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

HOBBS OCD

Form C-141 Revised October 10, 2003

FEB 26 2013 Submit 2 Copies to appropriate District Office in accordance RECEIVED

1220 South St. Francis Dr. with Rule 116 on back side of form Santa Fe, NM 87505 **Release Notification and Corrective Action OPERATOR** Initial Report **Final Report** Contact Curt Stanley Name of Company Southern Union Gas Services 801 S. Loop 464, Monahans, TX 79756 Telephone No. 575-390-7595 Address Facility Type Natural Gas Pipeline Facility Name 4 Inch Lateral (2/18/13) Surface Owner Woolworth Trust Lease No. 30-025-38822 LOCATION OF RELEASE Unit Letter Section Township Range Feet from the North/South Line Feet from the East/West Line County 25S 37E F 17 Eddy Latitude 32 degrees 08.142' North Longitude 103 degrees 10.729' West NATURE OF RELEASE Volume of Release Type of Release Natural Gas, Crude Oil and Produced Water 25 bbls Volume Recovered None Source of Release 4 inch Natural Gas Pipeline Date and Hour of Occurrence Date and Hour of Discovery Unknown February 18, 2013 - 1108 hours If YES, To Whom? Was Immediate Notice Given? Yes No Not Required Geoff Leking (NMOCD District 1) By Whom? Curt Stanley Date and Hour February 18, 2013 - 1531 hours Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. 🗌 Yes 🖾 No If a Watercourse was Impacted, Describe Fully.* GW0 51' Describe Cause of Problem and Remedial Action Taken.* A four (4)-inch low pressure steel natural gas pipeline developed a leak, resulting in a release of natural gas, crude oil and produced water. During initial response activities the pipeline was clamped to mitigate the release. The affected steel pipeline will be cut and capped and permanently taken out of service. Describe Area Affected and Cleanup Action Taken.* An irregular area measuring approximately 60 feet in width and 200 feet in length was impacted by the release. On February 18, 2013, saturated soil was scraped from the ground and stockpiled on 6 mil plastic. The saturated soil was transported to Sundance Services on February 22, 2013. The release will be remediated to NMOCD regulatory Standards. 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 C Signature: Approved by Environmental Specialist Printed Name: Curt Stanley Approval Date: 2/26/13 Expiration Date: 4/2/6/13 Title: Environmental Specialist Conditions of Approval: SUBMIT FINAL E-mail Address: curt.stanley@sug.com Attached C-141 BY 4/26/13 IRP-02-13-2904 Phone: 575-390-7595 Date: February 22, 2013

* Attach Additional Sheets If Necessary