

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 <b>Energex Resources Corp.</b>	Contact <b>Andy Cobb</b>
Address <b>3300 N Ast Blvd, Ste 100 Midland, TX 79705</b>	Telephone No. <b>432-687-1155</b>
Facility Name <b>W. Livingston Strawn Unit</b>	Facility Type <b>Flowline</b>
Surface Owner <b>Dan Field</b>	Mineral Owner <b>Energex</b>
Lease No. <b>27820</b>	

**LOCATION OF RELEASE**

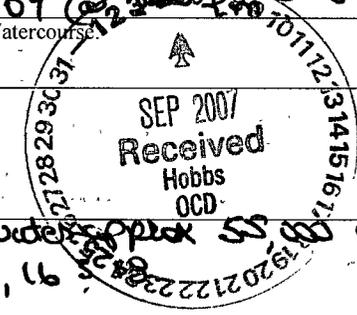
Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<b>0</b>	<b>34</b>	<b>155</b>	<b>35E</b>	<b>660</b>	<b>S</b>	<b>2310</b>	<b>E</b>	<b>Lea</b>

Latitude **32.58.021** Longitude **103.23.861** Well # **17**

API # **30025346060000**

**NATURE OF RELEASE**

Type of Release <b>Oil &amp; Produced Water</b>	Volume of Release <b>45</b>	Volume Recovered <b>35</b>
Source of Release <b>Flowline leak</b>	Date and Hour of Occurrence <b>8-31-07 @ 5:00 am</b>	Date and Hour of Discovery <b>8-31-07 @ 8:45 am</b>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <b>Kary Johnson</b>	
By Whom? <b>Andy Cobb</b>	Date and Hour <b>8-31-07 @ 2:30 pm</b>	
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.\*  
**Chlorides of produced water approx 55,000 ml/k.**  
**hole or leak in flowline from well wells # 17, 16**  
**shut wells in a called for account truck & track-hop**

Describe Area Affected and Cleanup Action Taken.\*

**affected (surface) is 60' to 90' wide in one area by 60' long**  
**another affected area (surface) is 100' long by 8' wide**  
**will begin vertical delineation asap**

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: <b>Andy Cobb</b>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: <b>Andy Cobb</b>	<b>K Johnson</b>	
Title: <b>Sr. Safety &amp; Environmental Spec</b>	Approved by District Supervisor:	<b>ENVIRONMENTAL ENGINEER</b>
E-mail Address: <b>andy.cobb@energex.com</b>	Approval Date: <b>9.11.07</b>	Expiration Date: <b>10.12.07</b>
Date: <b>8-31-07</b> Phone: <b>432-686-3589</b>	Conditions of Approval: <b>SUBMIT FINAL C-141</b>	Attached <input type="checkbox"/>

**w/ DOCUMENTATION BY**

**AP# 1533**

\* Attach Additional Sheets If Necessary