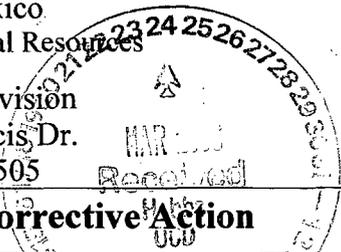


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 ConocoPhillips Company	Contact John Abney
Address 4001 Penbrook Street Odessa, TX 79762	Telephone No. (505)391-3128
Facility Name Phillips State E Battery 2	Facility Type Tank Battery

Surface Owner Herschel Caviness	Mineral Owner State of NM	Lease No. BO-2229-0001
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	15	17 South	33 East					Lea

154'

Latitude ³² 50.392 Longitude 103 38.831W

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 17 bbls	Volume Recovered 14 bbls
Source of Release 2 1/2" X 6" Nipple on Transfer line	Date and Hour of Occurrence 3/22/06	Date and Hour of Discovery 3/22/06 2:30
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? NA	
By Whom? NA	Date and Hour NA	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. NA	

If a Watercourse was Impacted, Describe Fully.*
NA

Describe Cause of Problem and Remedial Action Taken.*

The spill resulted when a 2 1/2" X 6" nipple on the water transfer line failed from apparent external corrosion. The nipple and approximately 30' of pipe was replaced.

Describe Area Affected and Cleanup Action Taken.*

The area affected includes 70' X 58' of the battery pad and 10' X 566' of pasture land. Approximately 14 bbls of produced water and 18 bbls of rain water was pickup with a vacuum truck. Delineation will be done to determine the necessary clean up procedures.

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: John Abney	Approved by District Supervisor:	
Title: SHEaR Specialist	Approval Date:	Expiration Date:
E-mail Address: john.h.abney@conocophillips.com	Conditions of Approval:	
Date: 03/24/2006 Phone: (505)391-3128	Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

Conoco - 217817
facility - APAC 0609645649

incident - n PAC 0609645966
application - p PAC 0609646366