State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action													
										n 1 n			
Name of Company Louray OIL Co. L.L.C.										al Report	<u> </u>	Final Report	
		Contact Louis G. Edgett Telephone No. 505-631-3387											
						Facility Type Salt Water Disposal AP # 303523708000							
Surface Ow													
Surface Owner B.L.M. Mineral Owner Louray Oil Co. L.L.C. Lease No. LOCATION OF RELEASE										·····			
Unit Letter	Section	Township	Range	Feet from the		South Line	Feet from the	East/V	East/West Line County				
N	25	19	34	610		South	1880		West		Lea		
L	I		La	titude	I	Longitud	e	L					
NATURE OF RELEASE													
Type of Rele				· · · · · · · · · · · · · · · · · · ·		Volume of Release 20 Bbls. Volume Recovered 15 Bbls							
Source of Re	Source of Release Triplex Pump						Date and Hour of OccurrenceDate and Hour of Discovery7:00aBetween 6:00pm 2/09/2006 and2/10/20062/10/2006						
Was Immedia	Was Immediate Notice Given?						If YES, To Whom?						
By Whom?	····					Date and Hour							
Was a Watercourse Reached?						If YES, Volume Impacting the Watercourse 123456							
If a Watercourse was Impacted, Describe Fully.*													
Describe Cause of Problem and Remedial Action Taken.* The triplex pump ruptured a gasket. The pump was immediately shut down. A truck was called and the water was picked up. The pump was repaired and put back in service.													
Describe Area Affected and Cleanup Action Taken.* A 15ft x 30ft. area was affected. The soil will be picked up and taken to a proper facility.													
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:													
Printed Name: Louis G. Edgett							Approved by District Supervisor:						
Title: Owner	Title: Owner					Approval Da	Date: Expiration			Date:			
E-mail Address: louray@valornet.com						Conditions of Approval:			Attached				
	0/2006	4. IENI		Phone: 505-631-	3387				11 5				
* Attach Addi HOUR				200 V	ncie	dent -	- NPACO - pPACe	6047 604	44593 74479	0			

QUANNAH, INC.

*

P.O. BOX 2081 LOVINGTON, NM 88260

Invoice

Date Invoice # 2/10/2006 1110

Bill To LOURAY OIL CO. L.L.C. P.O. BOX 2081 LOVINGTON N.M. 88260

P.O. No.	Terms	Due Date	Rep	Ship Date		Ship Via	Project
		2/10/2006	· · · · · · · · · · · · · · · · · · ·	2/10/2	006	,	
	QI	Qty		Rate	Amount		
TRUCK CHARGE PICKED UP 15 BBLS. PUT BACK IN THE D FUEL SURCHARGE Sales Tax		THE GROUND ANI	D	4		70.00 9.00% 6.6875%	280.00T 25.20T 20.41
	<u>, , , , , , , , , , , , , , , , , , , </u>				Tota	l l	\$325.61
L	<u></u>		Payments/Credits \$0.00				

Balance Due

\$325.61

Ship To

GOVERNMENT E #1