

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: Kim Champlin | |
| Address: #382 County Road 3100 Aztec, NM 87410 | Telephone No.: (505) 333-3100 | |
| Facility Name: LC Kelly #2E (API 30-045-25350) | Facility Type: Gas Well (Dakota) | |
| Surface Owner: BLM | Mineral Owner: BLM | Lease No.: NMSF081239 |

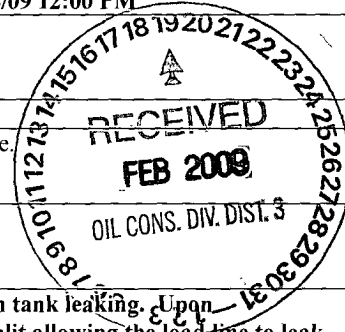
LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|-----------|------------|------------|---------------|------------------|---------------|----------------|-----------------|
| I | 05 | 30N | 12W | 1660 | South | 790 | East | San Juan |

Latitude 36.83888 Longitude 108.11476

NATURE OF RELEASE

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------|
| Type of Release: Condensate & Produced Water | Volume of Release: 7/20 BBLs | Volume Recovered: 0/0 BBLs |
| Source of Release: Production Tank | Date and Hour of Occurrence: 02/04/09 Time unknown | Date and Hour of Discovery 02/04/09 12:00 PM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Brandon Powell- OCD Mark Kelly- BLM | |
| By Whom? Kim Champlin | Date and Hour: 02/05/2009 3:00 PM | |
| 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.* **While on location an XTO employee noticed a production tank leaking. Upon investigation it was discovered that the load line had froze causing the 3 " ball valve located on the load line to split allowing the load line to leak. The well was shut in, a roustabout crew and repair crew were called. Based on the previous gauge it was estimated that 7 barrels of condensate and 20 barrels of produced water were released. The release was absorbed into the ground leaving no standing fluids for recovery. The release was contained within an unlined berm, not spreading to the pad or off location.**

Describe Area Affected and Cleanup Action Taken.* **Upon discovery of the release the well was shut in and a roustabout crew was dispatched. No fluids were recovered. Samples from the bermed area were collected and will be submitted upon receipt. The ball valve was repaired and tested as functioning properly. Once lab results are received and reviewed possible further remediation will be determined.**

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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>Kim Champlin</i> | | OIL CONSERVATION DIVISION | |
| Printed Name: Kim Champlin | | Approved by District Supervisor: <i>Brandon Powell</i> For: <i>Charlie Perrin</i> | |
| Title: Sr. Environmental Representative | | Approval Date: 2/19/09 | Expiration Date: |
| E-mail Address: kim_champlin@xtoenergy.com | | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 02/18/09 Phone: (505) 333-3100 | | | |

* Attach Additional Sheets If Necessary

nBP0918939773