

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

SEP 23 2009

Form C-141  
Revised October 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
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	Melrose Operating Company 184860	Contact	Barry Archer
Address	1000 W. Wilshire Blvd., Suite 223	Telephone No.	405-848-4012
Facility Name	Conoco 7 State Battery 003	Facility Type	Battery

Surface Owner	Mineral Owner	Lease No.
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30-015-23694

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	7	19S	29E					Eddy

Latitude N32.67714 Longitude W104.11526

NATURE OF RELEASE

Type of Release	Produced oil and water	Volume of Release	+5 bbls	Volume Recovered
Source of Release	Line to heater ruptured	Date and Hour of Occurrence	09/09/09	Date and Hour of Discovery
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?		
By Whom?	Gary Newton, Field Supervisor	Date and Hour 9/09/09		
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.\*

No

Describe Cause of Problem and Remedial Action Taken.\*

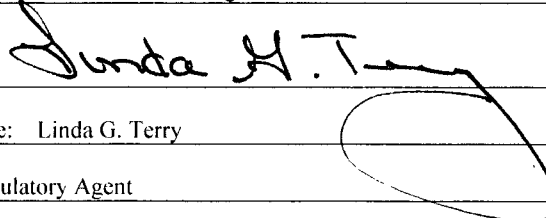

Line to heater ruptured causing discharge in bermed battery area. Truck used to pull fluid from battery.

Describe Area Affected and Cleanup Action Taken.\*

Within tank bermed area.

Work plan: Remove all vessels from battery area and haul off top 2 1/2 ft of soil to Lea Land Disposal. Sample soil in and around battery with OCD present and send samples to Cardinal Labs. Remove all contaminated soil and back fill with clean soil, install liner and rebuild tank battery.

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: 	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Linda G. Terry	Approved by District Supervisor: 	Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/ documentation on or before the Expiration Date.
Title: Regulatory Agent	Approval Date: 10-26-09	Expiration Date: 12-26-09
E-mail Address: lterry@melroseenergy.com	Conditions of Approval: <u>STIPULATIONS</u> <u>SEE ATTACHED</u>	Attached <input checked="" type="checkbox"/> 2RA 355
Date: 9/23/09	Phone: 405-848-4012	

\* Attach Additional Sheets If Necessary

15EB 0929949893  
17EB 092995000  
3EB 0929950265

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary  
Reese Fullerton  
Deputy Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



October 26, 2009

Melrose Operating Co  
PO Box 953  
Midland, TX 79702

Reference: Conoco 7 State Battery 30-015-23694  
E-7-19S-29E Eddy County, New Mexico  
2RP- 355

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report C-141 for a release of produced oil and water occurring at the above referenced facility on or about September 9, 2009. Stated on the C-141 is, "Remove all vessels from battery area and haul off top 2 ½ ft of soil to Lea Land Disposal. Sample soil in and around battery with OCD present and send samples to Cardinal Labs. Remove contaminated soil and back fill with clean soil, install liner and rebuild tank battery."

The Initial Report C-141 is accepted with the following stipulations:

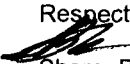
- Notify the OCD 48 hours prior to obtaining samples (preliminary, confirmation, and all additional) where analyses are to be submitted to the OCD.
- Contaminated soils shall be remediated so that residual contaminant concentrations are below the site specific recommended soil remediation action levels. Confirmation delineation soil analyses reflecting chloride, TPH, and BTEX will be required.
- Remediation requirements may be subject to change as site conditions warrant.
- Results of analytical data obtained through sampling shall be forwarded to OCD for approval **prior** to any backfilling activities.
- Final remediation actions are to be completed and a Final Report C-141 with supporting documentation is to be submitted to the OCD on or before December 26, 2009.

Remediation requirements may be subject to other federal, state, and local laws or regulations.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further assistance regarding this matter or if you have any questions, please feel free to contact me.

Respectfully,

  
Sherry Bonham  
NMOCD District 2  
1301 W Grand Avenue  
Artesia, NM 88210  
575.748.1283 ext. 109  
[sherry.bonham@state.nm.us](mailto:sherry.bonham@state.nm.us)

