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

* Attach Additional Sheets If Necessary

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

Form C-141

District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action 30-045-31274 **OPERATOR** Initial Report X Final Report Name of Company XTO Energy Inc. Contact Kim Champlin Address 2700 Farmington Ave, Bldg K, Ste. 1, Telephone No. (505) 566-7954 Farmington, NM 87401 Facility Name Salty Dog #3R Facility Type Salt Water Disposal Surface Owner Federal Lease No. NM97843 Mineral Owner LOCATION OF RELEASE Unit Letter North/South Line Feet from the East/West Line Section Township Range Feet from the County 28 30N 14W 850 North 770 East San Juan Latitude Longitude NATURE OF RELEASE Type of Release Produced Water Volume of Release Approx 180 Volume Recovered Approx 160 bbl Source of Release Holding Tanks Date and Hour of Occurrence Date and Hour of Discovery 06/06/07, time unknown 06/06/07 9:00 AM Was Immediate Notice Given? If YES, To Whom? **Brandon Powell- OCD** By Whom? Kim Champlin Date and Hour 06/07/07 10:15 AM 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 lease operator arrived on location to find the holding tanks overflowing into the bermed area. Upon investigation it was discovered that the generator that supplies power to the electric motor on the SWD pump was running but was not providing any electricity to the motor. It was also discovered that the breaker switch that supplies power to a control box that operates the starting system for the pump had been tripped. The breaker tripped due to a low voltage supplied by the generator. The on call paging service (Pro-Tech) also lost power and therefore no high tank alarm pages were sent out at the time. Appropriate notifications were made and a vac truck dispatched. The water in the pit was pulled and pumped back into the SWD holding tanks. Describe Area Affected and Cleanup Action Taken * A vac truck was used to recover water on location. Automation at this location is being changed over to XTO automation. 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 Kim Champlin Signature. Approved by District Supervisor Frank Pull Printed Name: Kim Champlin Approval Date: 6-12-07 Expiration Date: Title: Environmental Assistant E-mail Address: Kim Champlin@xtoenergy.com Conditions of Approval. Attached Phone: 505-566-7954

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