

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 ConocoPhillips Company | Contact Mickey Garner |
| Address 3300 North A St. Bldg 6, Midland, TX 79705-5406 | Telephone No. 505.391.3158 |
| Facility Name EVGSAU 2060-055 | Facility Type Oil and Gas |
| Surface Owner State of New Mexico | Mineral Owner State of New Mexico |
| Lease No 30-025-02843-00-00 | |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------------------|----------------------|------------------------|---------------------|---------------|------------------|---------------|----------------|----------------------|
| Unit Letter J | Section 20 | Township 17S | Range 35E | Feet from the | North/South Line | Feet from the | East/West Line | County Lea |
|-------------------------|----------------------|------------------------|---------------------|---------------|------------------|---------------|----------------|----------------------|

Latitude N **32 49.135** Longitude W **103 29.302**

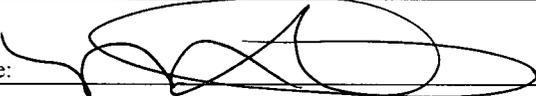
NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release Crude oil and produced water | Volume of Release 13bbl (2oil, 11water) | Volume Recovered (2oil, 8water) |
| Source of Release 2 3/8" steel flowline | Date and Hour of Occurrence 1/23/2008 1200 | Date and Hour of Discovery 1/23/2008 1440 |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? RECEIVED | |
| By Whom? | Date and Hour | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. N/A | |
| If a Watercourse was Impacted, Describe Fully.* N/A | HOBBS OCD | |

Describe Cause of Problem and Remedial Action Taken.*
On Wednesday January 23, 2008 at 1440 hrs a leak was discovered coming from a 2 3/8" steel flowline on EVGSAU #2060-055 due to external corrosion. Amount spilled was 2 bbls of oil and 11 bbls of produced water. The spill was not contained and affected approximately 900 sq/ft of pasture. The Contract MSO called a vacuum truck to pick up the free liquids. 2 bbls of oil and 8 bbls of produced water were recovered. Chloride concentration for this area is 48,000.

Describe Area Affected and Cleanup Action Taken.*
The spill was not contained and affected approximately 900 sq/ft of pasture. The impacted area was excavated and the soil disposed of at Sundance's disposal facility near Eunice, NM. Confirmation samples were collected and are attached. Closure and backfill approval was granted on 4/4/08 by Chris Williams of the NMOCD.

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:  | OIL CONSERVATION DIVISION | |
| Printed Name: Mickey Garner | Approved by District Supervisor:  | |
| Title: HSER Lead | Approval Date: 5/21/08 | Expiration Date: 5/21/08 |
| E-mail Address: Mickey.D.Garner@conocophillips.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 4-14-2008 | Phone: 575.391.3158 | IRP # 1908 |

AGRL0822035206



ANALYTICAL RESULTS FOR
 BBC INTERNATIONAL, INC.
 ATTN: CLIFF BRUNSON
 P.O. BOX 805
 HOBBS, NM 88241
 FAX TO: (575) 397-0397

Receiving Date: 04/02/08
 Reporting Date: 04/04/08
 Project Owner: CONOCO PHILLIPS
 Project Name: EVGSAU 2060-055
 Project Location: BUCKEYE, NM

Sampling Date: 03/28/08
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: ML
 Analyzed By: BC/HM

LAB-NUMBER SAMPLE ID GRO (C₆-C₁₀) (mg/kg) DRO (>C₁₀-C₂₈) (mg/kg) Cl* (mg/kg) *Before excavation*

| ANALYSIS DATE | 04/03/08 | 04/03/08 | 04/02/08 |
|-----------------------------|----------|----------|----------|
| H14557-1 SP 1 @ SURFACE | <10.0 | <10.0 | 38,400 |
| H14557-2 SP 2 @ SURFACE | <10.0 | <10.0 | 40,000 |
| | | | |
| | | | |
| | | | |
| | | | |
| Quality Control | 1060 | 1020 | 500 |
| True Value QC | 1000 | 1000 | 500 |
| % Recovery | 106 | 102 | 100 |
| Relative Percent Difference | 0.5 | 5.1 | 2.0 |

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-ClB
 *Analyses performed on 1:4 w:v aqueous extracts.

Bryant J. Coche
 Chemist

4/4/08
 Date

H14557A BBC

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ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (575) 397-0397

Receiving Date: 04/02/08
Reporting Date: 04/03/08
Project Owner: CONOCO PHILLIPS
Project Name: EVGSAU 2060-055
Project Location: BUCKEYE, NM

Sampling Date: 03/28/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: AB/CK

Before excavation

| LAB NUMBER | SAMPLE ID | BENZENE (mg/kg) | TOLUENE (mg/kg) | ETHYL BENZENE (mg/kg) | TOTAL XYLENES (mg/kg) |
|-----------------------------|----------------|--------------------|--------------------|-----------------------------|-----------------------------|
| ANALYSIS DATE | | 04/02/08 | 04/02/08 | 04/02/08 | 04/02/08 |
| H14557-1 | SP 1 @ SURFACE | <0.001 | 0.001 | 0.001 | 0.004 |
| H14557-2 | SP 2 @ SURFACE | <0.001 | 0.001 | <0.001 | 0.004 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Quality Control | | 0.097 | 0.094 | 0.089 | 0.284 |
| True Value QC | | 0.100 | 0.100 | 0.100 | 0.300 |
| % Recovery | | 97.4 | 94.4 | 88.8 | 94.5 |
| Relative Percent Difference | | 0.1 | 0.1 | 0.2 | 0.3 |

METHOD: EPA SW-846 8021B

Cliff S. Keene

Chemist

04/04/08

Date

H14557B BBC

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CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---------------------|--|-------------------------|--------------|-------------|------------|-------------------------------------|-----|--------|--------|------------------|-------------------------------------|-----------------|----------------|-------------|-------------------------------------|-------------------------------------|-------------------------------------|--|--|--|--|--|--|--|--|--|--|
| Company Name: <i>BBC International, Inc.</i> | | BILL TO | | ANALYSIS REQUEST | | | | | | | | | | | | | | | | | | | | | | | | | |
| Project Manager: <i>Cliff Benson</i> | | P.O. #: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Address: <i>1324 W. Macleod</i> | | Company: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| City: <i>Hobbs</i> State: <i>NM</i> Zip: <i>88240</i> | | Attn: <i>SAME</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Phone #: <i>(505) 397-6388</i> Fax #: <i>(505) 397-0397</i> | | Address: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Project #: <i>-</i> Project Owner: <i>Conoco Phillips</i> | | City: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Project Name: <i>EVGSAU 2060-055</i> | | State: Zip: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Project Location: <i>Buckeye N.M.</i> | | Phone #: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sampler Name: <i>Roger Hernandez</i> | | Fax #: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| FOR LAB USE ONLY | | | | | | | | | | | | <i>TPH 8055M</i> | <i>OTEX</i> | <i>Chloride</i> | | | | | | | | | | | | | | | |
| Lab I.D. | | Sample I.D. | | (G)RABOR (C)OMP. | # CONTAINERS | GROUNDWATER | WASTEWATER | SOIL | OIL | SLUDGE | OTHER: | | | | ACID/BASE: | ICE / COOL | OTHER: | DATE | TIME | | | | | | | | | | |
| <i>H14557-1</i> | | <i>SP1@ Surface</i> | | <i>G</i> | <i>1</i> | | | <input checked="" type="checkbox"/> | | | | | <input checked="" type="checkbox"/> | | <i>3-28-08</i> | <i>8:30</i> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | | | | | | | | | |
| <i>-2</i> | | <i>SP2@ Surface</i> | | <i>G</i> | <i>1</i> | | | <input checked="" type="checkbox"/> | | | | | <input checked="" type="checkbox"/> | | <i>3-28-08</i> | <i>8:40</i> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | | | | | | | | | | |

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| | | | | | | | | | |
|--|--|----------------------|--|---|--|--|--|----------------|--|
| Relinquished By: <i>[Signature]</i> | | Date: <i>4-1-08</i> | | Received By: <i>[Signature]</i> | | Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | | Add'l Phone #: | |
| | | Time: <i>5:30 PM</i> | | | | Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | | Add'l Fax #: | |
| Relinquished By: <i>[Signature]</i> | | Date: <i>4-2-08</i> | | Received By: <i>[Signature]</i> | | REMARKS: | | | |
| | | Time: <i>10:00</i> | | | | | | | |
| Delivered By: (Circle One) Sampler - UPS - Bus - Other: | | | | Sample Condition Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No | | CHECKED BY: (Initials) <i>[Signature]</i> | | | |

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



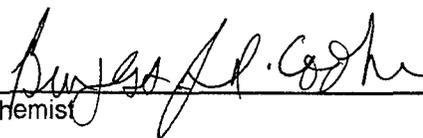
ANALYTICAL RESULTS FOR
 BBC INTERNATIONAL, INC.
 ATTN: CLIFF BRUNSON
 P.O. BOX 805
 HOBBS, NM 88241
 FAX TO: (575) 397-0397

Receiving Date: 04/02/08
 Reporting Date: 04/04/08
 Project Owner: CONOCO PHILLIPS
 Project Name: EVGSAU 2060-055
 Project Location: BUCKEYE, NM

Sampling Date: 04/01/08
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: ML
 Analyzed By: BC/HM

| LAB NUMBER | SAMPLE ID | GRO (C ₆ -C ₁₀) (mg/kg) | DRO (>C ₁₀ -C ₂₈) (mg/kg) | Cl* (mg/kg) | <i>Afer excavation</i> |
|-----------------------------|------------|--|--|----------------|----------------------------|
| ANALYSIS DATE | | 04/03/08 | 04/03/08 | 04/02/08 | |
| H14558-1 | SP 4 @ 16" | <10.0 | <10.0 | 464 | |
| H14558-2 | SP 5 @ 16" | <10.0 | <10.0 | 464 | |
| H14558-3 | SP 6 @ 16" | <10.0 | <10.0 | 416 | |
| Quality Control | | 1060 | 1020 | 500 | |
| True Value QC | | 1000 | 1000 | 500 | |
| % Recovery | | 106 | 102 | 100 | |
| Relative Percent Difference | | 0.5 | 5.1 | 2.0 | |

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-ClB
 *Analyses performed on 1:4 w:v aqueous extracts.


 Chemist

4/9/08
 Date

H14558A BBC

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ANALYTICAL RESULTS FOR
 BBC INTERNATIONAL, INC.
 ATTN: CLIFF BRUNSON
 P.O. BOX 805
 HOBBS, NM 88241
 FAX TO: (575) 397-0397

Receiving Date: 04/02/08
 Reporting Date: 04/03/08
 Project Owner: CONOCO PHILLIPS
 Project Name: EVGSAU 2060-055
 Project Location: BUCKEYE, NM

Sampling Date: 04/01/08
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: ML
 Analyzed By: AB/CK

| LAB NUMBER | SAMPLE ID | BENZENE (mg/kg) | TOLUENE (mg/kg) | ETHYL BENZENE (mg/kg) | TOTAL XYLENES (mg/kg) |
|-----------------------------|------------|--------------------|--------------------|-----------------------------|-----------------------------|
| ANALYSIS DATE | | 04/02/08 | 04/02/08 | 04/02/08 | 04/02/08 |
| H14558-1 | SP 4 @ 16" | <0.001 | <0.001 | <0.001 | <0.003 |
| H14558-2 | SP 5 @ 16" | <0.001 | <0.001 | <0.001 | <0.003 |
| H14558-3 | SP 6 @ 16" | <0.001 | <0.001 | <0.001 | <0.003 |
| Quality Control | | 0.097 | 0.094 | 0.089 | 0.284 |
| True Value QC | | 0.100 | 0.100 | 0.100 | 0.300 |
| % Recovery | | 97.4 | 94.4 | 88.8 | 94.5 |
| Relative Percent Difference | | 0.1 | 0.1 | 0.2 | 0.3 |

After excavation

METHOD: EPA SW-846 8021B

Cely D. Keene
 Chemist

04/04/08
 Date

H14558B BBC

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