

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

30 045 30764

OPERATOR

Initial Report ☒ Final Report ☐

Name of Company XTO Energy Inc.	Contact Brenda Waller / Jeff Clement
Address 2700 Farmington Avenue, Bldg. K Suite 1	Telephone No. 505 / 324-6789
Facility Name Kutz Federal #11 E	Facility Type Wellsite/ Production

Surface Owner Federal	Mineral Owner Federal	Lease No. NM SF 047039A
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	20	28 N	10 W	1200	North	1400	West	San Juan

Latitude **36.396** Longitude **107.5523**

NATURE OF RELEASE


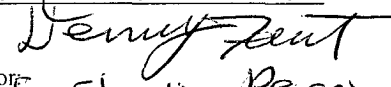
Type of Release Oil and associated produced water	Volume of Release 13 bbls. oil 7 bbls. water	Volume Recovered Zero bbls. recovered
Source of Release Production Tank / 2" drain valve	Date and Hour of Occurrence 12/29/04 4:00 am	Date and Hour of Discovery 12/29/04 11:00 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Denny Foust (NMOCD)	
By Whom? Blagg Engineering	Date and Hour 12/29/04 2:30 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.*
A watercourse was not impacted by this release.

Describe Cause of Problem and Remedial Action Taken.* ☐ **2" drain valve on the oil production tank froze, breaking it due to extreme cold weather. When rapid warming occurs in the afternoon periods the crack in the valve releases the produced well fluids. XTO Energy has recognized this to possibly be a recurrent event and have set into place an active program to identify these types of valves and replace them with non-freeze valves.**

Describe Area Affected and Cleanup Action Taken.* ☐ **The produced fluids leached into ground through the bottom of the pit tank. Vent hole monitoring @ a depth of 15 -16 feet below grade will be performed on the release.**

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  Approved by District Supervisor: for Charlie Perrin	
Printed Name: Jeff Clement	Approval Date: 2/18/05	Expiration Date:
Title: Environmental and Safety Coordinator	Conditions of Approval: obtain lab samples and analysis	Attached <input type="checkbox"/>
E-mail Address: Jeff_Clement@xtoenergy.com		
Date: 2/15/2005 Phone: 324-1090		

* Attach Additional Sheets If Necessary

11 DG F0501033262

BLAGG ENGINEERING, INC. (BEI)

P.O. Box 87, Bloomfield, New Mexico 87413

Phone: (505) 632-1199 Fax: (505) 632-3903

February 14, 2005

Mr. Jeff Clement - Environmental & Safety Coordinator
XTO Energy Inc. - (XTO)
2700 Farmington Ave., Bldg. K, Suite 1
Farmington, New Mexico 87401

**RE: XTO Energy Inc. (XTO) – Kutz Federal # 11E Spill/Release Cleanup
Unit C, SEC. 20, T28N, R10W, NMPM, San Juan County, New Mexico**

Dear Mr. Clement:

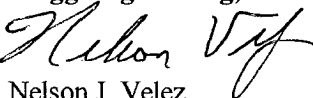
BEI respectfully submits the attached data affiliated with the Kutz Federal # 11E spill/release (release amount approximately 20 barrels of fluid) reported on December 29th, 2004 at approximately 2:30 pm.

Briefly summarizing the cleanup effort which took place on February 1st, 2005; two (2) borings were advanced. BEI, utilizing an Earthprobe 200 mobile drill rig, reached auger refusal at approximately 15 to 16 ft. below grade respectively (see attached Bore/Test Hole Report) due to bedrock sandstone. It was then determined by BEI to remediate the remaining contamination passively; implementing a vertical vent pipe perforated between 1-16 & 1-15 feet below grade, respectively. BEI notified both XTO and NMOCD of this approach prior to the drilling.

Based upon the attached information given, we recommend XTO to request closure based on risk that the remaining soil contamination (between 0-10 & 7-13 ft. below grade, respectively) does not appear to pose a present or future threat to groundwater, health, or to the environment.

If you have any questions or comments concerning this documentation, please contact Jeff Blagg or myself at the address or phone number listed above. Thank you for your cooperation.


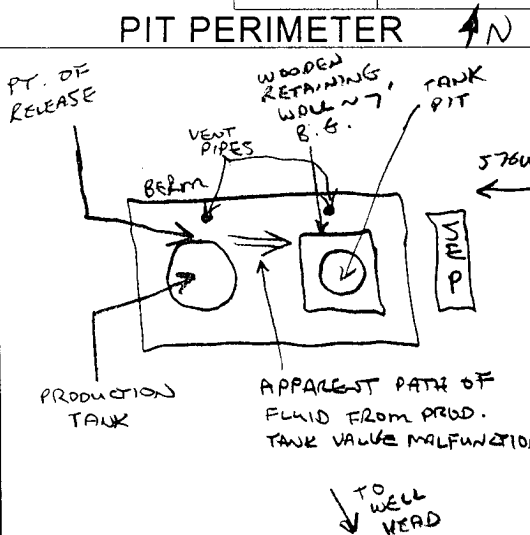
Respectfully submitted,
Blagg Engineering, Inc.


Nelson J. Velez
Staff Geologist

Attachments: Spill/Release Cleanup Documentation – 5 copies

30045 30764

36.65175/107.92318

CLIENT: <u>XTO</u>	BLAGG ENGINEERING, INC. P.O. BOX 87, BLOOMFIELD, NM 87413 (505) 632-1199	LOCATION NO: <u>N/A</u> COCR NO: <u>—</u>																																																			
FIELD REPORT: SPILL CLOSURE VERIFICATION		PAGE No: <u>1</u> of <u>1</u>																																																			
LOCATION: NAME: <u>KUTZ FEDERAL</u> WELL #: <u>11E</u> TYPE: <u>PROD. TANK</u> QUAD/UNIT: <u>C</u> SEC: <u>20</u> TWP: <u>28N</u> RNG: <u>10W</u> PM: <u>NM</u> CNTY: <u>ST</u> ST: <u>NM</u> QTR/FOOTAGE: <u>1200'N/1400'W</u> NE(W) CONTRACTOR: <u>—</u>		DATE STARTED: <u>12/30/04</u> DATE FINISHED: <u>—</u> ENVIRONMENTAL SPECIALIST: <u>NV</u>																																																			
EXCAVATION APPROX. <u>NA</u> FT. x <u>NA</u> FT. x <u>NA</u> FT. DEEP. CUBIC YARDAGE: <u>NA</u> DISPOSAL FACILITY: <u>ON-SITE</u> REMEDIATION METHOD: <u>PASSIVE VENTS</u> LAND USE: <u>RANGE - BLM</u> LEASE: <u>SF 047039A</u> FORMATION: <u>DK</u>																																																					
FIELD NOTES & REMARKS: <u>PROD. TANK</u> LOCATED APPROXIMATELY <u>105</u> FT. <u>N43W</u> FROM WELLHEAD. DEPTH TO GROUNDWATER: <u>>100'</u> NEAREST WATER SOURCE: <u>>1000'</u> NEAREST SURFACE WATER: <u>>1000'</u> NMOCD RANKING SCORE: <u>0</u> NMOCD TPH CLOSURE STD: <u>5000</u> PPM																																																					
SOIL AND EXCAVATION DESCRIPTION:		OVM CALIB. READ. = <u>—</u> ppm OVM CALIB. GAS = <u>—</u> ppm RF = 0.52 TIME: <u>—</u> am/pm DATE: <u>—</u>																																																			
SOIL TYPE: <u>SAND</u> / SILTY SAND / SILT / SILTY CLAY / CLAY / GRAVEL / OTHER <u>BEDROCK (SANDSTONE)</u> SOIL COLOR: <u>VERY PALE ORANGE TO DK. YELL. BROWN (ASSUMED IMPACTED SOIL)</u> COHESION (ALL OTHERS): <u>NON COHESIVE</u> / SLIGHTLY COHESIVE / COHESIVE / HIGHLY COHESIVE CONSISTENCY (NON COHESIVE SOILS): <u>LOOSE (FIRM)</u> DENSE / VERY DENSE PLASTICITY (CLAYS): <u>NON PLASTIC</u> / SLIGHTLY PLASTIC / COHESIVE / MEDIUM PLASTIC / HIGHLY PLASTIC DENSITY (COHESIVE CLAYS & SILTS): <u>SOFT</u> / FIRM / STIFF / VERY STIFF / HARD MOISTURE: <u>DRY</u> / SLIGHTLY MOIST / MOIST / WET / SATURATED / SUPER SATURATED DISCOLORATION/STAINING OBSERVED: <u>YES</u> / NO EXPLANATION: <u>DK. YELL. BROWN (SEE ATTACHED BORING LOGS)</u> HC ODOR DETECTED: <u>YES</u> / NO EXPLANATION: <u>IN DISCOLORED SOIL PORTION ONLY.</u> SAMPLE TYPE: <u>GRAB/COMPOSITE</u> - # OF PTS. <u>—</u> ADDITIONAL COMMENTS: <u>ENCOUNTERED BEDROCK @ 15' (BORING NEAR PROD. TANK) & @ 16' (BORING NEAR TANK PIT) BELOW GRADE. UNABLE TO COLLECT SAMPLE @ TOTAL DEPTH IN EITHER BORING (TOO LOOSE). NO PHYSICAL EVIDENCE OF HC @ T.D.'S.</u>																																																					
FIELD 418.1 CALCULATIONS																																																					
SCALE  0 FT	<table border="1" style="width:100%"><thead><tr><th>SAMP. TIME</th><th>SAMP. ID</th><th>LAB NO.</th><th>WEIGHT (g)</th><th>mL FREON</th><th>DILUTION</th><th>READING</th><th>CALC. (ppm)</th></tr></thead><tbody><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></tbody></table>							SAMP. TIME	SAMP. ID	LAB NO.	WEIGHT (g)	mL FREON	DILUTION	READING	CALC. (ppm)																																						
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TRAVEL NOTES: CALLOUT: <u>12/30/04</u> ONSITE: <u>12/31/04 & 2/1/05</u>																																																					