

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
MAR 03 2008
OCD-ARTESIA
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

NAMEB 0806642627

Name of Company	McKay Oil Corp. 14424	Contact	Jim Schultz
Address	P.O. Box 2014, Roswell, NM 88202-2014	Telephone No.	575-626-6879
Facility Name	Jerry Don Fed. #1 Pipeline 30 005 62221	Facility Type	Pipeline
Surface Owner	BLM	Mineral Owner	BLM
		Lease No.	NM-32330

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	24	4S	22E					Chaves

Latitude 33° 56.507' Longitude W104° 40.311'

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	50 BW	Volume Recovered	None
Source of Release	Hole in Pipeline	Date and Hour of Occurrence	Unknown	Date and Hour of Discovery	2/28/08 Hour Unknown
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?		Date and Hour			
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.*

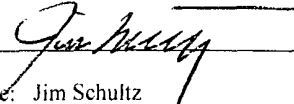
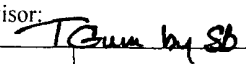
On February 21, 2008, the BLM notified McKay Oil Corp. that a field inspection on February 7, 2008 revealed that there appeared to be a water leak along a pipeline from the Jerry Don Fed. #1 well to the Pronghorn Fed. #1. (See Attached Map) A water pipeline developed a leak due to rust. The pipeline was dug up to determine if it could be patched or needed to be replaced. The hole was too large, so a 3" poly pipe was laid in its place. The ground was leveled. McKay Oil Corp. and representative from the BLM will meet Tuesday afternoon, March 4, 2008 to discuss the plan of remediation.

Describe Area Affected and Cleanup Action Taken.*

The size of the spill is approximately ~~60' x 60'~~ **75' x 110'**, but the depth is unknown at this time. A plan of remediation will be filed after the meeting between McKay Oil Corp. and the BLM.

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.

OIL CONSERVATION DIVISION

Signature: 	Approved by District Supervisor: 	
Printed Name: Jim Schultz	Approval Date: 3-6-08	Expiration Date:
Title: Agent	Conditions of Approval: REMEDATION	Attached <input type="checkbox"/>
E-mail Address: jschultz80@hotmail.com	WORK PLAN DUE 4-7-08	
Date: 3/2/08	Phone: 575-626-6879	

* Attach Additional Sheets If Necessary

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PSEB0806643100

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