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 FEB 17 2009

Form C-141 Revised October 10, 2003

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

nSEB0815150569 Release Notification and Corrective Action 30-6 **OPERATOR** Final Report X Subsequent Report **Initial Report** Name of Company: Melrose Operating Co. Contact: Tony Beilman Telephone No.: 214 762-0830 Address: 1000 W. Wilshire Blvd., Suite 223, Oklahoma City OK 73116 Facility Name: Rotary State, Well #4 (015 01963) Facility Type: Battery, flowline Surface Owner: State Mineral Owner Lease No.: **LOCATION OF RELEASE** Unit Letter Feet from the North/South Line Feet from the East/West Line Section Township Rang County: G 20 18S 28E 2100 North 1980 East Eddy

Longitude Latitude NATURE OF RELEASE Type of Release: flowline junction Volume of Release: Volume Recovered Source of Release: at battery Date and Hour of Occurrence Date and Hour of Discovery Was Immediate Notice Given? If YES, To Whom? Initial C-141 submitted 5-16-08. Not Required Sherri Bowman Yes No By Whom? Gary Newton Date and Hour: If YES, Volume Impacting the Watercourse. Was a Watercourse Reached? Yes X No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* Flowline leak, wellhead - location has been remediated, clean-up is complete, and final closure inspection performed by Oil Conservation Division on 9-22-08. Describe Area Affected and Cleanup Action Taken.* 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 Sig Printed Name. Ann E. Ritchie Approval DateMAR 0 9 2009 Expiration Date Title: Regulatory Agent E-mail Address: ann.wtor@gmail.com Conditions of Approval Attached

* Attach Additional Sheets If Necessary

MOV 02-08-12

2RP-174