

RECEIVED JUL 02 2010

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

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company - Murchison Oil & Gas, Inc. 15363	Contact: Tommy Folsom
Address P.O. Box 627, Carlsbad, New Mexico 88221	Telephone No. 575-628-3932
Facility Name Carbon Valley 25 Federal #1	Facility Type: Pumping Oil Well API # 30-015-30953
Surface Owner	Mineral Owner
Lease No. NM 105319	

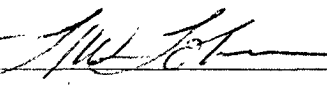
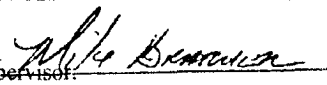
LOCATION OF RELEASE

Unit Letter	Section 25	Township 16S	Range 27E	Feet from the 1650'	North/South Line South	Feet from the 660'	East/West Line East	County Eddy
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release - AST - Diesel Spill	Volume of Release 385 gallons	Volume Recovered
Source of Release - AST valve damage	Date and Hour of Occurrence 06/28/10	Date and Hour of Discovery: 3:33 pm MST
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" 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.* N/A		
Describe Cause of Problem and Remedial Action Taken.* Driver was backing up to overhead tank, when he hit the legs of the stand and it collapsed. Tank fell to the ground landing on the fill valve and breaking it. Diesel came out through broken valve. The site is being remediated by TNT Backhoe Services. License# 91348.		
Describe Area Affected and Cleanup Action Taken.* The spill occurred on a dirt pad surrounded by a dirt berm.		
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: Tommy W. Folsom	Approved by:  District Supervisor	
Title: Operations Manager	Approval Date: JUL 27 2010	Expiration Date:
E-mail Address: tommyfolsom@valornet.com	Conditions of Approval: REMEDATION per OCD Rules and Guidelines. SUBMIT REMEDIATION PROPOSAL BY: 8-27-2010	Attached <input type="checkbox"/>
Date: 6-30-2010	Phone: (575) 628-3932	

* Attach Additional Sheets If Necessary

NMLB 1020853254

PROPOSAL BY: 8-27-2010

2RP-421