

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 | Southern Union Gas Services            | Contact       | Rose Slade           |
| Address         | 801 South Loop 464, Monahans, TX 79756 | Telephone No. | 432-940-5147         |
| Facility Name   | Line 2-C 12"                           | Facility Type | Natural Gas Pipeline |
| Surface Owner   | George Willis                          | Mineral Owner |                      |
|                 |  | API No        | 30-025-28822         |

**LOCATION OF RELEASE**

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| A           | 27      | 25S      | 37E   |               |                  |               |                | Lea    |

Latitude 32 degrees 06.397' Longitude 103 degrees 08.531'

**NATURE OF RELEASE**

|                             |   |   |                              |                            |                              |
|-----------------------------|---|---|------------------------------|----------------------------|------------------------------|
| Type of Release             | Natural Gas, Crude Oil and Produced Water   | Volume of Release   | 20 BBLS                      | Volume Recovered           | 17 BBLS                      |
| Source of Release           | 12-Inch Steel Pipeline (Low Pressure)   | Date and Hour of Occurrence                                       | February 15, 2011 - 1145 hrs | Date and Hour of Discovery | February 15, 2011 - 1326 hrs |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>Geoffrey Leking - NMOCD Hobbs District Office |                              |                            |                              |
| By Whom?                    | Rose L. Slade   | Date and Hour   | February 16, 2011 - 1310 hrs |                            |                              |
| 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.\*  
Failure of a segment of the twelve (12) inch low-pressure steel pipeline resulted in the release of approximately twenty (20) barrels of a mixture of crude oil and produced water. The cause of the failure was attributed to internal corrosion. An unknown volume of natural gas was released to the atmosphere. Following discovery of the release, a temporary pipeline clamp was employed to mitigate the release. A vacuum truck was able to recover approximately seventeen (17) barrels of the released mixture.

Describe Area Affected and Cleanup Action Taken.\*  
An area of range land measuring approximately 200 square feet was affected by the release. The release will be remediated to NMOCD regulatory guidelines.

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: Rose L. Slade  | Approved by District Supervisor: |  |
| Title: EHS Compliance Specialist   | Approval Date:                   | Expiration Date:                             |
| E-mail Address: rose.slade@sug.com   | Conditions of Approval:          | Attached <input checked="" type="checkbox"/> |
| Date: February 21, 2011  | Phone: 432-940-5147              |  |

\* Attach Additional Sheets If Necessary