

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

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

Received 7/8/2015
NMOCD Artesia

Form C-141
Revised August 8, 2011

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

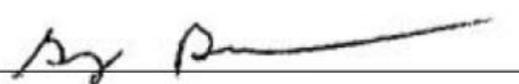
Describe Cause of Problem and Remedial Action Taken.*

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. A backhoe excavated the affected material (approx. 9 yds³) from the surface of the release footprint and placed it on top of a 20-mil plastic liner. Earthen berms made from surrounding unaffected material were built around the stockpile. Clean caliche was used to replace the excavated material on the location pad. Two War Horse wells are planned to be drilled using a temporary pit and the excavated soil from this release will be used as stabilization material during the in-place closure of the first of these wells to be drilled.

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:	Accepted for Record	
Title: Production Superintendent	Approval Date:	7/8/2015	Expiration Date: N/A
E-mail Address: gboans@jdmii.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 7/3/2015 Phone: (575) 628-3932	Remediation per OCD Rules and Guidelines.		

* Attach Additional Sheets If Necessary

Submit Remediation proposal no later than 8/8/2015 2RP-3093