.21.08	Expiration Date: 10.21.08
E-mail Address: reedf@mcelvain.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Aug. 13, 2008 Phone: (303) 893-0933 xtn 330	SUBMIT FINAL C-141	IRP# 1931

Attach Additional Sheets If Necessary

W/DOCUMENTATION BY

<b>McElvain Oil &amp; Gas Properties, Inc.</b>		Incident Date: 8/11/08 NMOCD Notified: 8/12/08	
SITE: McElvain #5		API No. 30-025-29051	
Company: McElvain Oil & Gas Properties, Inc.			
Street Address: 1050 17th Street, Suite 1800			
Mailing Address: P.O. Box 1849			
City, State, Zip: Denver, CO 80265			
Representative: E. Reed Fischer Senior Operations Engineer			
Representative Telephone: 303-893-0933 ext 330			
Telephone:			
Fluid Volume Released (bbl): ~ 160		Volume Recovered (bbl): 55	Net Release: ~ 105
<p align="center">&gt;25 bbl: Notify NMOCD verbally within 24 hours and submit C-141 within 15 days.  5-25 bbl: Submit Form C-141 within 15 days. (Also applies to unauthorized release of &gt;50 mcf Natural Gas)</p>			
Leak, Spill, or Pit (LSP) Name: McElvain #5			
Source of Contamination: Lightning strike on 400-bbl Fiberglass PW Tank			
Land Owner, i.e. BLM, ST, Fee, Other: BLM			
LSP Dimensions: ~ 50' X 90'			
LSP Area ~ 4500 -ft <sup>2</sup>			
Location of Reference Point (RP):			
Location distance and direction from RP:			
Latitude: North		32	42.796
Longitude: West		103	37.356
Elevation above mean sea level (amsl):		3840 feet	1170 meters
Distance from South Section Line (feet):		660	
Distance from West Section Line (feet):		810	
Location - Unit Letter and 1/4 1/4:		UL- M SW 1/4 of SW 1/4	
Location - Section		25	
Location - Township		18S	
Location - Range		33E	
Location - County		Lea	
Surface water body within 1000' radius of site:		0	
Surface water body within 1000' radius of site:		0	
Domestic water wells within 1000' radius of site:		0	
Domestic water wells within 1000' radius of site:		0	
Agricultural water wells within 1000' radius of site:		0	
Agricultural water wells within 1000' radius of site:		0	
Public water supply wells within 1000' radius of site:		0	
Public water supply wells within 1000' radius of site:		0	
Depth (feet) from land surface to Ground Water (DG): ~		100	
Depth (feet) of lowest contamination (DC):		8	
Depth (feet) to Ground Water (DG - DC = DtGW): ~		92	
<b>1. Ground Water</b>		<b>2. Wellhead Protection Area</b>	<b>3. Distance to Surface Water</b>
If Depth to GW <50-feet: 20 points	If <1000' from water source, or, <200' from private domestic water source: 20 points	<200 horizontal feet: 20 points	
If Depth to GW 50 to 100-feet: 10 points	If >1000' from water source, or, >200' from private domestic water source: 0 points	200-1000 horizontal feet: 10 points	
If Depth to GW >100-feet: 0 points	Wellhead Protection Score: 0	>1000 horizontal feet: 0 points	
Ground Water Score: 10		Surface Water Score: 0	
Site Ranking (1 + 2 + 3):	<b>10</b>		
<b>Total Site Ranking Score and Acceptable Concentrations</b>			
Parameter	20 or >	10	0
Benzene <sup>1</sup>	10-ppm	10-ppm	10-ppm
BTEX <sup>1</sup>	50-ppm	50-ppm	50-ppm
TPH	100-ppm	1000-ppm	5000-ppm

<sup>1</sup> 100-ppm field VOC headspace measurement may be substituted for lab analysis