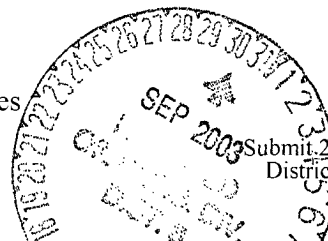


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 March 17, 1999

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

**Release Notification and Corrective Action**

**OPERATOR**

Name of Company	<b>ConocoPhillips Company</b>	Contact	<b>Virgil Chavez</b>
Address	<b>5525 Hwy. 64, Farmington, NM 87401</b>	Telephone No.	<b>505-599-3463</b>
Facility Name	<b>San Juan 31-6 Unit #205A</b>	Facility Type	<b>Gas Well</b>
		<b>API # 30-039-27471</b>	
Surface Owner	<b>Federal - BLM</b>	Mineral Owner	<b>Federal - BLM</b>
		Lease No.	<b>NMSF-079012</b>

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<b>O</b>	<b>4</b>	<b>T30N</b>	<b>R6W</b>	<b>695</b>	<b>South</b>	<b>1995</b>	<b>East</b>	<b>Rio Arriba</b>

**NATURE OF RELEASE**

Type of Release	<b>Produced Water</b>	Volume of Release	<b>3660 BBL</b>	Volume Recovered	<b>0 BBL</b>
Source of Release	<b>Leak in reserve pit liner</b>	Date and Hour of Occurrence	<b>9/3/03</b>	Date and Hour of Discovery	<b>9/3/03</b>
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
		<b>Charlie Perrin/Denny Foust - OCD - via phone</b>			
By Whom?	<b>Richard Allred</b>	Date and Hour			
		<b>9/4/03 16:38</b>			
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 Sept. 3, Phillip Taylor noticed that the water level in the reserve pit located on the SJ 31-6 #205A had dropped from the level previously noted August 29. A leak in the pit liner was suspected. The pit was emptied with a recovery of 400 barrels of water. The pit liner was examined and several holes were discovered, probably caused by sharp rocks under the pit liner. The volume recorded by the Halliburton water meter located on the flow line into the pit was 4060 barrels of produced water. The apparent volume of loss is 3660 barrels. The holes were repaired by O.R.E. Systems and the pit was filled with water. Water analysis yielded a TDS of 8380 ppm. The well was drilled and water levels monitored. It was determined that the liner was still leaking and the water was transferred to the SJ 31-6 #210A and SJ 31-6 #203A reserve pits (per discussion w/ Denny Foust). The pit will then be re-lined and re-filled for cavitation use. ConocoPhillips Co. will now pad (felt underliner) all reserve pits unless it is determined that absolutely no benefit will be derived from padding the liner. ConocoPhillips Co. has also met with our construction contractors and have advised them to take greater care when preparing the reserve pits to be lined.**

Describe Area Affected and Cleanup Action Taken.\* **A .25 mile radius of the well location was surveyed for any signs of the leak resurfacing. No evidence of the leak is apparent in the surrounding area and arroyos.**

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:		<b>OIL CONSERVATION DIVISION</b>	
Printed Name:	<b>Virgil Chavez</b>	Approved by District Supervisor:	
Title:	<b>Wellsite Safety &amp; Environmental Representative</b>	Approval Date:	<b>10/2/03</b>
Date:	<b>926/03</b>	Expiration Date:	
Phone:	<b>505-599-3463</b>	Conditions of Approval:	Attached <input type="checkbox"/>

1 DGF0324 827807

2

# ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

## Water Analysis

Client:	ConocoPhillips	Project #:	96052-026-000
Sample ID:	Reserve Pit	Date Reported:	09-09-03
Laboratory Number:	26529	Date Sampled:	09-05-03
Sample Matrix:	Water	Date Received:	09-05-03
Preservative:	Cool	Date Analyzed:	09-08-03
Condition:	Cool & Intact	Chain of Custody:	11298

Parameter	Analytical Result	Units
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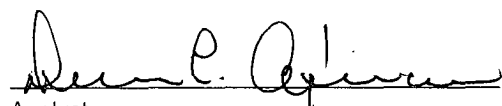
Total Dissolved Solids @ 180C

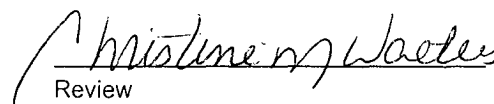
8,380

mg/L

Reference: U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.  
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: San Juan 31-6 205A.

  
Analyst

  
Review