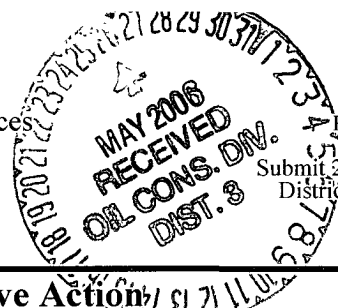


District I
1625 N. French Dr , Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St. Francis Dr , Santa Fe, NM 87505

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	ConocoPhillips Company	Contact	Juanita Farrell
Address	5525 Hwy. 64, Farmington, NM 87401	Telephone No.	505-599-3419
Facility Name	San Juan 29-6 #88M	Facility Type	Gas Well
Surface Owner	Federal	Mineral Owner	Federal
		Lease No.	NMNM03471A

API # 30-039-27554

LOCATION OF RELEASE

Unit Letter	Sec	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	33	T29N	R6W	1740'	North	2630'	West	Rio Arriba

Latitude 36.41.0802° Longitude 107.28.0677°

NATURE OF RELEASE

Type of Release – Drill Cuttings/Mud	Volume of Release – To be determined	Volume Recovered - n/a
Source of Release: Torn Pit Liner	Date and Hour of Occurrence 1/27/06 2:00 p.m.	Date and Hour of Discovery 1/27/06 – 2:30 p.m.
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Denny Foust – OCD – via phone by Jim Fodor & via email Mark Kelly – BLM – via email	
By Whom? Jim Fodor	Date and Hour – 1/27/06 – 4:15 p.m.	
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.*

Describe Cause of Problem and Remedial Action Taken **Drilling Supervisor, Jim Fodor reported a tear in a pit liner at the San Juan 29-6 Unit #88M well. The tear occurred on Friday, 1/27/06 at approximately 2:00 p.m. and was witnessed by a rig employee as the tear occurred. The rig employee reported he heard a noise and looked toward the pit. He witnessed the liner tear and one section of the liner sink into the pit beneath the surface. Immediately after the tear, there appeared to be no drop in fluid level indicating seepage if any was minimal. The drilling pit contained drill cuttings, gel, and mud which may have helped prevent seepage to the soil.**

Describe Area Affected and Cleanup Action Taken.* **The level in the lined pit was approximately 2 feet from top of pit berm when the tear occurred. The pit is being emptied by vacuum truck and contents transferred to frac tanks on location and also lined pit at SJ 29-6 #74C (not yet drilled). The liner will be inspected and repaired. The soil under the liner will be sampled and analysis submitted to OCD prior to closure of pit.**
Per Virgil Chavez (COPC): An investigation was conducted on the liner failure. Samples of the liner were taken and analyzed. The construction of liner was deemed satisfactory. A visual examination of the pit walls indicated no signs of abnormal settling. The likely cause of the liner tear was due to the liner becoming excessively tight when high winds caused the liner to "bunch up" on the opposite side of the pit before water was added. The contents of the pit were sampled on 01/31/06 by Frank McDonald with BEST. Attached are a copy of the results. The pit was closed on February 20, 2006 after receiving verbal approval to close the pit from Denny Foust.

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>Original signed by Juanita Farrell</i>	OIL CONSERVATION DIVISION	
Printed Name: Juanita Farrell	Approved by District Supervisor: <i>Brandon Powell</i> For: <i>Char We Perrin</i>	
Title: Regulatory Analyst	Approval Date: <i>5/26/2006</i>	Expiration Date:
E-mail Address: juanita.r.farrell@conocophillips.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 1/26/06	Phone: 505-599-3419	

* Attach Additional Sheets If Necessary

n BP 0615 234249