

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

RECEIVED

MAR 08 2011

HOBSUCD

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	Southern Union Gas Services	Contact	Curt Stanley
Address	801 S. Loop 464, Monahans, TX 79756	Telephone No.	575-390-7595
Facility Name	6 inch Lateral	Facility Type	Natural Gas Pipeline
Surface Owner	State of New Mexico	Lease No.	30-025-38822

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	2	22S	37E					Lea

Latitude 32 degrees 25.341' North **Longitude** 103 degrees 08.405 West

NATURE OF RELEASE

Type of Release	Natural Gas, Crude Oil and Produced Water	Volume of Release	7 BBLS	Volume Recovered	None
Source of Release	Natural Gas Pipeline	Date and Hour of Occurrence	February 23, 2011 - Time Unknown	Date and Hour of Discovery	February 23, 2011 - 0700 hours
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	Geoffrey Leking - NMOCD Hobbs District Office		
By Whom?	Curt Stanley	Date and Hour	February 23, 2011 - 1554 hours		
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.*

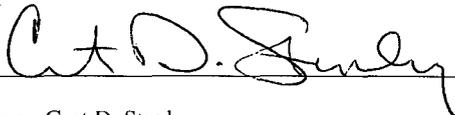
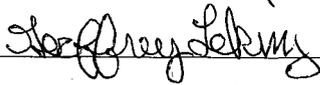
Describe Cause of Problem and Remedial Action Taken.*

A six (6)-inch low pressure natural gas pipeline developed a leak due to internal corrosion of the pipeline, resulting in a release of natural gas, crude oil and produced water. During initial response activities the pipeline was fitted with a temporary pipeline clamp to mitigate the release. Following initial response activities, the affected pipeline segment will be slip lined.

Describe Area Affected and Cleanup Action Taken.*

The affected area is approximately 1,500 square feet and occupies a caliche well pad. The release will be remediated according to NMOCD regulatory guidelines.

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: Curt D. Stanley	Approved by District Supervisor ENVIENGINER: 	
Title: EHS Compliance Specialist	Approval Date: 03/08/11	Expiration Date: 05/08/11
E-mail Address: curt.stanley@sug.com	Conditions of Approval: SUBMIT FINAL C-141 BY 05/08/11.	Attached <input type="checkbox"/>
Date: February 28, 2011	Phone: 575-390-7595	IRP-03-11-2690

* Attach Additional Sheets If Necessary