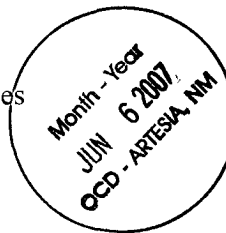


District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM 87505

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

30-015-35139

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

| | | | |
|-----------------|----------------------------------|---------------|--------------------------|
| Name of Company | Marbob Energy Corp. 14049 | Contact | Gerald Hemera |
| Address | P.O. Box 227 Artesia, n.m. 88211 | Telephone No. | 505-513-0582 |
| Facility Name | Dodd Federal #110 | Facility Type | Drilling Pit on oil well |
| Surface Owner | BLM | Mineral Owner | Marbob Energy - Federal |
| | | Lease No. | LC 028731-A |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| P | 15 | 17s | 29E | 330 | South | 1040 | EAST | Eddy |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|---------|----------------------------|---------------|
| Type of Release | Potential minor Release | Volume of Release | unknown | Volume Recovered | None |
| Source of Release | Drilling Pit | Date and Hour of Occurrence | N/A | Date and Hour of Discovery | 5/22/07 1400h |
| Was Immediate Notice Given? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? | | | |
| By Whom? | observed by NMOC & Operators Employee. | Date and Hour | 5/22/07 | - See Attached | |
| 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.*

TDN liner in NW corner. and hole in Southside. Both were above the fluid level at the time of observation. Potential leakage of Rainwater behind liner. Will NOT know the extent of remediation until Pit contents are removed and results of sampling.

Describe Area Affected and Cleanup Action Taken.*

Not Known at this time.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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>Band French</u> | | OIL CONSERVATION DIVISION | |
| Printed Name: <u>Band French</u> | | Approved by District Supervisor: <u>TIM GUM</u> by MB <u>[Signature]</u> | |
| Title: <u>Biologist</u> | | Approval Date: <u>6/14/07</u> | Expiration Date: |
| E-mail Address: <u>wildlife@marbob.com</u> | | Conditions of Approval: | Attached <input checked="" type="checkbox"/> |
| Date: <u>6/6/07</u> | Phone: <u>748-3303</u> | | |

* Attach Additional Sheets If Necessary

⑤

On May 22, 2007 the OCD sampling crew along with Rand French from Marbob Energy Corp. participated in a pit sampling program. At the time this specific drilling pit was not on a random list of pits to be sampled. Marbob Energy Corp. offered to sample this pit and at that time we found two areas where the pit liner had been compromised. As a result of this finding and conversations thereafter, Marbob Energy Corp. is submitting this C-141.

On 6/6/07 Marbob Energy Corp. had a meeting with the Artesia district office staff to decide what actions for official notice and closure would be taken on this potential release that may have contained drilling pit fluids or just rainwater from severe rains and any actions that would be required. As a result of that meeting, the requirements are as follows:

1. Submit C-141 for potential release.
2. After pit contents are removed, delineate the extent of release by sampling
3. Sampling will include: the 5 point sampling and a sample taken from each spot where liner was compromised down to background or 250 ppm.
4. Remediation/Clean up will be determined after the sampling has been completed.
5. NMOCD- Artesia office is to be notified at the time of pit content removal and sampling.

Submitted by Marbob Energy with C-141 6/6/07 mth

Accepted for record
NMOCD

JUN 06 2007



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Marbob Energy Corporation
PO Box 227
Artesia, NM 88210
ATTN: Gerald Herrera

June 20, 2007

Reference: Dodd Federal Unit 110 P-15-17s-29e 30-015-35139 Eddy County, New Mexico

Dear Mr. Herrera,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report C-141 reporting a potential release from the drilling pit at the above referenced well site. The potential release is due to the liner being breached.

The conditions of approval of the C-141 are as follows;

- At the time of pit closure, delineation samples are to be obtained for analyses. (Laboratory analysis required for final confirmation samples).
- In the event contaminants are determined to be present, submit a remediation work plan proposal based on contaminant delineation results, site ranking, and OCD Rules and Guidelines.
- Notify the OCD 24 hours prior to commencement of operations.
- Notify the OCD 24 hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD.
- Submit a Final Report C-141 and/or pit closure report upon satisfactory completion of activities.

If I can be of assistance, please contact me.

Sincerely,

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext. 108
(505) 626-0857
mike.bratcher@state.nm.us