

R. T. HICKS CONSULTANTS, LTD.

901 Rio Grande Blvd NW ▲ Suite F-142 ▲ Albuquerque, NM 87104 ▲ 505.266.5004 ▲ Fax: 505.266.0745

July 17, 2015

Ms. Heather Patterson
NMOCD District 2
811 S. First Street
Artesia, New Mexico 88210
Via Email and US Mail

RE: Murchison – War Horse Federal #3H Release
Final C-141 submission, Case #2RP-3093

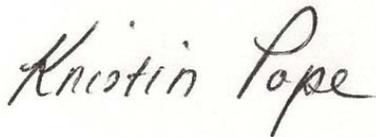
Dear Ms. Patterson:

On behalf of Murchison Oil and Gas, R.T Hicks Consultants submits the attached final C-141 form for the above-referenced release. On June 19, a release of oil and produced water was caused by the failure of a fire tube gasket on the heater treater. Approximately 35 barrels were released and 30 barrels were recovered. The fire tube gasket was replaced and the affected material was removed from the 6,325 square feet of surface. The excavated material was transported to a permitted facility (disposal manifest enclosed) and caliche was spread on the affected surface to replace the excavated material on the location pad. Chloride field tests confirm that affected materials did not remain below the excavation.

Please contact me with any questions regarding this final submission.

Sincerely,

R.T. Hicks Consultants



Kristin Pope



6/20/2015 Affected material replaced

Copy: Murchison Oil & Gas, Concho Resources, BLM (Jim Amos)

Enclosures: Final C-141 form, disposal manifest

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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 August 8, 2011

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

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company	Murchison Oil & Gas, Inc.	Contact	Greg Boans
Address	7250 Dallas Parkway, Suite 1400, Plano, TX 75024	Telephone No.	(575) 628-3932
Facility Name	War Horse Fed Com #3H	Facility Type	Production Battery
Surface Owner	Concho Resources	Mineral Owner	BLM
		API No.	30-015-41227

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	21	18S	29E	2290	South	175	East	Eddy

Latitude 32° 43' 55.195" N Longitude 104° 04' 18.317" W

NATURE OF RELEASE

Type of Release	Oil and Produced Water	Volume of Release	35 bbls	Volume Recovered	30 bbls
Source of Release	Heater treater	Date and Hour of Occurrence	6/19/2015, before 10:00 am	Date and Hour of Discovery	6/19/2015 10:00 am
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Heather Patterson			
By Whom?	Kristin Pope	Date and Hour	6/22/2015 12:45 pm		
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.*

n/a

Describe Cause of Problem and Remedial Action Taken.*

Fluid was lost due to a failure of a fire tube gasket on the heater treater. Within 1 hour of discovery, a vacuum truck removed standing fluid. The gasket was replaced.

Describe Area Affected and Cleanup Action Taken.*

Produced water and oil was released from the heater treater, affecting approximately 6,325 ft², all of which remained on the location pad. Soil moisture indicated that penetration was ¼-½ inch deep, chloride field tests on 2-in-deep samples confirmed. The affected material from the surface of the release footprint was excavated and transported to a permitted disposal facility. The excavated material was replaced with clean caliche pad material.

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: Greg Boans	Approved by Environmental Specialist:		
Title: Production Superintendent	Approval Date:	Expiration Date:	
E-mail Address: gboans@jdmii.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 7/17/2015	Phone: (575) 628-3932		

* Attach Additional Sheets If Necessary



Permian Basin

Customer: MURCHISON OIL & GAS INC
 Customer #: CRI4190
 Ordered by: GREG BOWINS
 AFE #:
 PO #:
 Manifest #: NA
 Manif. Date: 7/10/2015
 Hauler: STORM CONSTRUCTION
 Driver: THOMAS
 Truck #: 60
 Card #
 Job Ref #

Ticket #: 700-707238
 Bid #: Walk-in Bid
 Date: 7/10/2015
 Generator: MURCHISON OIL & GAS INC
 Generator #:
 Well Ser. #: 999908
 Well Name: WARHORSE
 Well #: 3H
 Field:
 Field #:
 Rig: NON-DRILLING
 County

Facility: CRI

Product / Service	Quantity	Units
Contaminated Soil (RCRA Exempt) API#30-015-41227	12.00	yards

Generator Certification Statement of Waste Status

I hereby certify that according to the Resource Conservation and Recovery Act (RCRA) and the US Environmental Protection Agency's July 1988 regulatory determination, the above described waste is:

- RCRA Exempt: Oil field wastes generated from oil and gas exploration and production operations and are not mixed with non-exempt waste.
- RCRA Non-Exempt: Oil field waste which is non-hazardous that does not exceed the minimum standards for waste hazardous by characteristics established in RCRA regulations, 40 CFR 261.21-261.24 or listed hazardous waste as defined in 40 CFR, part 261, subpart D, as amended. The following documentation is attached to demonstrate the above-described waste is non-hazardous. (Check the appropriate items):
 - MSDS Information
 - RCRA Hazardous Waste Analysis
 - Process Knowledge
 - Other (Provide description above)

 Driver/ Agent Signature

 R360 Representative Signature

 Customer Approval

THIS IS NOT AN INVOICE!

Approved By: _____

Date: _____