

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

HOBBS OCD

DEC 01 2011

Form C-141
Revised October 10, 2003

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

RECEIVED

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

| | | | |
|-----------------|-------------------------------------|---------------|----------------------|
| Name of Company | Southern Union Gas Services | Contact | Rose Slade |
| Address | 801 S. Loop 464, Monahans, TX 79756 | Telephone No. | 432-940-5147 |
| Facility Name | Trunk MA-4 #105 | Facility Type | Natural Gas Pipeline |
| Surface Owner | Jimmy Doom | 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 |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| L | 9 | 24S | 37E | | | | | Lea |

Latitude 32 degrees 13.691' North Longitude 103 degrees 10.564 West

NATURE OF RELEASE

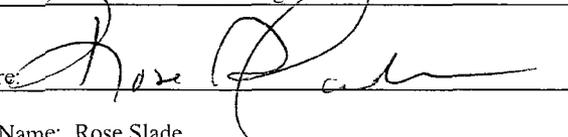
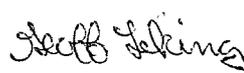
| | | | | | |
|-----------------------------|---|--|---|----------------------------|--------------------------------|
| Type of Release | Natural Gas, Crude Oil and Produced Water | Volume of Release | 35 bbls 18 MCF | Volume Recovered | None |
| Source of Release | 10 - inch Natural Gas Pipeline | Date and Hour of Occurrence | Unknown | Date and Hour of Discovery | November 16, 2011 - 1430 hours |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | Geoffrey Leking - NMOCD Hobbs District Office | | |
| By Whom? | Rose Slade (SUGS) | Date and Hour | November 17, 2011 - 1545 hours | | |
| 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.*
A ten (10)-inch low pressure natural gas pipeline developed a leak due to internal corrosion of the pipeline, resulting in a release of natural gas, crude oil and produced water. During initial response activities the pipeline was shut in. Heavily saturated soil was scraped and placed on plastic adjacent to the release point. Following initial response activities, the affected pipeline segment was slip lined with poly pipe.

Describe Area Affected and Cleanup Action Taken.*
The affected area is approximately 4,000 square feet and was largely limited to a caliche road. The release will be remediated according to NMOCD regulatory guidelines.

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: |  | OIL CONSERVATION DIVISION | |
| Printed Name: | Rose Slade | Approved by District Supervisor : | ENV SPECIALIST:  |
| Title: | EHS Compliance Specialist | Approval Date: | 12/01/11 |
| E-mail Address: | rose.slade@sug.com | Expiration Date: | 02/01/12 |
| Date: | November 30, 2011 | Phone: | 432-940-5147 |
| | | Conditions of Approval: | SUBMIT FINAL C-141 BY 02/01/12 |
| | | Attached | <input type="checkbox"/> |
| | | IRP-12-11-2766 | |

* Attach Additional Sheets If Necessary

JAN 03 2012