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

* Attach Additional Sheets If Necessary

State of New Mexico Energy Minerals and Natural Resources

DEC 07 2007 Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Form C-141

Revised October 10, 2003

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

OCD-ARTESIA

Release Notification and Corrective Action OPERATOR Final Report Initial Report Name of Company NGX Company Contact George L. Scott, III 100 N. Pennsylvania, Roswell, NM 88203 Telephone No. (505) 350-2030 Address Facility Name McKee State #1 Facility Type Oil Well Surface Owner State of NM Mineral Owner State of NM Lease No. VO-5446-2 LOCATION OF RELEASE Unit Letter Section Township Range Feet from the North/South Line Feet from the East/West Line County 0 25 **24S** 28E 990' 1650 South East Eddy Latitude Longitude NATURE OF RELEASE Type of Release See C-141 filed 9/4/2007 approved 9/5/2007 Volume of Release Volume Recovered Source of Release Date and Hour of Occurrence Date and Hour of Discovery Was Immediate Notice Given? If YES, To Whom? Yes No Not Required By Whom? Date and Hour Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. , Yes X No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* Describe Area Affected and Cleanup Action Taken.* Scraped up 72 yards of contaminated soil and put on 15 ml plastic. Hauled contaminated soil to CRI on 10/4/07. Notified Gery Guy with OCD of sampling on 11/19/07. Sent samples to Hall Environmental. Back filled with top soil on 11/26/07. Attachments: Core Sample Report, wellpad diagram of samples, and contaminated dirt haul tickets. Spill area clean and ready for inspection. 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: Approved by District Supervisor: Printed Name: George L. Scott, III Title: President **Expiration Date:** Approval Date E-mail Address: geoinxploration@aol.com Conditions of Approval: Attached [12/5/2007 Phone: (505) 350-2030