

FROM :

FAX NO. : 5056229282

Apr. 20 2007 02:31PM P1

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

Month - Year
MAY 17 2007
OCD - ARTESIA, NM

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-015-28268

Release Notification and Corrective Action

OPERATOR

X Initial Report ☐ Final Report

| | | |
|---|-------------------------|------------------------------|
| Name of Company: NGX Company | 7269 | Contact: George Scott |
| Address: PO Box 5 Roswell NM 88202-0005 | | Telephone No. # 505.350.2030 |
| Facility Name McKee St. I | | Facility Type -oil well |
| Surface Owner: State of NM | Mineral Owner: NM State | Lease No. 7269 |

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter O | Section 25 | Township 24S | Range 28E | Feet from the 990 | North/South Line South | Feet from the 1650 | East/West Line East | County Eddy |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|-----------------------|------------------------|----------------|

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release: leaking line- misted to ground | Volume of Release: est. 20 BO | Volume Recovered -soaked soil |
| Source of Release: line off heater-treater | Date and Hour of Occurrence | Date and Hour of Discovery- April 4 th , 07 |
| Was Immediate Notice Given? <input type="checkbox"/> Yes X No <input type="checkbox"/> Not Required | If YES, To Whom? Notice received from NMOCD via letter of violation #029707 | |
| By Whom? Pumper failed to notify NGX- was fired as result | Date and Hour | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes X No | If YES, Volume Impinging the Watercourse. None | |

If a Watercourse was Impacted, Describe Fully.*
NA

Describe Cause of Problem and Remedial Action Taken.*

Line off of heater-treater was open ended onto location and adjacent pasture, in violation of Rule 116 and Rule 13. All oil-contaminated soil will be excavated immediately upon approval of the work plan below and N2-rich fertilizer will be placed onto and tilled into the soil for remediation. *once soil is excavated completely, geochemical testist will be made w/ nmocd's reps present to confirm the soil is clean, prior to restoration of surface soil and gravels.*

Describe Area Affected and Cleanup Action Taken.*

An area approx. 40 feet X 40 feet is affected by oil misting; the heater treater open line will be fixed and the oil-contaminated soil will be cleaned up by excavation (upon approval of this work plan) to CRI, then N2-rich fertilizer will be placed abundantly onto the clean soil profile and tilled into the soil for remediation. A follow-up work plan will then be submitted to the NMOCD attn: Mr. Phil Hawkins. *Excavated soil will be taken to C.R.I. and copies of this and geochemical analysis will be provided to NMOCD.*

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: George L. Scott III

Print Name: George L. Scott III

Title: President

E-mail Address: geniiexploration@aol.com

Date: April 18, 2007

Phone: 505.350.2030

Approved by District Supervisor:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

* Attach Additional Sheets If Necessary