

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

30-045-34291

OPERATOR Initial Report Final Report

Name of Company XTO Energy Inc.	Contact Kim Champlin	
Address #382 County Road 3100 Aztec, NM 87410	Telephone No. (505) 333-3100	
Facility Name Ruby Jones #1E (API 30-045-34291)	Facility Type Gas Well	
Surface Owner Fee	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	07	30N	11W	975	South	820	East	San Juan

Latitude 36.82221 Longitude 108.02580

NATURE OF RELEASE

Type of Release Produced Oil & Paraffin	Volume of Release Approx 2.5 bbl	Volume Recovered 0 bbl
Source of Release Separator Rupture Disk	Date and Hour of Occurrence 06/04/08, time unknown	Date and Hour of Discovery 06/04/08 at 11:00 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Brandon Powell- OCD Aztec Fire Department	RCVD JUN 16 '08 OIL CONS. DIV.
By Whom? Nearby Landowner	Date and Hour Unknown	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. < 1 BBL	DIST. 3

If a Watercourse was Impacted, Describe Fully.*

A narrow manmade irrigation ditch runs across the access road parallel to the location and feeds into a larger irrigation ditch. A mist from the release was carried by the wind coating the brush along the ditch bank and left a sheen on the water in the ditch. Absorbent pads were placed alongside the ditch while absorbent booms were placed in key locations inside the ditch to prevent any impacted water from flowing further down the ditch. A vac truck was dispatched to vac out the ditch until the water running was free of any sheen.

Describe Cause of Problem and Remedial Action Taken.* See Attached

Describe Area Affected and Cleanup Action Taken.* See Attached

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: <i>Kim Champlin</i>	OIL CONSERVATION DIVISION	
Printed Name: Kim Champlin	Approved by District Supervisor: <i>Jeanette D. Kelly</i>	
Title: Environmental Representative	Approval Date: <i>2/07/2012</i>	Expiration Date:
E-mail Address: Kim_Champlin@xtoenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 06/13/08	Phone: 505-333-3100	

* Attach Additional Sheets If Necessary

NJK 1203842423

On June 4, 2008 between the hours of 10:00 a.m. and 11:00 a.m. during a test, the Ruby Jones #1E had a rupture disc blow out on a 500 psig L-Pud separator. When doing so, a paraffin mist was sent into the air and was carried to the east of the location by the wind. A nearby neighbor reported this to the Aztec Fire Department. The Aztec Fire Department arrived on the scene, blocked the road off, and placed a call to the XTO Energy San Juan District Office. XTO Production Foremen and a lease operator were dispatched to the location. Upon their arrival, the well was immediately shut in and the investigation and clean up process began. A light paraffin mist was carried east onto the location pad, across a dirt road, onto two small manmade irrigation ditches, onto the willow brush along the ditch bank, into a irrigated field of pasture grass, and finally onto the San Juan County Facility buildings and the majority of the vehicles parked outside of the county facilities.

Oil soaker pads and oil booms were placed into both irrigation ditches to collect any paraffin floating on top of the water and prevented any impacted water from flowing further down the ditch. Rosenbaum Construction crew member dumped a loader bucket full of dirt into the closest ditch to divert any flow into a south pasture. Both ditches are small in width, approximately 1-1.5 feet with minimal flow. A Triple S water truck was dispatched to the location and throughout the day hauled water out of the ditch to a local disposal facility. Soaker pads were also placed on any standing water in the eastern portion of the field of pasture grass. Keystone crews and a Cimarron crew arrived at the location with power washers. The crews steam cleaned the production equipment, fence, and ground on the location with a Simple Green/water solution. The owner of the field was contacted and XTO was given permission to proceed with any clean up measures required. The owner also requested that the willow brush be cut down.

Polaris and Envirotech were dispatched to the San Juan County Facilities where they set up a mobile assembly line carwash for a two day period. Pictures of the vehicles were taken prior to being washed. The vehicles were hand scrubbed, then rinsed off with a heated power washer, and then the windows were wiped down. Each driver was then given a free car wash pass to the Octopus carwash in Farmington. Over a two day period, an estimated 300 cars were washed and the drivers received the free Octopus carwash.

XTO spoke with Mr. David P. Keck, the San Juan County Public Works Director about having the windows of the county building cleaned. Mr. Keck stated that he did not see any

residue on any of the windows and that he did not see any need for XTO to clean their windows. The roof of the building was inspected, and it was found to have a gravel/tar roof with no residue.

Four individuals from the County Administration Office complained of eye, nose, and throat irritation. XTO offered them the medical assistance of Reliance Medical Center in Aztec. The offer was denied by all four individuals, stating that they were feeling better.

June 5, 2008

The location was inspected and samples were collected. Envirotech was then dispatched to spray a microbial solution onto the ground of the well pad. The willow brush was removed and taken to their facility. Each tree was an average of ½" round 12' tall. The microbial solution was left to dry and was raked into the ground. Samples will be collected again in approximately two weeks according to Envirotech personnel.

June 06, 2008

An XTO foreman went around to each County Department to insure that all of the employees that had their vehicle affected were taken care of and that their vehicles had been cleaned.

Note:

Upon further investigation of the incident after the clean up it was discovered that the fuel gas supply to the separator pressure controller had filled with liquid, allowing the inlet motor valve to fully open, sending 750 psig into the L-Pud unit. This caused the rupture disc to rupture. The emergency shut down pressure switch on the rupture disc piping did not sense the discharge and shut down the well. The rupture disc was replaced and the outlet piping has been plumbed to the production pit. PESCO, the manufacturer of the separator, has inspected the unit to make sure it is functioning properly.

Calculation for volume of release: If the L-Pud separator was full it would hold 65 gallons (1.55 bbls). For this calculation XTO assumed it was full. The well had only been online for 5 days and the average production for the three days prior to the incident was 18 barrels of oil per day. The well vented for a maximum of 45 minutes which calculates to ½-1

barrel of oil. Based on this information the total volume of oil spilled was calculated to be 2.5 barrels.