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

Submit 2 Copies to appropriate

District Office in accordance with Rule 116 on back side of form

Form C-141

Revised October 10, 2003

Release Notification and Corrective Action ADT 20-045-311910 **OPERATOR** Initial Report Final Report Name of Company XTO Energy Inc. Contact Kim Champlin Address 2700 Farmington Ave, Bldg K, Ste. 1, Telephone No. (505) 566-7954 Farmington, NM 87401 Facility Name NV Navajo 36 #1 Facility Type Gas Well Surface Owner Navajo Mineral Owner Lease No. 14-20-603-2172 LOCATION OF RELEASE Feet from the North/South Line Feet from the East/West Line Unit Letter Section Township Range County 36 29N 14W 1968 1930 East North San Juan Latitude Longitude NATURE OF RELEASE Type of Release Produced Water Volume of Release Approx 12 bbl Volume Recovered Approx 10 bbl Source of Release Flow Line Date and Hour of Occurrence Date and Hour of Discovery 06/21/07, time unknown 06/21/07 10:00 AM Was Immediate Notice Given? If YES, To Whom? RCVD JUL 10'07 **Brandon Powell-NMOCD** X Yes \(\backslash \) No \(\backslash \) Not Required OIL CONS. DIV. Mark Kelly- BLMFFO Bill Freeman-NEPA DIST. 3 By Whom? Lisa Winn Date and Hour 06/21/07 11:00 AM Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. Yes X No NA If a Watercourse was Impacted, Describe Fully.* NA Describe Cause of Problem and Remedial Action Taken. * NMOCD employee (Shelly Cowden) noticed a release on XTO's location, NV Navajo 36 #1. Upon investigation it was discovered that a 2" elbow on the tubing pumping flow line blew a hole in the line causing approximately 12 barrels of produced water to be released onto the ground. The well was shut in and the release was contained with approximately 2 barrels leaving location. Appropriate notifications were made and NMOCD visited the location. A vac truck was dispatched and approximately 10 barrels of produced water was recovered. Describe Area Affected and Cleanup Action Taken * A vac truck was used to recover water on location and repairs were made to the flow line. 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 Sim Champlin Signature Approved by District Supervisor. Brack Pell For: Charlie Perries Printed Name. Kim Champlin Approval Date: 7/10/07 Title. Environmental Assistant Expiration Date: E-mail Address: Kim Champlin@xtoenergv.com Conditions of Approval. Attached |

Phone 505-566-7954

07/03/07