

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: XTO Energy, Inc.	Contact: James McDaniel
Address: 382 Road 3100, Aztec, New Mexico 87410	Telephone No.: (505) 333-3701
Facility Name: Canyon #12E (30-045-29270)	Facility Type: Gas Well (Dakota)

Surface Owner: Federal	Mineral Owner:	Lease No.: NOO-C14-20-3613
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LOCATION OF RELEASE

Unit Letter E	Section 13	Township 25N	Range 11W	Feet from the 1560	North/South Line FNL	Feet from the 1050	East/West Line FWL	County San Juan
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Latitude: 36.4040 Longitude: -107.9610

RCVD AUG 10 '11
OIL CONS. DIV.
DIST. 3

NATURE OF RELEASE

Type of Release: Condensate/ Produced Water	Volume of Release: 46 bbls Condensate 14 bbls of Water	Volume Recovered: None
Source of Release: Leaking Manway Gasket/Corrosion hole in production tank	Date and Hour of Occurrence: Unknown	Date and Hour of Discovery: July 25, 2011
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Brandon Powell	
By Whom? Kim Champlin	Date and Hour: July 29, 2011 - 1643	
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.*

On July 25, 2011, a XTO lease operator gauged the production tank, finding a drop in production. Upon inspection of the tank, a slow leak in the manway gasket was discovered. According to gauging records, approximately 46 bbls of oil and 14 bbls of produced water were lost. The stained area at the surface near the tank was very small and did not appear to be representative of a 60 bbls release. As a result, further investigation of the pit tank and other production equipment was performed to get a better estimation of the volume lost. On July 29, 2011, it was confirmed that 60 bbls of fluids were lost. The site was then ranked pursuant to the NMOCD Guidelines for the Remediation of Leaks, Spills and Releases. The site was ranked a 30 due to an estimated depth to groundwater of less than 50 feet, and a distance to surface water of less than 1,000 feet. This set the closure standards to 100 ppm TPH and 100 ppm organic vapors or 10 ppm benzene and 50 ppm total BTEX. The leaking tank was moved, and upon moving the tank, a pinhole was discovered in the bottom of the tank. The tank will be repaired and tested, and put back into service.

Describe Area Affected and Cleanup Action Taken.*

On August 1, 2011, excavation activities began in the spill area. Approximately 208 cubic yards of impacted soil was removed to extents of approximately 20' x 26' x 13' deep. At these extents, five (5) composite samples were collected of the excavated area. One (1) composite sample was collected of the bottom at 13', and one (1) composite sample was collected of each of the four (4) walls of the excavation. Each of the samples was analyzed for DRO/GRO via USEPA Method 8015, and for BTEX via USEPA Method 8021. All samples returned results of non-detect for all constituents analyzed. All backfill material was hauled in from Paul and Son's, and all impacted soil was hauled to Envirotech's NMOCD permitted Landfarm #2 for disposal. All applicable analytical results and field notes are attached for your reference.

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 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

OIL CONSERVATION DIVISION

Signature:

Printed Name: James McDaniel, CHMM #15676

Title: EH&S Supervisor

E-mail Address: James_McDaniel@xtoenergy.com

Date: 8/9/2011

Phone: 505-333-3701

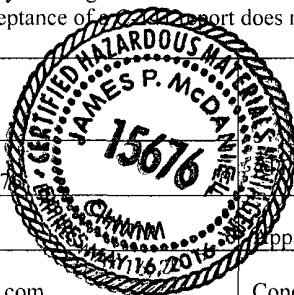
Approved by District Supervisor:

Approval Date: 8/17/11

Expiration Date:

Conditions of Approval:

Attached ☐



NJK1123154818

12

COVER LETTER

Wednesday, August 03, 2011

James McDaniel
XTO Energy
382 County Road 3100
Aztec, NM 87410

TEL: (505) 333-3100
FAX (505) 333-3280

RE: Canyon #012E

Order No.: 1108058


Dear James McDaniel:

Hall Environmental Analysis Laboratory, Inc. received 5 sample(s) on 8/2/2011 for the analyses presented in the following report.

These were analyzed according to EPA procedures or equivalent. Below is a list of our accreditations. To access our accredited tests please go to www.hallenvironmental.com or the state specific web sites. See the sample checklist and/or the Chain of Custody for information regarding the sample receipt temperature and preservation. Data qualifiers or a narrative will be provided if the sample analysis or analytical quality control parameters require a flag. All samples are reported as received unless otherwise indicated.

Please do not hesitate to contact HEAL for any additional information or clarifications.

Sincerely,


Andy Freeman, Laboratory Manager

NM Lab # NM9425 NM0901
AZ license # AZ0682



Hall Environmental Analysis Laboratory, Inc.

Date: 03-Aug-11

Analytical Report

CLIENT:	XTO Energy	Client Sample ID:	S1
Lab Order:	1108058	Collection Date:	8/1/2011 12:00:00 PM
Project:	Canyon #012E	Date Received:	8/2/2011
Lab ID:	1108058-01	Matrix:	MEOH (SOIL)

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANGE ORGANICS						Analyst: JB
Diesel Range Organics (DRO)	ND	10		mg/Kg	1	8/2/2011 10:18:19 AM
Surr: DNOP	83.3	73.4-123		%REC	1	8/2/2011 10:18:19 AM
EPA METHOD 8015B: GASOLINE RANGE						Analyst: RAA
Gasoline Range Organics (GRO)	ND	5.0		mg/Kg	1	8/2/2011 11:21:17 AM
Surr: BFB	92.5	75.2-136		%REC	1	8/2/2011 11:21:17 AM
EPA METHOD 8021B: VOLATILES						Analyst: RAA
Benzene	ND	0.49		mg/Kg	1	8/2/2011 11:21:17 AM
Toluene	ND	0.49		mg/Kg	1	8/2/2011 11:21:17 AM
Ethylbenzene	ND	0.49		mg/Kg	1	8/2/2011 11:21:17 AM
Xylenes, Total	ND	0.97		mg/Kg	1	8/2/2011 11:21:17 AM
Surr: 4-Bromofluorobenzene	98.4	92-130		%REC	1	8/2/2011 11:21:17 AM

Qualifiers:

* Value exceeds Maximum Contaminant Level	B Analyte detected in the associated Method Blank
E Estimated value	H Holding times for preparation or analysis exceeded
J Analyte detected below quantitation limits	MCL Maximum Contaminant Level
NC Non-Chlorinated	ND Not Detected at the Reporting Limit
PQL Practical Quantitation Limit	S Spike recovery outside accepted recovery limits

Page 1 of 5

Hall Environmental Analysis Laboratory, Inc.

Date: 03-Aug-11

Analytical Report

CLIENT:	XTO Energy	Client Sample ID:	S2
Lab Order:	1108058	Collection Date:	8/1/2011 12:18:00 PM
Project:	Canyon #012E	Date Received:	8/2/2011
Lab ID:	1108058-02	Matrix:	MEOH (SOIL)

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANGE ORGANICS						Analyst: JB
Diesel Range Organics (DRO)	ND	10		mg/Kg	1	8/2/2011 10:52:59 AM
Surr: DNOP	79.8	73.4-123		%REC	1	8/2/2011 10:52:59 AM
EPA METHOD 8015B: GASOLINE RANGE						Analyst: RAA
Gasoline Range Organics (GRO)	ND	5.0		mg/Kg	1	8/2/2011 11:50:10 AM
Surr: BFB	93.6	75.2-136		%REC	1	8/2/2011 11:50:10 AM
EPA METHOD 8021B: VOLATILES						Analyst: RAA
Benzene	ND	0.050		mg/Kg	1	8/2/2011 11:50:10 AM
Toluene	ND	0.050		mg/Kg	1	8/2/2011 11:50:10 AM
Ethylbenzene	ND	0.050		mg/Kg	1	8/2/2011 11:50:10 AM
Xylenes, Total	ND	0.10		mg/Kg	1	8/2/2011 11:50:10 AM
Surr: 4-Bromofluorobenzene	101	92-130		%REC	1	8/2/2011 11:50:10 AM

Qualifiers:

* Value exceeds Maximum Contaminant Level
E Estimated value
J Analyte detected below quantitation limits
NC Non-Chlorinated
PQL Practical Quantitation Limit

B Analyte detected in the associated Method Blank
H Holding times for preparation or analysis exceeded
MCL Maximum Contaminant Level
ND Not Detected at the Reporting Limit
S Spike recovery outside accepted recovery limits

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Hall Environmental Analysis Laboratory, Inc.

Date: 03-Aug-11

Analytical Report

CLIENT: XTO Energy

Client Sample ID: S3

Lab Order: 1108058

Collection Date: 8/1/2011 12:22:00 PM

Project: Canyon #012E

Date Received: 8/2/2011

Lab ID: 1108058-03

Matrix: MEOH (SOIL)

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANGE ORGANICS						Analyst: JB
Diesel Range Organics (DRO)	ND	9.8		mg/Kg	1	8/2/2011 11:27:34 AM
Surr: DNOP	108	73.4-123		%REC	1	8/2/2011 11:27:34 AM
EPA METHOD 8015B: GASOLINE RANGE						Analyst: RAA
Gasoline Range Organics (GRO)	ND	5.0		mg/Kg	1	8/2/2011 12:18:58 PM
Surr: BFB	113	75.2-136		%REC	1	8/2/2011 12:18:58 PM
EPA METHOD 8021B: VOLATILES						Analyst: RAA
Benzene	ND	0.050		mg/Kg	1	8/2/2011 12:18:58 PM
Toluene	ND	0.050		mg/Kg	1	8/2/2011 12:18:58 PM
Ethylbenzene	ND	0.050		mg/Kg	1	8/2/2011 12:18:58 PM
Xylenes, Total	ND	0.10		mg/Kg	1	8/2/2011 12:18:58 PM
Surr: 4-Bromofluorobenzene	105	92-130		%REC	1	8/2/2011 12:18:58 PM

Qualifiers:

* Value exceeds Maximum Contaminant Level
E Estimated value
J Analyte detected below quantitation limits
NC Non-Chlorinated
PQL Practical Quantitation Limit

B Analyte detected in the associated Method Blank
H Holding times for preparation or analysis exceeded
MCL Maximum Contaminant Level
ND Not Detected at the Reporting Limit
S Spike recovery outside accepted recovery limits

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Hall Environmental Analysis Laboratory, Inc.

Date: 03-Aug-11

Analytical Report

CLIENT:	XTO Energy	Client Sample ID:	S4
Lab Order:	1108058	Collection Date:	8/1/2011 12:30:00 PM
Project:	Canyon #012E	Date Received:	8/2/2011
Lab ID:	1108058-04	Matrix:	MEOH (SOIL)

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANGE ORGANICS						Analyst: JB
Diesel Range Organics (DRO)	ND	10		mg/Kg	1	8/2/2011 12:02:14 PM
Surr: DNOP	106	73.4-123		%REC	1	8/2/2011 12:02:14 PM
EPA METHOD 8015B: GASOLINE RANGE						Analyst: RAA
Gasoline Range Organics (GRO)	ND	5.0		mg/Kg	1	8/2/2011 12:47:51 PM
Surr: BFB	97.0	75.2-136		%REC	1	8/2/2011 12:47:51 PM
EPA METHOD 8021B: VOLATILES						Analyst: RAA
Benzene	ND	0.050		mg/Kg	1	8/2/2011 12:47:51 PM
Toluene	ND	0.050		mg/Kg	1	8/2/2011 12:47:51 PM
Ethylbenzene	ND	0.050		mg/Kg	1	8/2/2011 12:47:51 PM
Xylenes, Total	ND	0.10		mg/Kg	1	8/2/2011 12:47:51 PM
Surr: 4-Bromofluorobenzene	103	92-130		%REC	1	8/2/2011 12:47:51 PM

Qualifiers:

* Value exceeds Maximum Contaminant Level
E Estimated value
J Analyte detected below quantitation limits
NC Non-Chlorinated
PQL Practical Quantitation Limit

B Analyte detected in the associated Method Blank
H Holding times for preparation or analysis exceeded
MCL Maximum Contaminant Level
ND Not Detected at the Reporting Limit
S Spike recovery outside accepted recovery limits

Hall Environmental Analysis Laboratory, Inc.

Date: 03-Aug-11

Analytical Report

CLIENT:	XTO Energy	Client Sample ID:	S5
Lab Order:	1108058	Collection Date:	8/1/2011 1:26:00 PM
Project:	Canyon #012E	Date Received:	8/2/2011
Lab ID:	1108058-05	Matrix:	MEOH (SOIL)

Analyses	Result	PQL	Qual	Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANGE ORGANICS						Analyst: JB
Diesel Range Organics (DRO)	ND	10		mg/Kg	1	8/2/2011 12:37:08 PM
Surr: DNOP	82.4	73	4-123	%REC	1	8/2/2011 12:37:08 PM
EPA METHOD 8015B: GASOLINE RANGE						Analyst: RAA
Gasoline Range Organics (GRO)	ND	5.0		mg/Kg	1	8/2/2011 1:16:42 PM
Surr: BFB	94.6	75.2	136	%REC	1	8/2/2011 1:16:42 PM
EPA METHOD 8021B: VOLATILES						Analyst: RAA
Benzene	ND	0.050		mg/Kg	1	8/2/2011 1:16:42 PM
Toluene	ND	0.050		mg/Kg	1	8/2/2011 1:16:42 PM
Ethylbenzene	ND	0.050		mg/Kg	1	8/2/2011 1:16:42 PM
Xylenes, Total	ND	0.10		mg/Kg	1	8/2/2011 1:16:42 PM
Surr: 4-Bromofluorobenzene	103	92	130	%REC	1	8/2/2011 1:16:42 PM

Qualifiers:

* Value exceeds Maximum Contaminant Level
E Estimated value
J Analyte detected below quantitation limits
NC Non-Chlorinated
PQL Practical Quantitation Limit

B Analyte detected in the associated Method Blank
H Holding times for preparation or analysis exceeded
MCL Maximum Contaminant Level
ND Not Detected at the Reporting Limit
S Spike recovery outside accepted recovery limits

Page 5 of 5

QA/QC SUMMARY REPORT

Client: XTO Energy
Project: Canyon #012E

Work Order: 1108058

Analyte	Result	Units	PQL	SPK Va	SPK ref	%Rec	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Method: EPA Method 8015B: Diesel Range Organics											
Sample ID: MB-27853		MBLK				Batch ID: 27853	Analysis Date: 8/2/2011 8:34:51 AM				
Diesel Range Organics (DRO)	ND	mg/Kg	10								
Sample ID: LCS-27853		LCS				Batch ID: 27853	Analysis Date: 8/2/2011 9:09:22 AM				
Diesel Range Organics (DRO)	58.63	mg/Kg	10	50	0	117	66.7	119			
Sample ID: LCSD-27853		LCSD				Batch ID: 27853	Analysis Date: 8/2/2011 9:43:46 AM				
Diesel Range Organics (DRO)	58.84	mg/Kg	10	50	0	118	66.7	119	0.356	18.9	
Method: EPA Method 8015B: Gasoline Range											
Sample ID: 5ML-RB		MBLK				Batch ID: R46937	Analysis Date: 8/2/2011 8:56 41 AM				
Gasoline Range Organics (GRO)	ND	mg/Kg	5.0								
Sample ID: 2.5UG GRO LCS		LCS				Batch ID: R46937	Analysis Date: 8/2/2011 7:08:22 PM				
Gasoline Range Organics (GRO)	29.94	mg/Kg	5.0	25	0	120	88.8	124			
Method: EPA Method 8021B: Volatiles											
Sample ID: 5ML-RB		MBLK				Batch ID: R46937	Analysis Date: 8/2/2011 8:56:41 AM				
Benzene	ND	mg/Kg	0.050								
Toluene	ND	mg/Kg	0.050								
Ethylbenzene	ND	mg/Kg	0.050								
Xylenes, Total	ND	mg/Kg	0.10								
Sample ID: 100NG BTEX LCS		LCS				Batch ID: R46937	Analysis Date: 8/2/2011 6:39:29 PM				
Benzene	1.021	mg/Kg	0.050	1	0	102	83.3	107			
Toluene	1.025	mg/Kg	0.050	1	0	103	74.3	115			
Ethylbenzene	1.028	mg/Kg	0.050	1	0	103	80.9	122			
Xylenes, Total	3.127	mg/Kg	0.10	3	0	104	85.2	123			

Qualifiers:

E	Estimated value	H	Holding times for preparation or analysis exceeded
J	Analyte detected below quantitation limits	NC	Non-Chlorinated
ND	Not Detected at the Reporting Limit	R	RPD outside accepted recovery limits

Hall Environmental Analysis Laboratory, Inc.

Sample Receipt Checklist

Client Name XTO ENERGY

Date Received:

8/2/2011

Work Order Number 1108058

Received by: MMG

Checklist completed by:

Signature

Michelle Ojai

8/2/11
Date

Sample ID labels checked by:

Initials

MMG

Matrix:

Carrier name: Greyhound

Shipping container/cooler in good condition?

Yes ☒

No ☐

Not Present ☐

Custody seals intact on shipping container/cooler?

Yes ☒

No ☐

Not Present ☐

Not Shipped ☐

Custody seals intact on sample bottles?

Yes ☐

No ☐

N/A ☒

Chain of custody present?

Yes ☒

No ☐

Chain of custody signed when relinquished and received?

Yes ☒

No ☐

Chain of custody agrees with sample labels?

Yes ☒

No ☐

Samples in proper container/bottle?

Yes ☒

No ☐

Sample containers intact?

Yes ☒

No ☐

Sufficient sample volume for indicated test?

Yes ☒

No ☐

All samples received within holding time?

Yes ☒

No ☐

Water - VOA vials have zero headspace?

No VOA vials submitted ☒

Yes ☐

No ☐

Water - Preservation labels on bottle and cap match?

Yes ☐

No ☐

N/A ☒

Water - pH acceptable upon receipt?

Yes ☐

No ☐

N/A ☒

Number of preserved
bottles checked for
pH:

<2 >12 unless noted
below.

Container/Temp Blank temperature?

1.0°

<6° C Acceptable

If given sufficient time to cool.

COMMENTS:

Client contacted _____ Date contacted: _____ Person contacted _____

Contacted by: _____ Regarding: _____

Comments: _____

Corrective Action _____

Chain-of-Custody Record		Turn-Around Time:	
Client: XTO		<input type="checkbox"/> Standard	<input checked="" type="checkbox"/> Rush <i>same day</i>
<i>James McDaniel</i>		Project Name:	
Mailing Address: <i>382 CR 3100</i>		<i>Canyon #12 E</i>	
<i>Aztec NM 87410</i>		Project #:	
Phone #: <i>505-787-0519</i>		Project Manager:	
email or Fax#: <i>james.mcdaniel@xto.energy</i>		<i>Ashley Ager</i>	
QA/QC Package:		Sampler: <i>Devon Hennemann</i>	
<input checked="" type="checkbox"/> Standard	<input type="checkbox"/> Level 4 (Full Validation)	On Ice: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Accreditation		Sample Temperature: <i>1.0</i>	
<input type="checkbox"/> NELAP	<input type="checkbox"/> Other _____		
<input type="checkbox"/> EDD (Type) _____			

Same Day

Rush

~~Next day~~ es

Can you #12 E

Project #:

Ashley Ager


Dennis Hershman

☒ Yes

No

10

[illegible]

Date: 8/1/11	Time: 1549	Relinquished by: 
-----------------	---------------	---

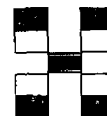
Received by:	Date	Time
Christina L. Boots	8/1/11	1549

Date:	Time:	Relinquished by:
8/1/11	1710	Christine Woods

Received by:	Date	Time
Mari C	8/2/11	9:13

Remarks:

No MRO



HALL ENVIRONMENTAL ANALYSIS LABORATORY

www.hallenvironmental.com

4901 Hawkins NE - Albuquerque, NM 87109

Tel. 505-345-3975 Fax 505-345-4107

Analysis Request

	X	X	X	X	X	BTEX - (8021)
						BTEX + MTBE + TPH (Gas only)
						TPH Method 8015B (Gas/Diesel)
						TPH (Method 418.1)
						EDB (Method 504.1)
						8310 (PNA or PAH)
						RCRA 8 Metals
						Anions (F, Cl, NO ₃ , NO ₂ , PO ₄ , SO ₄)
						8081 Pesticides / 8082 PCB's
						8260B (VOA)
						8270 (Semi-VOA)
	X	X	X	X	X	TPH 8015 No MRO
						Air Bubbles (Y or N)

If necessary, samples submitted to Hall Environmental may be subcontracted to other accredited laboratories. This serves as notice of this possibility. Any sub-contracted data will be clearly notated on the analytical report.

Date: 8/1/11 Time On-Site: 9:08 Time Off-Site: 1445
Tailgate Safety Meeting? X (Y/N) JSA? N (Y/N)
One Call Completed? Y (Y/N) Lines Marked? Y (Y/N)
Project Name: Canyon #12 E Excavation
Project Number: Not yet assigned
LTE Employee(s): Darin Herrmann
Site Name: Canyon #12 E
Others On-Site (contractors, regulators etc.): Core, XTO
Site Location (Lat & Long or T/R/S/Q/Q): 25N 11W 913
Soil Disposal Location: Enrico Vol. Excavated: ~250 yd³ Vol. Off-Site: ~250 yd³
Water Encountered? N (Y/N) Water Volume Removed: 0
Water Disposal Location: NA

[illegible]

Sample		Sample Location	
Sample ID	Time	Depth	Description (ref.on)
S1 East wall	12:00	3-15'	1.6 ppm East wall comp.
S2 South wall	12:18	3-15'	0.3 ppm South wall comp.
S3 Floor comp	12:22	15'	12.6 Floor comp.
S4 North wall	12:30	3-15'	1.2 North wall comp.
S5 West wall	13:26	3-15'	0.3 West wall comp.

Analyses: BTEX 8021, TPH 8015
 BTEX 8021, TPH 8015
 BTEX 8021, TPH 8015
 BTEX 8021, TPH 8015
 BTEX 8021, TPH 8015

Laboratory Name: Hall
 Shipping Method: drop off
 Shipping Date: 8/1/11
 Shipped by: Christine, Hall





PROJECT Canyon #12E
PROJECT MANAGER ALA
JOB No.
LOCATION Canyon #12

DATE 8/1/11
CONT. No.
BY DMH CHK'D
SHEET No. 1 OF 1

95LT0036 10/1997

