

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

JUN 15 2007

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

30-015-35389

Release Notification and Corrective Action

14049 OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input type="checkbox"/> Final Report
Name of Company	Marbob Energy Corporation	Contact	Gerald Herrera
Address	P.O. Box 227 Artesia, n.m. 88211	Telephone No.	748-3303
Facility Name	Burch Keely Unit #397	Facility Type	Drilling pit
Surface Owner	BLM	Mineral Owner	BLM
		Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	23	175	29E	1900	North	500	West	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Potential Release behind liner	Volume of Release	unknown	Volume Recovered	N/A
Source of Release	Drilling Pit	Date and Hour of Occurrence	?	Date and Hour of Discovery	6/5/07
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?	OCD	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.*

Potential sliding of Liner - Remedial Not Taken

Describe Area Affected and Cleanup Action Taken.*

unknown

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: <i>Rand French</i>	TIM GUM		
Printed Name: Rand French	Approved by District Supervisor by MB <i>MB</i>		
Title: Biologist	Approval Date: 6/20/07	Expiration Date:	
E-mail Address: wildlife@marbob.com	Conditions of Approval:	Attached <input checked="" type="checkbox"/>	
Date: 6/15/07	Phone: 748-3303		

* Attach Additional Sheets If Necessary

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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: Burch Keely Unit 397 E-23-17s-29e 30-015-35389 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 in the pit sliding out of place.

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