

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 | 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 | Lease No. |
|------------------------------------|----------------------|-----------|

LOCATION OF RELEASE

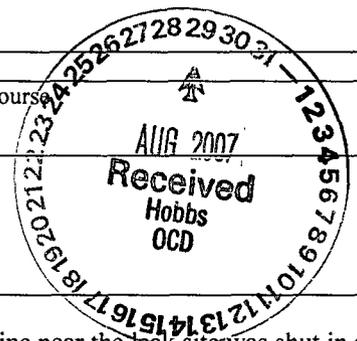
| | | | | | | | | |
|------------------|--------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|
| Unit Letter G | Section 9 | Township 22S | Range 36E | Feet from the | North/South Line | Feet from the | East/West Line | County Lea |
|------------------|--------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|

Latitude N32 24.388 Longitude W103 15.952

NATURE OF RELEASE

WTR ~ 200'

| | | |
|--|---|---|
| Type of Release : Crude Oil, Produced water, and Natural Gas | Volume of Release: 330 Bbbls Fluid and 672 MCF Nat. Gas | Volume Recovered 230 Bbbls |
| Source of Release : 30" Natural Gas Pipeline | Date and Hour of Occurrence not known | Date and Hour of Discovery 8/25/07 Time: 10:16 a.m. |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Buddy Hill NMOCD | |
| By Whom? Will Green | Date and Hour: 8/25/07 11:20 a.m. | |
| 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 30" Natural Gas gathering line operating at approximately 30 p.s.i. developed a leak. The section of line near the leak site was shut in and allowed to blow-down. A vacuum truck was dispatched to the site and the repair crew started constructing dikes to contain the fluid being released. Approximately 230 Bbbls of fluid was recovered while the line was blowing down. Permanent repairs will be made 8/29/07.

Describe Area Affected and Cleanup Action Taken. Approximately 15,345 sq.ft. of pasture land was affected by the leak and temporary repair. The heavily saturated soil was pushed toward the release point to prevent further saturation. Final remediation will follow the NMOCD recommended guidelines for leaks and spills.

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.

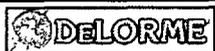
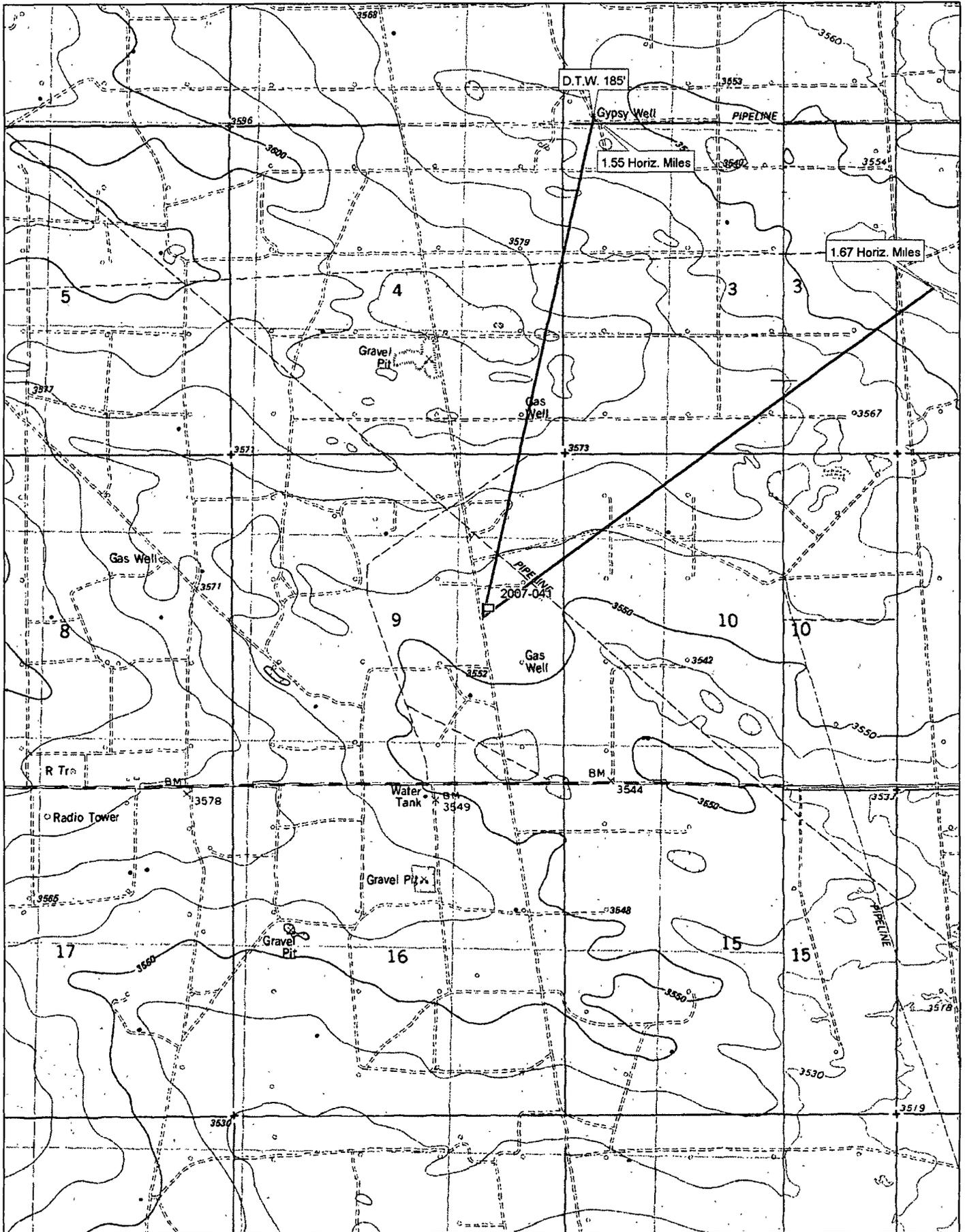
| | | |
|-------------------------------------|----------------------------------|-----------------------------------|
| Signature: <i>Tony Savoie</i> | OIL CONSERVATION DIVISION | |
| Printed Name: John A. Savoie | <i>J. Johnson</i> | |
| Title: Remediation Supervisor | Approved by District Supervisor: | ENVIRONMENTAL ENGINEER |
| E-mail Address: tony.savoie@sug.com | Approval Date: 7.31.07 | Expiration Date: 10-1-07 |
| Date: 8/28/07 Phone: 505-395-2116 | Conditions of Approval: | Attached <input type="checkbox"/> |

* Attach Additional Sheets If Necessary

RP# 1541

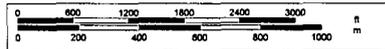
36 E

22 S



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www.delorme.com

Scale 1 : 25,000
1" = 2080 ft



Trunk "O"

Job # 2007-041

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." | 155 ft. Average | | 0 |
| Well Head Protection | 1.55 Horiz. Miles | | 0 |
| Surface Water Body | 1.67 Horiz. Miles | | 0 |
| Total Ranking Score | | | 0 |

| Site Closure Objective | |
|------------------------|------|
| Benzene (mg/kg) | 10 |
| BTEX (mg/kg) | 50 |
| TPH (mg/kg) "Surface" | 5000 |
| Chlorides (mg/kg) | 1000 |

Remediation Plan:

All affected soil will be excavated and sampled for the presence of Hydrocarbons EPA method (8015M)

Soil with TPH values greater than 5000 mg/kg or chloride values greater than 1000 mg/kg will be transported to the Southern Union Landfarm or remediated on site.

Soil samples will be collected from the excavation and analyzed for Hydrocarbons EPA method (8015M)

All samples will be field screened with a "PID" The soil sample with the highest PID reading will be analyzed separately and tested for BTEX.