

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 | Ranger 40 | Contact | Alan Standefer |
| Address | 1004 Collier Center Way Suite #204 | Telephone No. | 432 557 8822 |
| Facility Name | CU #80 Flowline Leak | Facility Type | Flowline |
| Surface Owner | Mineral Owner | Lease No. | #80 Flowline |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| L | 8 | 255 | 37B | - | - | - | - | Lea |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | | |
|-----------------------------|--|---|-------------------------------------|
| Type of Release | Produced water & oil | Volume of Release | Volume Recovered |
| Source of Release | Flowline | Date and Hour of Occurrence 12/21 | Date and Hour of Discovery 12/21/09 |
| Was Immediate Notice Given? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | 10:00AM |
| By Whom? | no | Date and Hour | none |
| 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.*

* none

Describe Cause of Problem and Remedial Action Taken.*

Flowline east of Highway leaked dug out area sampled soil walls made sure was clean took results to Jeff Leching OCS

Describe Area Affected and Cleanup Action Taken.*

East of Highway dead area - dug out to 1' level around 7-8' made sure all walls were clean took results to Jeff Leching OCS was given verbal to Backfill area - Backfilled with clean soil

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

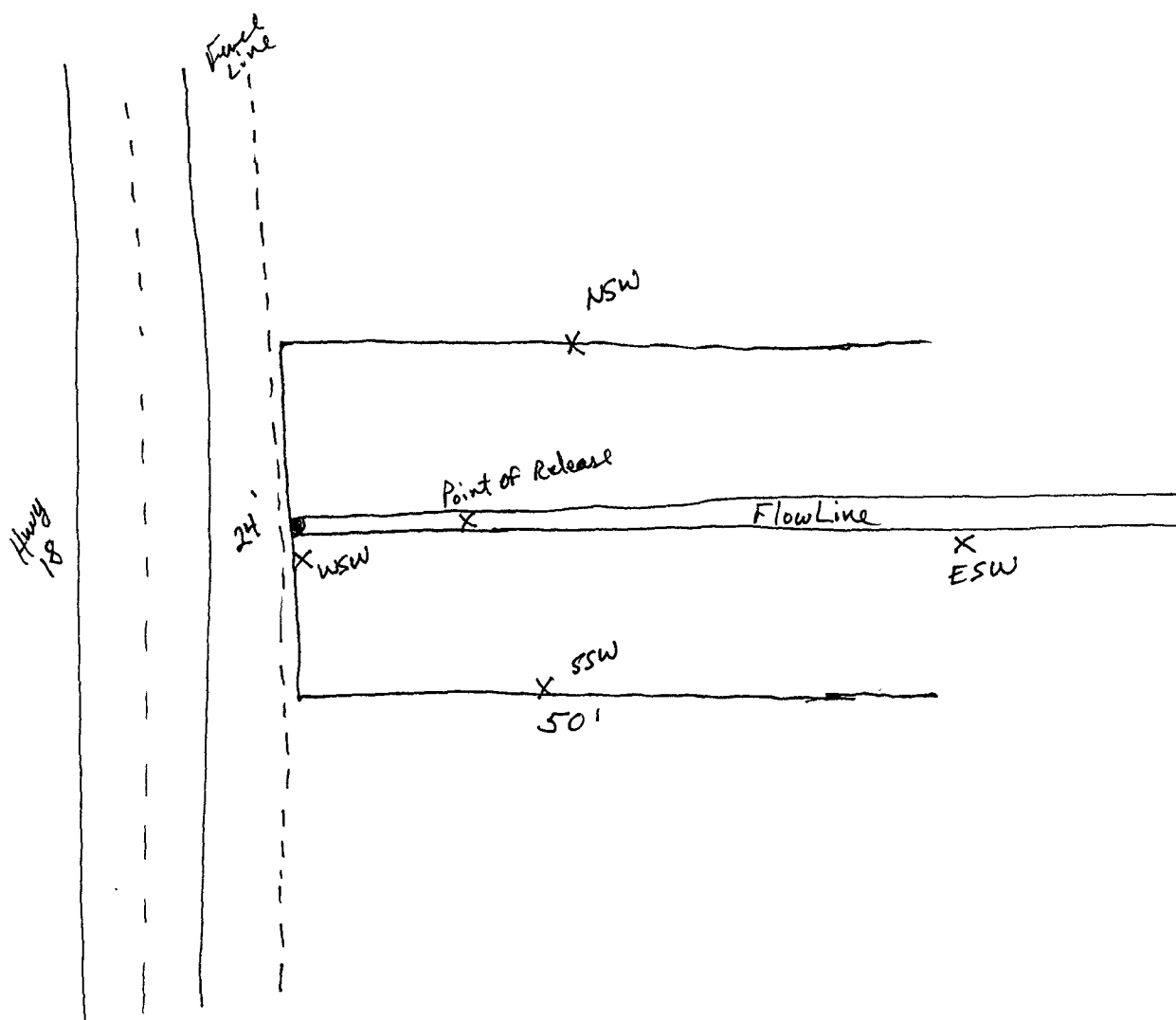
| | | |
|--|--|-----------------------------------|
| Signature: <u>Alan T. Standefer</u> | OIL CONSERVATION DIVISION | |
| Printed Name: <u>Alan T. Standefer</u> | Approved by: <u>ENV. ENGINEER: District Supervisor</u> | <u>Jeff Leching</u> |
| Title: <u>Contract Pumpman</u> | Approval Date: <u>01/27/10</u> | Expiration Date: _____ |
| E-mail Address: _____ | Conditions of Approval: _____ | Attached <input type="checkbox"/> |
| Date: _____ Phone: <u>(432) 557-8722</u> | IRP-09-12-2370 | |

* Attach Additional Sheets If Necessary

Ranger 40 Petroleum

LJU # 80 Flowline

1.27.2010



* was given verbal to go head and
line excavation and Backfill



ARDINAL LABORATORIES

PHONE (575) 393-2526 • 101 E. MARLAND • HOBBS, NM 88240

January 25, 2010

Jacob Melancon
Ranger 40 Petroleum
P.O. Box 1332
Jal, NM 88252

Re: LJU #108 Flowline

Enclosed are the results of analyses for sample number H19105, received by the laboratory on 01/20/10 at 1:00 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

| | |
|--------------------|--|
| Method SW-846 8021 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method SW-846 8260 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method TX 1005 | Total Petroleum Hydrocarbons |

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.2 | Regulated VOC's (V2, V3) |

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,

Coley D. Keene
Laboratory Director

approved 01/27/10
Jeffrey Sebring
Environmental Engineer
NMOC-D-Hobbs

This report conforms with NELAP requirements.



ARDINAL LABORATORIES

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

January 8, 2010

Jacob Melancon
Ranger 40 Petroleum
P.O. Box 1332
Jal, NM 88252

RECEIVED

JAN 11 2010
HOBBSOCD

Re: LJU #80 Flowline

Enclosed are the results of analyses for sample number H19003, received by the laboratory on 01/07/10 at 11:20 am.

Cardinal Laboratories is accredited through Texas NELAP for:

| | |
|--------------------|--|
| Method SW-846 8021 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method SW-846 8260 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method TX 1005 | Total Petroleum Hydrocarbons |

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.2 | Regulated VOCs (V2, V3) |

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director



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

ANALYTICAL RESULTS FOR
RANGER 40 PETROLEUM
ATTN: JACOB MELANCON
P.O. BOX 1332
JAL, NM 88252
FAX TO: (575) 395-2652

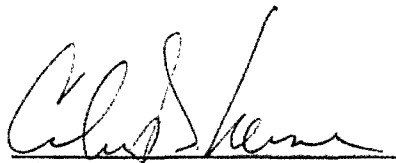
Receiving Date: 01/07/10
Reporting Date: 01/08/10
Project Number: #110
Project Name: LJU #80 FLOWLINE
Project Location: LJU #80

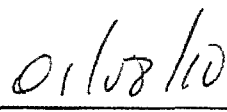
Analysis Date: 01/08/10
Sampling Date: 01/07/10
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 0.5°C
Sample Received By: CK
Analyzed By: HM

| LAB NUMBER | SAMPLE ID | Cl ⁻ (mg/kg) |
|-----------------------------|-----------|----------------------------|
| H19003-1 | TS2 13' | 320 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Quality Control | | 500 |
| True Value QC | | 500 |
| % Recovery | | 100 |
| Relative Percent Difference | | < 0.1 |

| | |
|--------------------------|----------|
| METHOD: Standard Methods | 4500-ClB |
|--------------------------|----------|

Note: Analysis performed on a 1:4 w:v aqueous extract.


Chemist


Date

H19003 Ranger 40 Petroleum

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.



(575) 393-2326 Fax (575) 393-2476

[illegible][illegible]

| | | | | | | | |
|------------------------------|--|--------------------|---|---|----|----------------|--|
| Sampler Relinquished: | | Date: | Received By: | Phone Result: | No | Add'l Phone #: | |
| <i>J. Heene</i> | | | | Fax Result: | No | Add'l Fax #: | |
| | | Time: | | REMARKS: | | | |
| Relinquished By: | | Date: | Received By: | <div style="font-size: 1.5em; font-family: cursive;">Email Results</div> <div style="font-size: 1.2em; font-family: cursive;">jacob @ 3K oil and gas. com</div> | | | |
| | | <i>11/7/10</i> | | | | | |
| | | Time: <i>10:20</i> | | | | | |
| Delivered By: (Circle One) | | Temp. | Sample Condition | CHECKED BY: | | | |
| Sampler - UPS - Bus - Other: | | | Cool Intact | (Initials) | | | |
| | | <i>05°C</i> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <i>John</i> | | | |

* Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

#26

FIELD MEASUREMENT/OBSERVATION LOG

PROJECT NUMBER:

110

1.07.2010

[illegible][illegible]



CARDINAL LABORATORIES

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

January 5, 2010

Jacob Melancon
Panther Energy
P.O. Box 1321
Jal, NM 88252

Re: LJU #80 Flowline (Wind River)

Enclosed are the results of analyses for sample number H18966, received by the laboratory on 12/30/09 at 2:55 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

| | |
|--------------------|--|
| Method SW-846 8021 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method SW-846 8260 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method TX 1005 | Total Petroleum Hydrocarbons |

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.2 | Regulated VOCs (V2, V3) |

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



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

ANALYTICAL RESULTS FOR
PANTHER ENERGY
ATTN: JACOB MELANCON
P.O. BOX 1321
JAL, NM 88252

Receiving Date: 12/30/09
Reporting Date: 12/31/09
Project Owner: WIND RIVER (109)
Project Name: LJU #80 FLOWLINE
Project Location: LJU #80

Sampling Date: 12/30/09
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 3.5°C
Sample Received By: HM
Analyzed By: AB/HM

| LAB NO. | SAMPLE ID | GRO (C ₆ -C ₁₀) (mg/kg) | DRO (C ₁₀ -C ₂₈) (mg/kg) | CI* (mg/kg) |
|---------|-----------|--|---|----------------|
|---------|-----------|--|---|----------------|

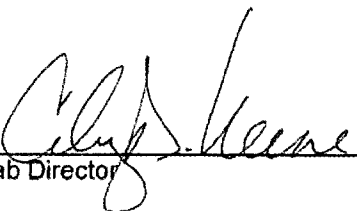
| | | | |
|-----------------------------|----------|----------|----------|
| ANALYSIS DATE: | 12/30/09 | 12/30/09 | 12/30/09 |
| H18966-1 TS2 | <50.0 | 223 | 1,420 |
| H18966-2 TS3 | <10.0 | <10.0 | 208 |
| H18966-3 TS4 | <10.0 | <10.0 | 304 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Quality Control | 442 | 460 | 500 |
| True Value QC | 500 | 500 | 500 |
| % Recovery | 88.4 | 92.0 | 100 |
| Relative Percent Difference | 15.2 | 8.3 | < 0.1 |

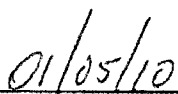
21
5
15
12

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; CI-: Std. Methods 4500-CI-B

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

Reported on wet weight.


Lab Director


Date

H18966 TCL PANTHER

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.



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(575) 393-2326 Fax (575) 393-2476

Page of

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| | | | | | | | |
|---|--|--|--|--|--|--|--|
| Sampler Relinquished By: <u>[Signature]</u> | | Date: <u>12-30-09</u> Time: <u>2:55</u> | | Received By: _____ Date: _____ Time: _____ | | Phone Result: <input type="checkbox"/> No Add'l Phone #: _____ Fax Result: <input type="checkbox"/> No Add'l Fax #: _____ REMARKS: _____ | |
| Relinquished By: _____ | | Date: _____ Time: _____ | | Received By: <u>[Signature]</u> | | Email Results to <u>jacob @ 3K o.i and gas. com</u> | |
| Delivered By: (Circle One) Sampler - UPS - Bus - Other | | Temp. <u>3.5°C</u> | Sample Condition Cool <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | CHECKED BY: _____ (Initials) | | | |

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476

#26

ANALYTICAL RESULTS FOR
 PANTHER ENERGY
 ATTN: JACOB MELANCON
 P.O. BOX 1321
 JAL, NM 88252

 Receiving Date: 12/22/09
 Reporting Date: 12/28/09
 Project Owner: WIND RIVER (109)
 Project Name: LJU #80 FLOWLINE
 Project Location: LJU #80

 Sampling Date: 12/22/09
 Sample Type: SOIL
 Sample Condition: COOL & INTACT @ 4°C
 Sample Received By: HM
 Analyzed By: CK/AB/ZL/HM

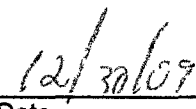
| LAB NO. | SAMPLE ID | GRO (C ₆ -C ₁₀) (mg/kg) | DRO (>C ₁₀ -C ₂₈) (mg/kg) | BENZENE (mg/kg) | TOLUENE (mg/kg) | ETHYL BENZENE (mg/kg) | TOTAL XYLENES (mg/kg) | CI* (mg/kg) |
|-----------------------------|-----------|--|--|--------------------|--------------------|-----------------------------|-----------------------------|----------------|
| ANALYSIS DATE: | | 12/23/09 | 12/23/09 | 12/28/09 | 12/28/09 | 12/28/09 | 12/28/09 | 12/28/09 |
| H18936-1 | S1 | <50.0 | <50.0 | <0.050 | <0.050 | <0.050 | <0.300 | 96 |
| H18936-2 | S2 | 157 | 971 | <0.050 | 0.155 | 1.55 | 5.59 | 544 |
| H18936-3 | S3 | 520 | 1,930 | <0.050 | 1.28 | 3.88 | 12.2 | 2,360 |
| H18936-4 | S4 | <10.0 | <10.0 | <0.050 | 0.155 | 0.475 | 1.55 | 32 |
| H18936-5 | S5 | <10.0 | <10.0 | <0.050 | <0.050 | 0.050 | <0.300 | 16 |
| | | | | | | | | |
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| | | | | | | | | |
| | | | | | | | | |
| Quality Control | | 445 | 552 | 0.047 | 0.046 | 0.047 | 0.145 | 500 |
| True Value QC | | 500 | 500 | 0.050 | 0.050 | 0.050 | 0.150 | 500 |
| % Recovery | | 89.0 | 110 | 94.0 | 92.0 | 94.0 | 96.7 | 100 |
| Relative Percent Difference | | 1.5 | 0.5 | 1.2 | <1.0 | <1.0 | 1.0 | 2.0 |

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B; CI-: Std. Methods 4500-CI-B

*Analysis performed on a 1:4 w:v aqueous extract.

 TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
 AND TOTAL XYLENES. Not accredited for GRO/DRO and Chloride. Reported on wet weight.


 Lab Director


 Date

H18936 TBCL PANTHER

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.



December 30, 2009

Jacob Melancon
Panther Energy
P.O. Box 1321
Jal, NM 88252

Re: LJU #80 Flowline (Wind River)

Enclosed are the results of analyses for sample number H18936, received by the laboratory on 12/22/09 at 12:35 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

| | |
|--------------------|--|
| Method SW-846 8021 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method SW-846 8260 | Benzene, Toluene, Ethyl Benzene, and Total Xylenes |
| Method TX 1005 | Total Petroleum Hydrocarbons |

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

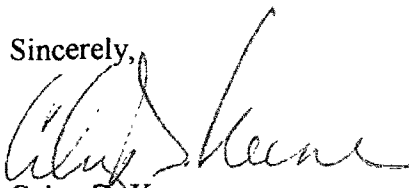
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.2 | Regulated VOCs (V2, V3) |

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,



Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.

CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Page

| | | | | | | | | |
|---|--|--------------------------------------|--|---------------------|--|--|--|--|
| Company Name: <u>Panther Energy</u> | | BILL TO | | ANALYSIS REQ | | | | |
| Project Manager: <u>Jacob Melancon</u> | | P.O. #: <u>1321</u> | | | | | | |
| Address: <u>P.O. Box 1321</u> | | Company: <u>Panther Energy</u> | | | | | | |
| City: <u>Jal</u> State: <u>N.M.</u> Zip: <u>88240</u> | | Attn: <u>Jacob</u> | | | | | | |
| Phone #: <u>575-631-8037</u> Fax #: <u>575-395-2654</u> | | Address: <u>101 E.</u> | | | | | | |
| Project #: <u>109</u> Project Owner: <u>Wind River</u> | | City: <u>Jal</u> | | | | | | |
| Project Name: <u>LJU #80 Flowline</u> | | State: <u>N.M.</u> Zip: <u>88252</u> | | | | | | |
| Project Location: <u>LJU #80</u> | | Phone #: <u>575-631-8037</u> | | | | | | |
| Sampler Name: <u>Jacob Melancon</u> | | Fax #: <u>575-395-2654</u> | | | | | | |

[illegible]

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| | | | | | | |
|-------------------------------------|-----|---|---|--|-----------------------|--------------------|
| Sampler Relinquished: | | Date: 12-22-09 | Received By: <i>[Signature]</i> | Phone Result: <input type="checkbox"/> No | Add'l Phone #: | |
| <i>[Signature]</i> | | Time: | <i>[Signature]</i> | Fax Result: <input type="checkbox"/> No | Add'l Fax #: | |
| Relinquished By: | | Date: | Received By: | REMARKS: | | |
| | | Time: | | <i>Email - jacob @ 3K</i> | | |
| Delivered By: (Circle One) | | Temp. | Sample Condition: | | | CHECKED BY: |
| Sampler - UPS - Bus - Other: | 4°C | <input checked="" type="checkbox"/> Cool <input checked="" type="checkbox"/> Intact <input type="checkbox"/> Yes <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No | <i>[Initials]</i> | | | |

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

#26