

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 Operating corp	Contact Alan Standfer
Address P O Box 3638, Midland, TX 79701	Telephone No. 432-557-8722
Facility Name Langlie Jal Unit #30	Facility Type North Injection Line

Surface Owner Jal Public Library Trust	Mineral Owner Federal	Lease No. N/A
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LOCATION OF RELEASE AP1 #30025248900000

Unit Letter G	Section 6	Township 25S	Range 37E	Feet from the	North/South Line	Feet from the	East/West Line	County Lea County, New Mexico
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Latitude 32°09'37.8 N Longitude 103°11'58.6 W

NATURE OF RELEASE

Type of Release Produced wtr	Volume of Release 25 bbls	Volume Recovered 25 bbls (+) 470 bbl
Source of Release pin hole leak in flowline	Date and Hour of Occurrence 9-30	Date and Hour of Discovery 6 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat Richards and Buddy Hill	
By Whom? Phyllis R. Gunter	Date and Hour 10-1-07, 10:08 Left message on answering machine	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse 3031 - 12345678910	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* (9/30/07) A pinhole leak in the flowline at the North Injection System discharged 25 barrels produced water into a 12" indentation holding rain water. Phoenix closed the west injection valve to stop the leak. The leaking flowline was dug out and a 4" x 4" patch was welded on the pinhole in the injection line. Production was restored.

Describe Area Affected and Cleanup Action Taken.*
The produced water followed a 92 yard trail from the flowline to the 12" indentation with a circumference of 78 yards. All of the water was vacuumed from the indentation, 470 barrels (including the discharged 25 bbls) were recovered that evening and disposed of by Riverside Transport Co. Four soil samples and two water samples from the indentation have been taken to a lab for analysis (diagram of sample areas attached, Exhibit "A"). Mike Griffin with Whole Earth Environmental has been engaged (10/2/07) to evaluate and propose a plan of action for the remaining clean up. Jal Public Library has been notified.

INSPECTION No. 12/WH0727382664

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.

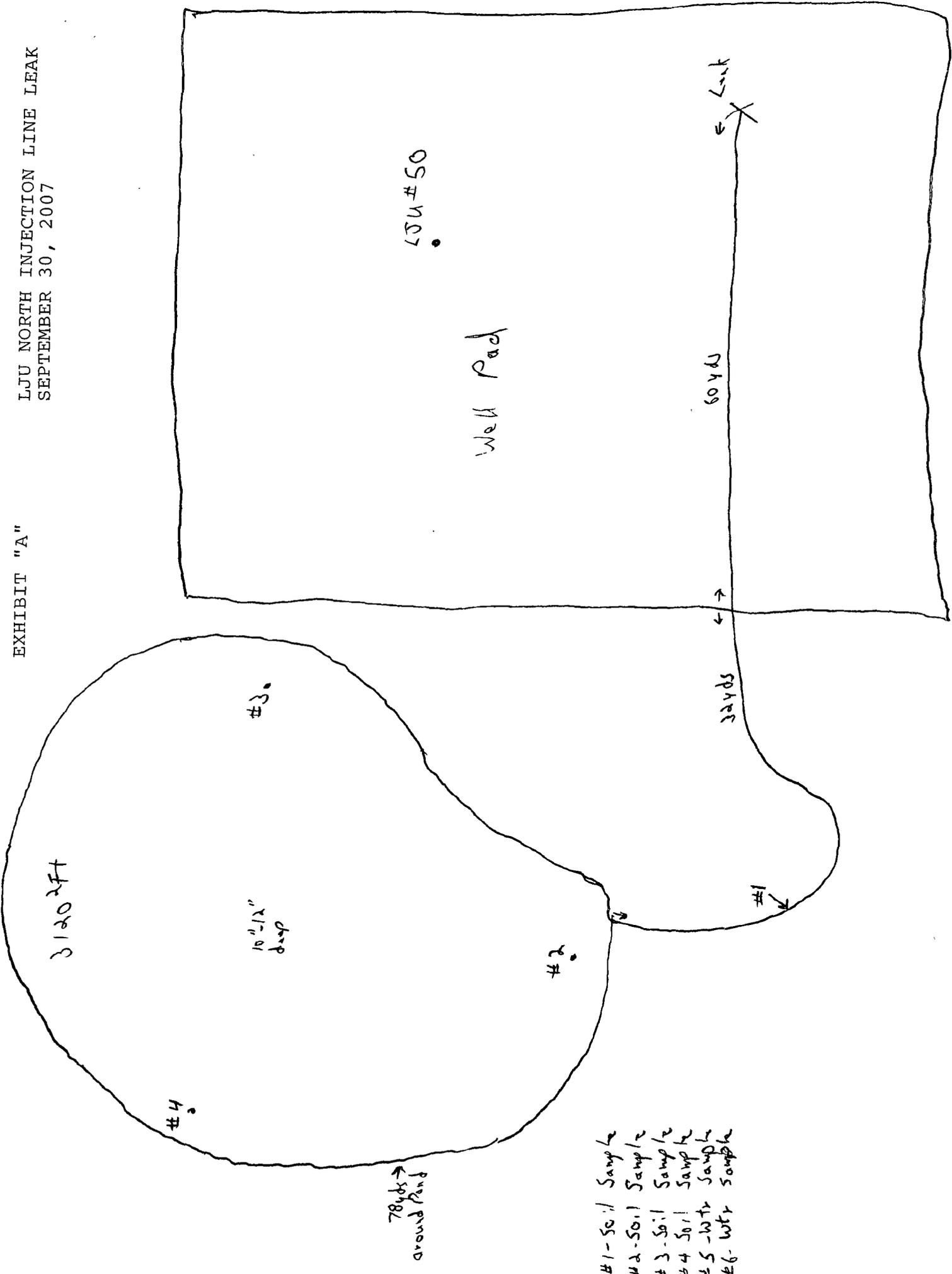
Signature: <i>Phyllis R. Gunter</i>	OIL CONSERVATION DIVISION	
Printed Name: Phyllis R. Gunter	Approved by District Supervisor: <i>Chris Williams</i>	
Title: Agent	Approval Date: <i>1/16/08</i>	Expiration Date: <i>4/16/08</i>
E-mail Address: phygun@aol.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 10/2/07 Phone: 432-686-9869		

* Attach Additional Sheets If Necessary

RP# 1722

EXHIBIT "A"

LJU NORTH INJECTION LINE LEAK
SEPTEMBER 30, 2007



- #1 - Soil Sample
- #2 - Soil Sample
- #3 - Soil Sample
- #4 - Soil Sample
- #5 - Wtr Sample
- #6 - Wtr Sample