

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

Form C-141  
Revised October 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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	PHOENIX HYDROCARBONS OPER	Contact	CLARENCE CRAIG
Address	P O BOX 3638, MIDLAND, TX 79702	Telephone No.	505-370-0825
Facility Name	Burro SWD PIPELINE	Facility Type	PIPELINE

Surface Owner	RICKY PEARCE	Mineral Owner	STATE	Lease No.	
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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	8	11S	33E	1980	IN THE VICINITY OF THE GULF North	660	SOHIO STATE East	Lea County

Latitude n/a Longitude n/a

**NATURE OF RELEASE**

Type of Release	30-50 bbl SW & 2 bbls oil	Volume of Release	52 bbls	Volume Recovered	30
Source of Release	Pipeline Malfunction	Date and Hour of Occurrence	pm 10/19/06	Date and Hour of Discovery	pm 10/19/06
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Notice given to the Hobbs Office answering machine 10/20/06 1:59 Texas Time, called also		
By Whom?	PHYLLIS R GUNTER	Date and Hour	10/20/06 1:59 TEXAS TIME	"ON CALL"	
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.\* Bolts holding a sleeve on the pipeline collar rusted and popped off. The rusted part then broke off completely, the collar was trimmed off and a clamp was welded on to seal the leak.

Describe Area Affected and Cleanup Action Taken.\* A vaccum truck was called to the location (rocky-soil w/ sparse grazing grass) 30 bbls was recovered, leaving; (4) 22 bbls, which was absorbed into rocky soil. The spill was covered with sandy loam to keep the cattle out. As soon as the area dries out, the affected soil will be removed and fresh soil applied.

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>Phyllis R Gunter</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name:	PHYLLIS R GUNTER	Approved by District Supervisor:	<i>EWING ENER L W JOHNSON</i>
Title:	AGENT	Approval Date:	11.8.06
E-mail Address:	phygunt@aol.com	Expiration Date:	12.8.06
Date:	10/20/06	Phone:	432-686-9869
		Conditions of Approval:	Attached <input type="checkbox"/>

\* Attach Additional Sheets If Necessary

- NEED CHLORIDE CONTENT OF SPILLED WTR. (WATER ANALYSIS)
- NEED AREAL DIMENSIONS OF SPILL
- SPILL AREA WILL REQUIRE HORIZONTAL & VERTICAL DELINEATION TESTING
- CLEANUP WORKPLAN REQUIRED BY DEC. 8, 2006

incident - nPACO 715 134038  
application - nPACO 715 134143

RPH 1397