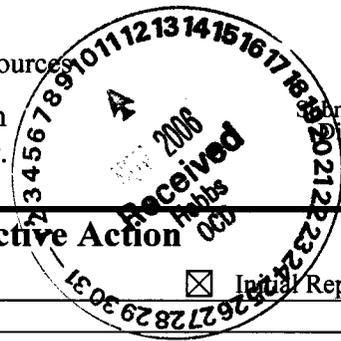


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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, Ltd.	Contact	Tony Savoie
Address	P.O. Box 1226 Jal, N.M. 88252	Telephone No.	505-395-2116
Facility Name	Lea County Field Dept.	Facility Type	Natural Gas Gathering
Surface Owner: Federal	Mineral Owner: Federal	Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	7	23S	34E					Lea

329' GW

Latitude N32 19.563 Longitude W103 30.334

NATURE OF RELEASE

Type of Release : Crude oil, and natural gas	Volume of Release: 90 mcf gas, 7 bbls crude oil	Volume Recovered	0 bbls
Source of Release	6" Pipeline	Date and Hour of Occurrence	Date and Hour of Discovery 10/29/06 Time: 11:00 a.m.
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	Gary Wink was contacted at 0800 on 10/30/06
By Whom? Tony Savoie, Southern Union Gas Services	Date and Hour: 10/30/06 0800		
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.*
The 6" steel gathering pipeline, operating at 25 psi developed a leak, the line was excavated and a temporary leak repair clamp was placed on the affected area. Normal operating pressure on the line is 20 psi to 30 psi, with a potential H2S content of 4000 ppm.

Describe Area Affected and Cleanup Action Taken. The affected area is pasture. An area covering approximately 1000 sq. ft. was affected by the release and response activities. Remediation activities will start after the landowner has approved the remediation plan. All remediation activities will follow the NMOCD Recommended Guidelines For The Remediation of Leaks and Spills.

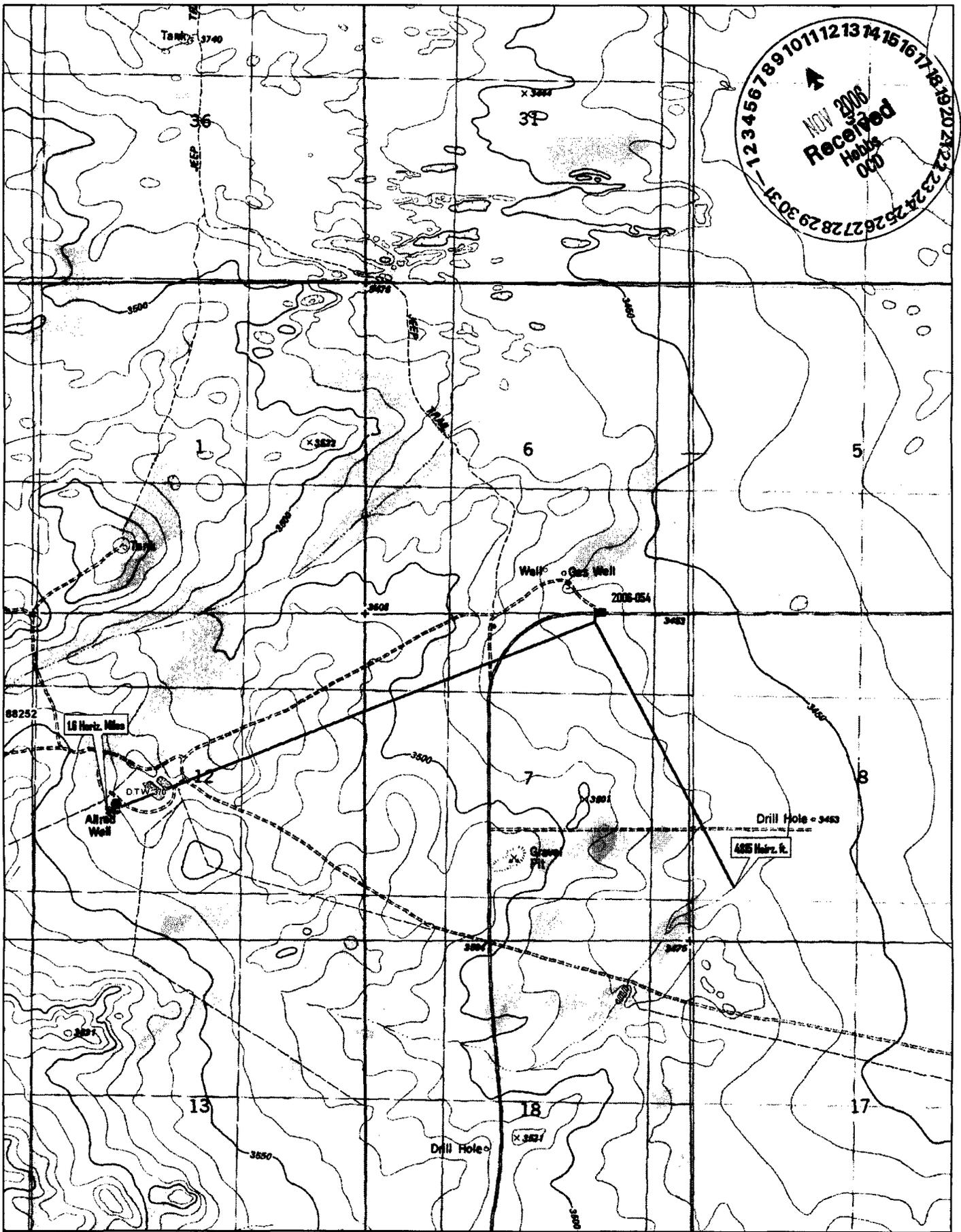
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger 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: Tony Savoie		OIL CONSERVATION DIVISION	
Printed Name: John A. Savoie		Approved by District Supervisor: <i>[Signature]</i>	
Title: EH&S Comp. Coord.	Approval Date: 11-18-06	Expiration Date: 12-18-06	
E-mail Address: john.savoie@sug.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 11/9/06	Phone: 505-395-2116		

* Attach Additional Sheets If Necessary

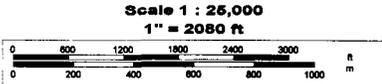
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application - nPAC0632156431

RP#1127



DELORME

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www.delorme.com



A-14 6"
#2006-054
Ranking Analysis

NMOCD Standards			Points
Depth to Ground Water	Greater than 100 ft.		0
Depth to Ground Water	Less than 100 ft. but greater than 50 ft.		10
Depth to Ground Water	Less than 50 ft.		20
Well Head Protection	Less than 1000 ft. from a water source, or;	Yes	20
	Less than 200 ft. from private domestic water source	No	0
Distance to Surface water body	Less than 200 Horizontal. ft.		20
Distance to Surface water body	200 to 1000 Horizontal ft.		10
Distance to Surface water body	Greater than 1000 Horizontal ft.		0
Action levels	>19	10-19	0-9
Benzene (mg/kg)	10	10	10
BTEX (mg/kg)	50	50	50
TPH (mg/kg)	100	1000	5000

Site Ranking		Points
Depth to Ground Water "Avg."	300 ft.	0
Well Head Protection	1.6 Horiz. Miles	0
Surface Water Body	4825 Horiz. Ft.	0
Total Ranking Score		0

Site Closure Objective	
Benzene (mg/kg)	10
BTEX (mg/kg)	50
TPH (mg/kg) "Surface"	5000

Remediation Plan:
All affected soil will be excavated and sampled for the presence of Hydrocarbons EPA method (8015M)
Soil with TPH values greater than 5000 mg/kg with will be transported to the Southern Union Gas
Landfarm or remediated on site following the NMOCD guidelines for the remediation of leaks and spills.
Soil samples will be collected from the excavation and analyzed for Hydrocarbons EPA method (8015M)
All samples will be field screened with a "PID" The soil sample with the highest PID reading will be analyzed separately and tested for BTEX.

