



**Southwestern Energy  
Production Company**

A subsidiary of Southwestern Energy Company

2350 N. Sam Houston Parkway East  
Suite 125  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4757

October 31, 2007

Certified Mail # 7006 3450 0000 1602 2060

Mr. Gerry Guy  
New Mexico Oil Conservation Division  
District II  
1301 W. Grand Ave  
Artesia, NM 88210

NOV 05 2007  
OCD-ARTESIA

**RE: Final Report for Form C-141 Pertaining to Corrective Actions necessary for the Southwestern Energy Production Company Karlsbad Corral Central Facility**

Dear Mr. Guy:

Enclosed with this letter is the C-141 Final Report Form, correspondence letter to the New Mexico Oil Conservation Division, and the final analytical results from the remediation for final cleanup of the spill.

If you have any questions or require additional information, please contact me at (281) 618-7302.

Regards,

A handwritten signature in cursive script that reads "R. Wayne Holder".

R. Wayne Holder  
HSE Coordinator

VALLEY ENERGY SERVICES, INC  
P.O. Box 207  
Loving, New Mexico 88256-0207

505-706-9121 Cell

505-236-6006 Fax

valleyenergy@plateautel.net

October 1, 2007

*SENT VIA E-MAIL: bruce\_drummond@swn.com*

Bruce Drummond  
Southwestern Energy Production Co  
816 E. Greenacres  
Hobbs, New Mexico 88240

Lease: Karlsbad Corral 2 #1-H  
Sec 2- T25S-R29E  
API # 30-015-33324

Mr. Drummond:

Following is the final report for the aforementioned location.

<b>Karlsbad Corral 2 #1-H</b>	Depth to Ground Water: 150'
Sec 2- T25S-R29E	Planned Analytical Testing: Chlorides
API # 30-015-33324	Site Ranking Score: 0 (zero)
330' FSL & 1980' FEL	Primary Land Use: Ranching and Oil & Gas Production

9-4-07: Soil samples were gathered from the blended material and field tests were performed. Field analyticals showed the area to be blended within the NMOCD specified requirements. Composite samples from the blended material were gathered and prepared per EPA specifications and forwarded to Trace Analysis for official analyticals. Those official analyticals have been attached hereto.

Gerry Guy of the NMOCD was contacted with the aforementioned results and approval for closure was approved.

Please accept this letter as final documentation for the closure of the Battery Remediation for the Karlsbad Corral 2 #1-H

I want to thank you for giving me the opportunity to assist you in this matter. If you should have any questions or concerns, please do not hesitate to contact me at 505-706-9121.

Sincerely,

Shelly J. Tucker  
Environmental Consultant  
Valley Energy Services, Inc

/sjt

Enclosure:

Attachment: official analyticals

## Summary Report

Shelly Tucker  
 Valley Energy SVC  
 P.O. Box 207  
 Loving, NM, 88256

Report Date: September 26, 2007

Work Order: 7092124



Project Location: Eddy County, NM  
 Project Name: Karlsbad Corral 2-IH

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
137106	Blend-Comp E	soil	2007-09-04	13:00	2007-09-21
137107	Blend-Comp W	soil	2007-09-04	13:45	2007-09-21

**Sample: 137106 - Blend-Comp E**

Param	Flag	Result	Units	RL
Chloride		685	mg/Kg	5.00

**Sample: 137107 - Blend-Comp W**

Param	Flag	Result	Units	RL
Chloride		628	mg/Kg	5.00

## Summary Report

Shelly Tucker  
Valley Energy SVC  
P.O. Box 207  
Loving, NM, 88256

Report Date: August 1, 2007

Work Order: 7080116



Project Location: 2-255-29E Eddy County  
Project Name: Karlsbad Corral 2 #1-H  
Project Number: API # 30-015-33324

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
131519	001-3'	soil	2007-07-26	09:00	2007-08-01
131520	002-3'	soil	2007-07-26	09:30	2007-08-01
131521	003-3'	soil	2007-07-26	10:00	2007-08-01
131522	004-5'	soil	2007-07-26	10:45	2007-08-01
131523	005-5'	soil	2007-07-26	11:15	2007-08-01
131524	006-5'	soil	2007-07-26	11:45	2007-08-01
131525	007-5'	soil	2007-07-26	12:15	2007-08-01
131526	008-5'	soil	2007-07-26	12:45	2007-08-01
131527	009-5'	soil	2007-07-26	13:15	2007-08-01

**Sample: 131519 - 001-3'**

Param	Flag	Result	Units	RL
Chloride		<b>399</b>	mg/Kg	5.00

**Sample: 131520 - 002-3'**

Param	Flag	Result	Units	RL
Chloride		<b>143</b>	mg/Kg	5.00

**Sample: 131521 - 003-3'**

Param	Flag	Result	Units	RL
Chloride		<b>308</b>	mg/Kg	5.00

**Sample: 131522 - 004-5'**

Param	Flag	Result	Units	RL
Chloride		844	mg/Kg	5.00

**Sample: 131523 - 005-5'**

Param	Flag	Result	Units	RL
Chloride		2110	mg/Kg	5.00

**Sample: 131524 - 006-5'**

Param	Flag	Result	Units	RL
Chloride		1190	mg/Kg	5.00

**Sample: 131525 - 007-5'**

Param	Flag	Result	Units	RL
Chloride		1090	mg/Kg	5.00

**Sample: 131526 - 008-5'**

Param	Flag	Result	Units	RL
Chloride		769	mg/Kg	5.00

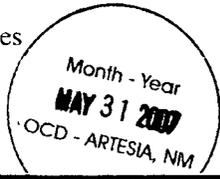
**Sample: 131527 - 009-5'**

Param	Flag	Result	Units	RL
Chloride		672	mg/Kg	5.00

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: Southwestern Energy Company	Contact: Bruce Drummond
Address: 2350 N. Sam Houston Parkway E. Suite 125	Telephone No 505-631-8083
Facility Name: Karlsbad Corral Central Facility	Facility Type: Tank Battery

Surface Owner: New Mexico	Mineral Owner: New Mexico	Lease No. <u>30-015-33324</u>
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**LOCATION OF RELEASE**

Unit Letter	Section 2	Township 25 S	Range 29 E	Feet from the <u>330</u>	North/South Line FSL	Feet from the <u>1980</u>	East/West Line FEL	County Eddy
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Latitude 32.15278 Longitude -103 95262

**NATURE OF RELEASE**

Type of Release Produced water	Volume of Release 20 bbls	Volume Recovered 70 bbls (mostly rainwater)
Source of Release Fiberglass Produced Water Tank	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher Oil Conservation Division	
By Whom? Bruce Drummond	Date and Hour: 05/16/07 9:30 AM	
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.\*  
During heavy Thunderstorm Lightning struck, set on fire, and destroyed (1) 500 BBL Fiberglass Produced Water Tank. Lease Operator arrived on location and was able to extinguish remaining fire. Lease Operator called out Vacuum Truck, recovered approx 70 bbls of fluid from Tank Bottom & inside Firewall, unable to determine total amount of Produced water released due to heavy accumulation of rain water inside Firewall. Lightning Protection will be installed.

Describe Area Affected and Cleanup Action Taken.\*  
Called out Vacuum Truck, recovered approx 70 bbls of fluid from Tank Bottom & inside Firewall  
Will run soil samples when it dries out.

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>David Pickard</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: David Pickard	Approved by District Supervisor: <i>Jim W. Burns</i>	
Title: HSE Manager	Approval Date: JUN 28 2007	Expiration Date: 7/28/07
E-mail Address: david.pickard@swm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 5/30/07	Phone: 281-618-4054	

\* Attach Additional Sheets If Necessary



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

June 28, 2007

Southwestern Energy Production Company  
2350 N. Sam Houston Parkway East, Suite 125  
Houston, Texas 77032

ATTN: Mr. David Pickard, CSP

RE: Karlsbad Corral Central Facility

Dear Sir:

This office is in receipt of your C-141 on the produced water release, on this facility.

NMOCD Rule 19.15.3.116 states in part ... "The responsible person must complete division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

Information and tools for proper corrective action may be found in the Environmental Handbook on our web site [www.emnrd.state.nm.us/ocd](http://www.emnrd.state.nm.us/ocd) under the heading publications.

Within 30 days, **on or before July 28, 2007**, completion of remedial activities should be finalized and a final report summarizing all actions taken to mitigate environmental damage related to the leak, spill or release will be provided to OCD for approval.

If I may be of further service or if you have any questions please feel free to contact me.

Sincerely,

Gerry Guye

Deputy Field Inspector

NMOCD District II, Artesia

(505) 748-1283 ext 105

Cell (505) 626-0843

e-mail: [gerry.guye@state.nm.us](mailto:gerry.guye@state.nm.us)

**CONTACT LOG**

Wednesday, July 25, 2007

Fonecon Shelly Tucker (706-9121): Delineated to 1' with 1800 -3600 ppm. Will continue delineation tomorrow with backhoe.

Thursday, July 26, 2007

Shelly indicated delineation to 4' had shown 250-900 ppm. Gave permission to blend dirt with contaminated soil.