

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 | ConocoPhillips Company | Contact | Monica D. Johnson |
| Address | 5525 Hwy. 64, Farmington, NM 87401 | Telephone No. | 505-599-3458 |
| Facility Name | San Juan 29-6 #88M | Facility Type | Gas Well |
| Surface Owner | Federal | Mineral Owner | Federal |
| | | Lease No. | NMNM03471A |
| | | | API # 30-039-27554 |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|-----|----------|-------|---------------|------------------|---------------|----------------|------------|
| Unit Letter | Sec | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| F | 33 | T29N | R6W | 1740' | North | 2630' | West | Rio Arriba |

Latitude 36.41.0802° Longitude 107.28.0677°

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release - Drill Cuttings/Mud | Volume of Release - To be determined | Volume Recovered - n/a |
| Source of Release: Torn Pit Liner | Date and Hour of Occurrence 1/27/06 2:00 p.m. | Date and Hour of Discovery 1/27/06 - 2:30 p.m. |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Denny Foust - OCD - via phone by Jim Fodor & via email Mark Kelly - BLM - via email | |
| By Whom? Jim Fodor | Date and Hour - 1/27/06 - 4:15 p.m. | |
| 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 **Drilling Supervisor, Jim Fodor reported a tear in a pit liner at the San Juan 29-6 Unit #88M well. The tear occurred on Friday, 1/27/06 at approximately 2:00 p.m. and was witnessed by a rig employee as the tear occurred. The rig employee reported he heard a noise and looked toward the pit. He witnessed the liner tear and one section of the liner sink into the pit beneath the surface. Immediately after the tear, there appeared to be no drop in fluid level indicating seepage if any was minimal. The drilling pit contained drill cuttings, gel, and mud which may have helped prevent seepage to the soil.**

Describe Area Affected and Cleanup Action Taken.* **The level in the lined pit was approximately 2 feet from top of pit berm when the tear occurred. The pit is being emptied by vacuum truck and contents transferred to frac tanks on location and also lined pit at SJ 29-6 #74C (not yet drilled). The liner will be inspected and repaired. The soil under the liner will be sampled and analysis submitted to OCD prior to closure of pit.**

Per Virgil Chavez (COPC): An investigation was conducted on the liner failure. Samples of the liner were taken and analyzed. The construction of liner was deemed satisfactory. A visual examination of the pit walls indicated no signs of abnormal settling. The likely cause of the liner tear was due to the liner becoming excessively tight when high winds caused the liner to "bunch up" on the opposite side of the pit before water was added.

The contents of the pit were sampled on 01/31/06 by Frank McDonald with BEST. Attached are a copy of the results. The pit was closed on February 20, 2006 after receiving verbal approval to close the pit from Denny Foust.

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: <i>Monica D. Johnson</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Monica D. Johnson | Approved by District Supervisor: <i>Brandon Powell</i> For: <i>Charlie Perriu</i> | |
| Title: Environmental Specialist | Approval Date: <i>5/26/2006</i> | Expiration Date: |
| E-mail Address: monica.johnson@conocophillips.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 5/24/06 Phone: 505-599-3458 | | |

* Attach Additional Sheets If Necessary

nBP0615234249

3

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8021 AROMATIC VOLATILE ORGANICS

| | | | |
|--------------------|----------------|---------------------|---------------|
| Client: | ConocoPhillips | Project #: | 96052-026-194 |
| Sample ID: | Res, Pit | Date Reported: | 02-01-06 |
| Chain of Custody: | 15441 | Date Sampled: | 01-31-06 |
| Laboratory Number: | 35988 | Date Received: | 01-31-06 |
| Sample Matrix: | Water | Date Analyzed: | 02-01-06 |
| Preservative: | Cool | Analysis Requested: | BTEX |
| Condition: | Cool & Intact | | |

| Parameter | Concentration (ug/L) | Dilution Factor | Det. Limit (ug/L) |
|--------------|-------------------------|--------------------|-------------------------|
| Benzene | 6.0 | 1 | 0.2 |
| Toluene | 11.8 | 1 | 0.2 |
| Ethylbenzene | 0.9 | 1 | 0.2 |
| p,m-Xylene | 10.5 | 1 | 0.2 |
| o-Xylene | 2.5 | 1 | 0.1 |

Total BTEX **31.7**

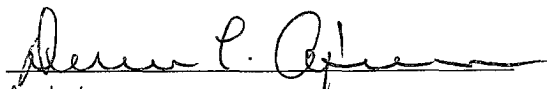
ND - Parameter not detected at the stated detection limit.

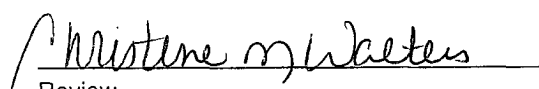
| Surrogate Recoveries: | Parameter | Percent Recovery |
|-----------------------|----------------------|------------------|
| | fluorobenzene | 100 % |
| | 1,4-difluorobenzene | 100 % |
| | 4-bromochlorobenzene | 100 % |

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Method 8021B, Aromatic and Halogenated Volatiles by Gas Chromatography Using Photoionization and/or Electrolytic Conductivity Detectors, SW-846, USEPA December 1996.

Comments: **SJ 29-6 #88M.**


Analyst


Review

ENVIROTECH LABS

Practical Solutions For A Better Tomorrow

CATION / ANION ANALYSIS

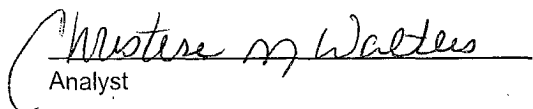
Client: ConocoPhillips
Sample ID: Res. Pit
Laboratory Number: 35988
Chain of Custody: 15441
Sample Matrix: Water
Preservative: Cool
Condition: Cool & Intact

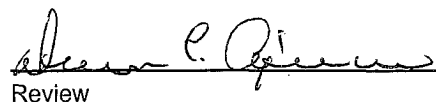
Project #: 96052-026-194
Date Reported: 02-02-06
Date Sampled: 01-31-06
Date Received: 01-31-06
Date Extracted: N/A
Date Analyzed: 02-01-06

| Parameter | Analytical Result | Units | | |
|-------------------------------|-------------------|----------|-------|-------|
| pH | 10.13 | s.u. | | |
| Conductivity @ 25° C | 3,810 | umhos/cm | | |
| Total Dissolved Solids @ 180C | 2,460 | mg/L | | |
| Total Dissolved Solids (Calc) | 2,440 | mg/L | | |
| SAR | 6.9 | ratio | | |
| Total Alkalinity as CaCO3 | 50.8 | mg/L | | |
| Total Hardness as CaCO3 | 598 | mg/L | | |
| Bicarbonate as HCO3 | 3.2 | mg/L | 0.05 | meq/L |
| Carbonate as CO3 | 47.6 | mg/L | 1.59 | meq/L |
| Hydroxide as OH | <0.1 | mg/L | 0.00 | meq/L |
| Nitrate Nitrogen | 0.64 | mg/L | 0.01 | meq/L |
| Nitrite Nitrogen | 0.58 | mg/L | 0.01 | meq/L |
| Chloride | 124 | mg/L | 3.50 | meq/L |
| Fluoride | 2.43 | mg/L | 0.13 | meq/L |
| Phosphate | 6.1 | mg/L | 0.19 | meq/L |
| Sulfate | 1,410 | mg/L | 29.36 | meq/L |
| Iron | 0.010 | mg/L | 0.00 | meq/L |
| Calcium | 239 | mg/L | 11.94 | meq/L |
| Magnesium | <0.01 | mg/L | 0.00 | meq/L |
| Potassium | 236 | mg/L | 6.05 | meq/L |
| Sodium | 386 | mg/L | 16.79 | meq/L |
| Cations | | | 34.78 | meq/L |
| Anions | | | 34.83 | meq/L |
| Cation/Anion Difference | | | 0.16% | |

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: SJ 29-6 #88M.


Analyst


Review