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

1220 S. St. Francis Dr., Santa Fe, NM 87505

District IV

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance

RCVD APR18'07 OIL CONS. DIV.

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 Burlington Resources a wholly owned subsidi Contact Monica D. Johnson Telephone No. (505) 326-9700 Address P.O. Box 4289 Farmington NM 87499 Facility Name BEAVER LODGE COM 1B Facility Type Gas Well API# 30-045-30789 Mineral Owner Surface Owner State State Lease No B-10938-52 LOCATION OF RELEASE Range Unit Letter Section Township Feet from the North/South Line Feet from the East/West Line County San Juan N 30N 700' South 1900' West Longitude -107.69983 Latitude 36.76274 NATURE OF RELEASE Type of Release Volume of Release Volume Recovered 0 MCF Natural Gas 215 MCF Source of Release Date and Hour of Occurence Date and Hour of Discovery Gas venting to the tank 4/9/2007 5:10:00 PM 4/10/2007 12:10:00 PM If YES, To Whom? Was Immediate Notice Given? ☐ Yes ☐ No ✔ Not Required Brandon Powell By Whom? Date and Hour 4/12/2007 5:00:00 PM Monica D. Johnson Was a Watercourse Reached? If YES, Volume Impacting the Watercourse ☐ Yes ✓ No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* A natural gas release of 215 MCF was discovered by our MSO at the Beaver Lodge #1B on 4/10/07. The oil dump controller had hung in the open position allowing gas to vent to the tank. According to telemetry, the well appears to have vented for 19 hours, and engineering calculated the release to be 215 MCF of natural gas. Also, about 0.25 BBL of oil was blown out of the tank due to the venting gas. The fluids spilled were contained inside the bermed area with none recoverable. The stained soils will be raked and surfactant mixed in if necessary. Describe Area Affected and Cleanup Action Taken * All natural gas was vented to the atmosphere. Also, about 0.25 BBL of oil was blown out of the tank due to the venting gas. The fluids spilled were contained inside the bermed area with none recoverable. The stained soils will be raked and surfactant mixed in if necessary. 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 OIL CONSERVATION DIVISION Signature: Approved by District Supervisor: Brad Ha For: Charlie Printed Name Title: Environmental Specialist E-mail Address monica.johnson@conocophillips.com Conditions of Approval Date: April 12, 2007 Phone: (505) 326-9829

^{*} Attach Additional Sheets If Necessary