

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	Southern Union Gas Services, Ltd.	Contact	Tony Savoie
Address	P.O. Box 1226 Jal, N.M. 88252	Telephone No.	505-395-2116
Facility Name	Lea County Field Dept.	Facility Type	Natural Gas Gathering
Surface Owner: State of New Mexico	Mineral Owner: State of New Mexico	Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	16	20S	37E					Lea

Latitude N32 34.160 Longitude W103 15.249

NATURE OF RELEASE

Type of Release	Natural Gas, gas liquids and iron sulfide.	Volume of Release	22.5 mcf nat. gas, 15 bbls nat. gas liquids	Volume Recovered	0 bbls
Source of Release	Pipeline	Date and Hour of Occurrence	5/27/06. Hour unknown.	Date and Hour of Discovery	5/27/06 Hour unknown
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?	Date and Hour:				
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.*

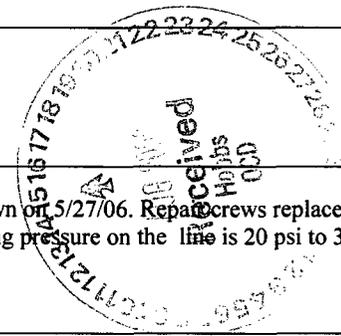
Describe Cause of Problem and Remedial Action Taken.*

The 4" steel gathering pipeline, operating at 20 psi developed a leak, the line was blocked in an allowed to blow down on 5/27/06. Repair crews replaced the affected area of pipe by replacing approximately 400 ft. of steel pipe with poly-pipe on 8/11/06. Normal operating pressure on the line is 20 psi to 30 psi, with a potential H2S content of 4000 ppm.

Describe Area Affected and Cleanup Action Taken.* An area measuring approximately 2175 sq. ft of pasture land was affected around the immediate leak area with a mist of iron sulfide and natural gas liquids. No immediate cleanup action was taken. The impacted soil will be remediated using the NMOCD recommended guidelines. A Site sketch and remediation plan is attached.

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: <i>Tony Savoie</i>		OIL CONSERVATION DIVISION	
Printed Name: John A. Savoie		Approved by District Supervisor: <i>[Signature]</i>	
Title: EH&S Comp. Coord.	Approval Date: 8-28-06	Expiration Date:	
E-mail Address: jasavoie@sidrichgas.com	Conditions of Approval: SUBMIT SITE PHOTO, SAMPLE RESULTS FOR THH, SULFIDE,		Attached <input type="checkbox"/>
Date: 8/11/06	Phone: 505-395-2116		

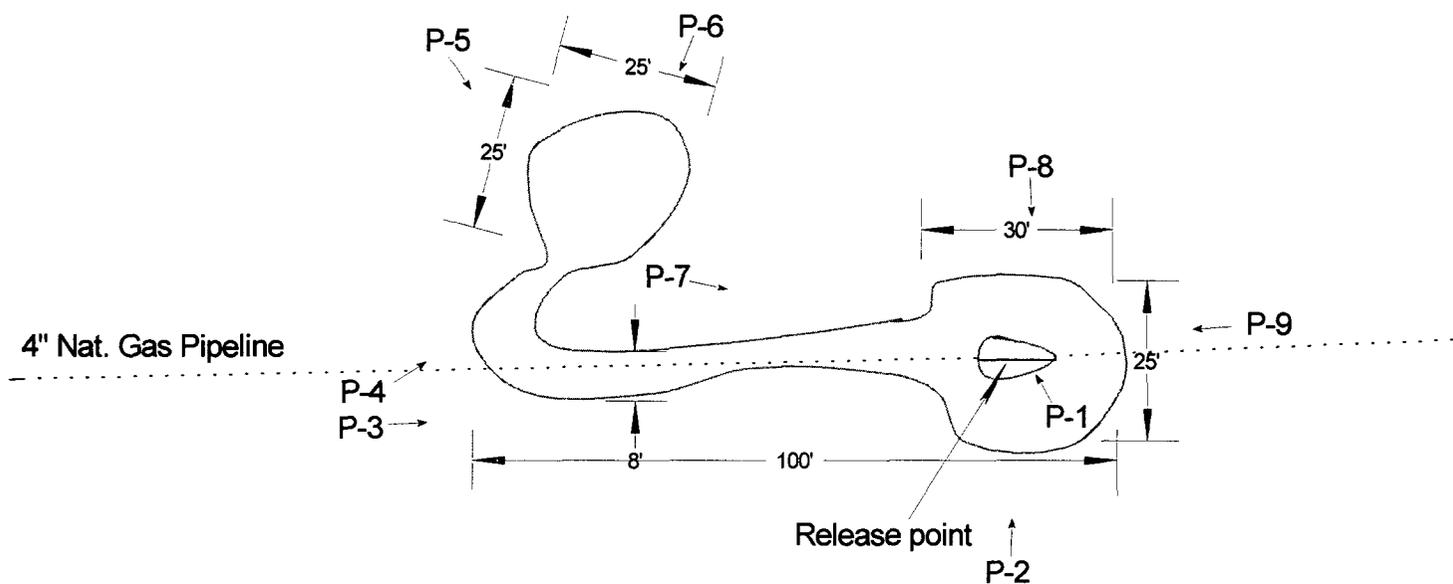


* Attach Additional Sheets If Necessary

incident - n PAC0624038327
application - p PAC0624038548

CHLORIDES w/ CLOSURE REPORT
BY Nov. 1, 2006.

R.P.# 1018



Sketched and photographed 8/10/06
J.A.S.

Unit ltr. "J"
Section 16
Twns. -20 S
Range 37E
County-Lea, N.M.
GPS
Lat- 32N-34.160
Long-103W-15.249

Approximate
Scale 1"= 30'
N

Southern Union Gas Service Co Lea County, N.M.	Site Plan: S&W 4" Lateral	2006-036
	Lea County Area	Jal, N.M.

S and W 4" Lateral #2006-036 Ranking Analysis

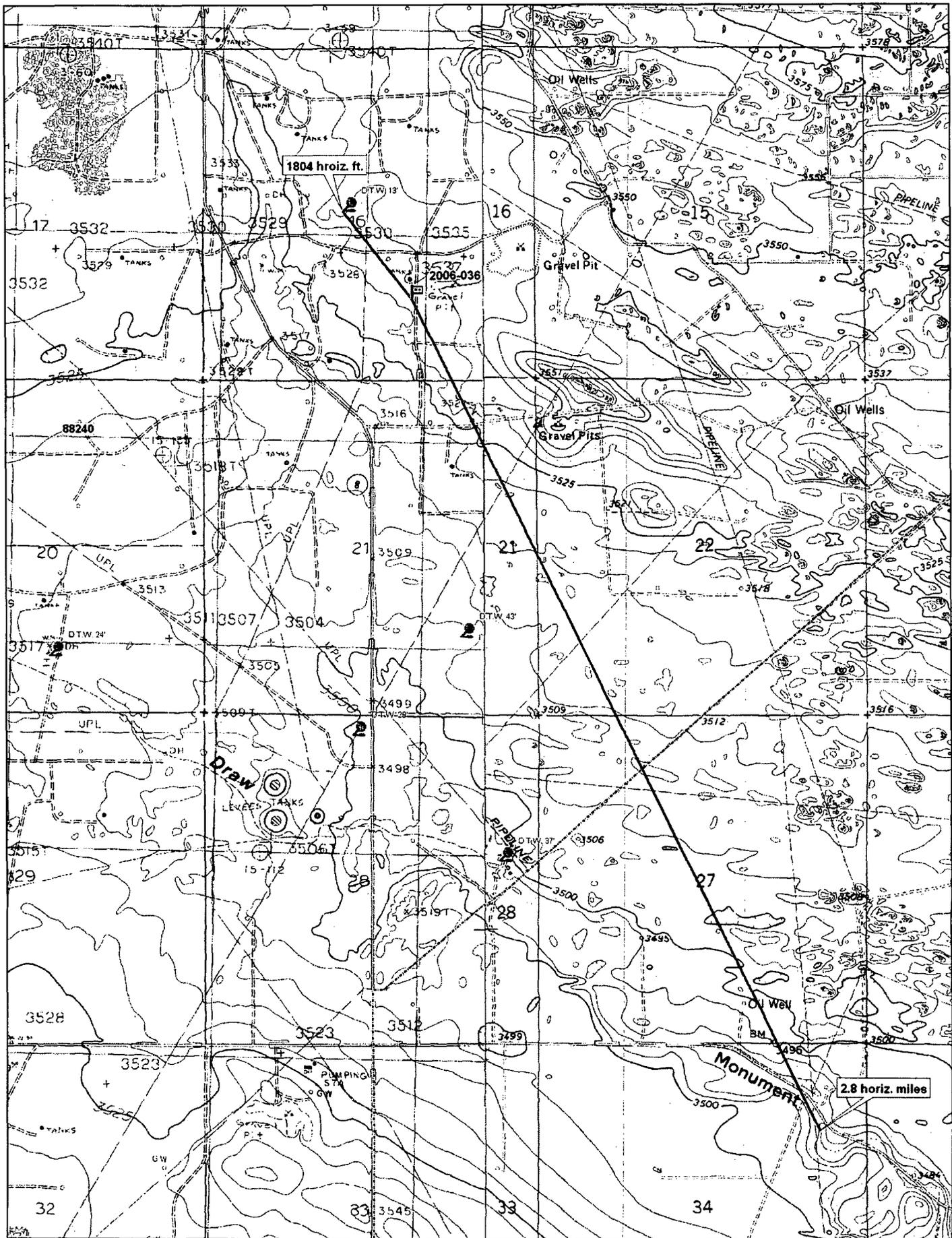
NMOCD Standards			Points
Depth to Ground Water	Greater than 100 ft.		0
Depth to Ground Water	Less than 100 ft. but greater than 50 ft.		10
Depth to Ground Water	Less than 50 ft.		20
Well Head Protection	Less than 1000 ft. from a water source, or;	Yes	20
	Less than 200 ft. from private domestic water source	No	0
Distance to Surface water body	Less than 200 Horizontal. ft.		20
Distance to Surface water body	200 to 1000 Horizontal ft.		10
Distance to Surface water body	Greater than 1000 Horizontal ft.		0
Action levels	>19	10-19	0-9
Benzene (mg/kg)	10	10	10
BTEX (mg/kg)	50	50	50
TPH (mg/kg)	100	1000	5000

Site Ranking			Points
Depth to Ground Water "avg."	25 ft.		20
Well Head Protection	1804 Horiz. Ft.		0
Surface Water Body	2.80 Horiz. Miles		0
Total Ranking Score			20

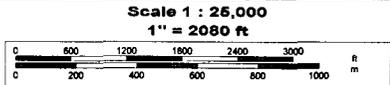
Site Closure Objective	
Benzene (mg/kg)	10
BTEX (mg/kg)	50
TPH (mg/kg) "Surface"	100

Remediation Plan:

All affected soil will be excavated and stockpiled on-site. Samples will be collected to determine TPH and BTEX values. Soil exceeding the site closure objective will be hauled to the Southern Union Gas Services Landfarm.



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TN
MN
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