

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

30-039-21418

OPERATOR

Initial Report Final Report

| | |
|--|---|
| Name of Company: Energen Resources, Inc. | Contact: Ed Hasely |
| Address: 2010 Afton Place, Farmington, NM 87401 | Telephone No: 505-324-4131 |
| Facility Name: Arco Little Fed 32 #1 (API # - 3003921418) | Facility Type: Oil/Gas Well Site |

| | | |
|---------------------------|-------------------------------|-----------------------------|
| Surface Owner: Fee | Mineral Owner: Federal | Lease No. NM - 28715 |
|---------------------------|-------------------------------|-----------------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|------------|
| D | 32 | 24N | 3W | 970 | North | 790 | West | Rio Arriba |

Latitude 36.27140

Longitude -107.18555

NATURE OF RELEASE

| | | |
|---|--|--|
| Type of Release: Produced Oil | Volume of Release: 15 bbls | Volume Recovered: 10 bbls |
| Source of Release: Above Ground Steel Production Pit | Date and Hour of Occurrence: 2/7/12 | Date and Hour of Discovery: 2/7/12; 10 am |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? Brandon Powell - OCD Mark Kelly - BLM | |
| By Whom? Ed Hasely | Date and Hour: 2/7/12 at 3:50 pm (OCD); 2/8/12 at 10 am (BLM) | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. NA | |

If a Watercourse was Impacted, Describe Fully.* NA

**RCVD FEB 21 '12
OIL CONS. DIV.
DIST. 3**

Describe Cause of Problem and Remedial Action Taken.* The oil dump line froze causing the oil to be discharged to the above ground steel pit. A hole in the steel pit allowed the fluid to leak into the bermed area. All fluids were contained inside the bermed area.

Describe Area Affected and Cleanup Action Taken.* A vacuum truck was used to recover the free standing oil. The impacted soils were excavated (approx. 25' x 25' x 6') and properly disposed at an approved facility. The excavation was then backfilled with clean soils. The steel pit was replaced. The area is needed for operations of the well.

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: Ed Hasely | Approved by District Supervisor: | |
| Title: Sr. Environmental Engineer | Approval Date: 2/27/2012 | Expiration Date: |
| E-mail Address: cd.hasely@energen.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 2/17/12 | Phone: 505-324-4131 / 505-330-3584(cell) | |

* Attach Additional Sheets If Necessary

NJK 1265852722

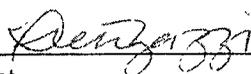
| | | | |
|----------------------|-------------------|---------------------|------------|
| Client: | Energen Resources | Project #: | 03022-0001 |
| Sample ID: | Bottom | Date Reported: | 02-14-12 |
| Laboratory Number: | 61116 | Date Sampled: | 02-09-12 |
| Chain of Custody No: | 13388 | Date Received: | 02-09-12 |
| Sample Matrix: | Soil | Date Extracted: | 02-10-12 |
| Preservative: | Cool | Date Analyzed: | 02-13-12 |
| Condition: | Intact | Analysis Requested: | 8015 TPH |

| Parameter | Concentration (mg/Kg) | Det. Limit (mg/Kg) |
|------------------------------|-----------------------|--------------------|
| Gasoline Range (C5 - C10) | ND | 0.2 |
| Diesel Range (C10 - C28) | 3.4 | 0.1 |
| Total Petroleum Hydrocarbons | 3.4 | |

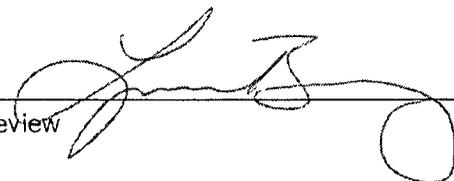
ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **Arco Little Fed 32-1 Spill**



Analyst



Review



**EPA METHOD 8015 Modified
Nonhalogenated Volatile
Total Petroleum Hydrocarbons**

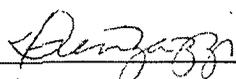
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|----------------------|-------------------|---------------------|------------|
| Client: | Energen Resources | Project #: | 03022-0001 |
| Sample ID: | Sides | Date Reported: | 02-14-12 |
| Laboratory Number: | 61117 | Date Sampled: | 02-09-12 |
| Chain of Custody No: | 13388 | Date Received: | 02-09-12 |
| Sample Matrix: | Soil | Date Extracted: | 02-10-12 |
| Preservative: | Cool | Date Analyzed: | 02-13-12 |
| Condition: | Intact | Analysis Requested: | 8015 TPH |

| Parameter | Concentration (mg/Kg) | Det. Limit (mg/Kg) |
|------------------------------|-----------------------|--------------------|
| Gasoline Range (C5 - C10) | ND | 0.2 |
| Diesel Range (C10 - C28) | ND | 0.1 |
| Total Petroleum Hydrocarbons | ND | |

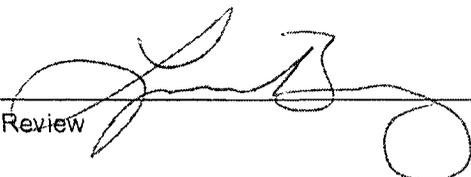
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Comments: **Arco Little Fed 32-1 Spill**



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| Sample ID: | Bottom | Date Reported: | 02-16-12 |
| Laboratory Number: | 61116 | Date Sampled: | 02-09-12 |
| Chain of Custody: | 13388 | Date Received: | 02-09-12 |
| Sample Matrix: | Soil | Date Analyzed: | 02-15-12 |
| Preservative: | Cool | Date Extracted: | 02-10-12 |
| Condition: | Intact | Analysis Requested: | BTEX |
| | | Dilution: | 10 |

| Parameter | Concentration (ug/Kg) | Det. Limit (ug/Kg) |
|-------------------|--------------------------|--------------------------|
| Benzene | ND | 10.0 |
| Toluene | ND | 10.0 |
| Ethylbenzene | ND | 10.0 |
| p,m-Xylene | ND | 10.0 |
| o-Xylene | ND | 10.0 |
| Total BTEX | ND | |

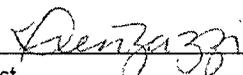
ND - Parameter not detected at the stated detection limit.

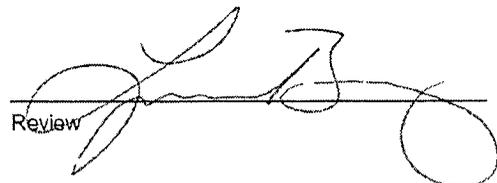
| Surrogate Recoveries: | Parameter | Percent Recovery |
|-----------------------|---------------------|------------------|
| | Fluorobenzene | 87.0 % |
| | 1,4-difluorobenzene | 95.0 % |
| | Bromochlorobenzene | 84.7 % |

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Method 8021B, Aromatic Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: Arco Little Fed 32-1 Spill


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| Laboratory Number: | 61117 | Date Sampled: | 02-09-12 |
| Chain of Custody: | 13388 | Date Received: | 02-09-12 |
| Sample Matrix: | Soil | Date Analyzed: | 02-15-12 |
| Preservative: | Cool | Date Extracted: | 02-10-12 |
| Condition: | Intact | Analysis Requested: | BTEX |
| | | Dilution: | 10 |

| Parameter | Concentration (ug/Kg) | Det. Limit (ug/Kg) |
|-------------------|--------------------------|--------------------------|
| Benzene | ND | 10.0 |
| Toluene | ND | 10.0 |
| Ethylbenzene | ND | 10.0 |
| p,m-Xylene | ND | 10.0 |
| o-Xylene | ND | 10.0 |
| Total BTEX | ND | |

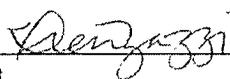
ND - Parameter not detected at the stated detection limit.

| Surrogate Recoveries: | Parameter | Percent Recovery |
|-----------------------|---------------------|------------------|
| | Fluorobenzene | 87.2 % |
| | 1,4-difluorobenzene | 94.1 % |
| | Bromochlorobenzene | 98.2 % |

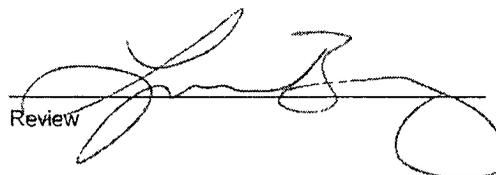
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Comments: Arco Little Fed 32-1 Spill



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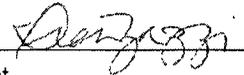
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| Lab ID#: | 61116 | Date Sampled: | 02-09-12 |
| Sample Matrix: | Soil | Date Received: | 02-09-12 |
| Preservative: | Cool | Date Analyzed: | 02-13-12 |
| Condition: | Intact | Chain of Custody: | 13388 |

| Parameter | Concentration (mg/Kg) |
|-----------|-----------------------|
|-----------|-----------------------|

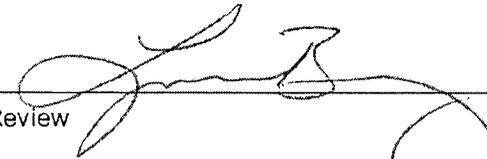
| | |
|-----------------------|------------|
| Total Chloride | 320 |
|-----------------------|------------|

Reference: U.S.E.P.A., 4500B, "Methods for Chemical Analysis of Water and Wastes", 1983.
 Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **Arco Little Fed 32-1 Spill**



 Analyst



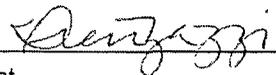
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| Sample ID: | Sides | Date Reported: | 02-15-12 |
| Lab ID#: | 61117 | Date Sampled: | 02-09-12 |
| Sample Matrix: | Soil | Date Received: | 02-09-12 |
| Preservative: | Cool | Date Analyzed: | 02-13-12 |
| Condition: | Intact | Chain of Custody: | 13388 |

| Parameter | Concentration (mg/Kg) |
|----------------|-----------------------|
| Total Chloride | 270 |

Reference: U.S.E.P.A., 4500B, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: Arco Little Fed 32-1 Spill



Analyst



Review



RCVD FEB 21 '12

OIL CONS. DIV.

DIST. 3

February 17, 2012

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410
Attn: Brandon Powell

Re: **Arco Little Federal 31 #1**
Final Release Report Submittal

Dear Mr. Powell:

Enclosed is the final Release Notification and Corrective Action (C-141) Form for the release on the subject well location.

If there are any questions or concerns with this submittal, please contact me at 505-324-4131.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Hasely".

Ed Hasely
Sr. Environmental Engineer
Energen Resources

Attachment: Final C-141
Lab Analysis

Cc: BLM
HSE File
Facility File
Correspondence