

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	XOG OPERATING, LLC	Contact	Nick Hood
Address	P. O. Box 352, Midland, Tx 79702	Telephone No.	432-683-3171
Facility Name	Skelly Q State Battery	Facility Type	Oil & Gas Battery
Surface Owner	City of Lovington	Mineral Owner	State of New Mexico
		Lease No.	BO 7845 0007

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
0	36	16S	36E					Lea

Latitude 32-52-20N Longitude 103-18-08.7W

81'

NATURE OF RELEASE

Type of Release	Oil and Water	Volume of Release	15-20 Bbls	Volume Recovered	8-9 Bbls
Source of Release	Tank Overflow	Date and Hour of Occurrence	Date and Hour of Discovery		
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? Occurance & Discovery 3:00PM, 1/21/07 Gary Wink @ OCD called by another operator.			
By Whom?	Date and Hour				
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

Received
Hobbs
OCD

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Valve froze on FWKO Dump causing tank overflow.
Move in Backhoe and contain spill. Vacuum up fluids.
See attachment for remedial plan.

Describe Area Affected and Cleanup Action Taken.*
Surface mostly frozen due to winter storm causing spill to run and not saturate extensively. Area affected is E. inside facility fence, South and across road 250'X 25' West under fence into pasture 75' x 75' and North into pasture 25' x 100'.

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>Nick Hood</i>		<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Nick Hood		Approved by District Supervisor:	
Title: Engineer		Approval Date:	Expiration Date:
E-mail Address: nhood@xogoperating.com		Conditions of Approval:	
Date: 1/22/07	Phone: 432-683-3171	Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

Facility - FPAC 0712949557
Incident - n PAC 0712949646
Application - p PAC 0712950004

RP # 1184

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Release Notification and Corrective Action

OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input type="checkbox"/> Final Report
Name of Company	<i>XOG Operating</i>	Contact	<i>Nick Hood</i>
Address	<i>Box 352 Midland TX 79702</i>	Telephone No.	<i>1-888-683-3174</i>
Facility Name	<i>Skelly Q St Com Batt</i>	Facility Type	<i>Batt</i>
Surface Owner	<i>?</i>	Mineral Owner	<i>APL</i>
		Lease No.	<i>N/A</i>

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<i>SW SE</i>	<i>36</i>	<i>16S</i>	<i>36</i>					<i>Lea</i>

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	<i>oil / water</i>	Volume of Release	<i>10</i>	Volume Recovered	<i>5</i>
Source of Release	<i>Spill At Batt</i>	Date and Hour of Occurrence	<i>1-21-07</i>	Date and Hour of Discovery	<i>1-21-07 2:00</i>
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?	<i>Steve Whak</i>	Date and Hour <i>1-21-07 2:20</i>			
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.*

MALFUNCTION
Water leg ~~broken~~ *knock out* vac truck called

Batt location is little in Clibber Road called Arizona Emergency to clean up

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Signature	OIL CONSERVATION DIVISION		
Printed Name: <i>John Terry</i>	Approved by District Supervisor: <i>Enrico Enge</i>		
Title: <i>Pumper</i>	Approval Date: <i>2-2-07</i>	Expiration Date: <i>4-2-07</i>	
E-mail Address: <i>n/a</i>	Conditions of Approval:		Attached <input type="checkbox"/>
Date: <i>1-22-07</i>	Phone: <i>505-441-3344</i> <i>① NEED AREA DIR</i>		

* Attach Additional Sheets If Necessary

RPT# 7184

XOG OPERATING, LLC
SKELLY Q STATE BATTERY
CLEANUP PLAN FOR SPILL 1/21/07
(Attached to Form C-141 dated 1/22/07)

1. Pick up affected soil and take to Sundance Disposal at Eunice, NM.
2. Take samples to verify remaining soil is within regulatory guidelines.
3. Back fill with clean material.

We have contracted Phoenix Environmental to complete the cleanup and sampling.
Pat Wise, Manager for the City of Lovington has been notified and will receive copies of
correspondence.

