

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1009 Rio Grande 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

Initial Report

Final Report

Name of Company	YTO Energy, Inc.	Contact	Gene Hudson
Address	P.O. Box 700, Eunice, NM 88231	Telephone No.	575-441-1634
Facility Name	N/A #204 Tank Battery	Facility Type	Production

Surface Owner	Fred Pearce	Mineral Owner		Lease No.		Facility	
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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
B	24	17.S	34E					Lea

NATURE OF RELEASE

Type of Release	Produced Water + Some Oil	Volume of Release	25W/400 Volume Recovered	20W/3 oil	
Source of Release	Produced Water Tank over flowed	Date and Hour of Occurrence	8/11/07	Date and Hour of Discovery	9/9/07
Was Immediate Notice Given?	☒ Yes ☐ No ☐ Not Required	If YES, To Whom?	N.M.O.C.D. Pat Richards voice mail		
By Whom?	Gene Hudson	Date and Hour	10-9-07	7:00 am	
Was a Watercourse Reached?	☐ Yes ☒ No	If YES, Volume Impacting the Watercourse	N/A		

If a Watercourse was impacted, Describe Fully.

N/A

Describe Cause of Problem and Remedial Action Taken.

Power failure at Battery caused the water transfer pumps to be off. Water Tanks high leveled and over flowed. Vacuum truck picked up 20 bbl. water and 3 bbl. oil off the ground. A backhoe removed the affected soil and placed it on 20 mil plastic.

Describe Area Affected and Cleanup Action Taken.

The contaminated soil was hauled to Sundance at Eunice, N.M., 36 yards of top soil was hauled in and the location was reseeded on 11-9-2007 with BLM seed mixture #2.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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.

OIL CONSERVATION DIVISION

Signature: *Gene Hudson*

Printed Name: Gene Hudson

Title: Maintenance Foreman

Date: 10-9-07

Phone: 575-441-1634

Approved by: District Supervisor

ENVIRONMENTAL ENGINEER

Approval Date: 10-9-07

Expiration Date: 12-10-07

Conditions of Approval: COMPLETE

Attached ☐

Attach Additional Sheets If Necessary

CLEANUP & SUBMIT FINAL C-141 BY

Pat Richards
COMPLIANCE OFFICER

RP#1610

396-602

10/09/2007 12:14 FAX

PAGE 01/01
002/002

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side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report☐ Final Report

Name of Company	YTO Energy, Inc.	Contact	Gene Hudson
Address	P.O. Box 700, Eunice, NM 88231	Telephone No.	505-441-1634
Facility Name	NRA # 204 Tank Battery	Facility Type	Production
Surface Owner	Fred Pearce	Mineral Owner	
		Lease No.	Facility

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	24	17.5	34E					Lea

NATURE OF RELEASE

(104)

Type of Release	Produced water & some oil	Volume of Release	25 w/ 4 oil	Volume Recovered	20 w/ 3 oil
Source of Release	Produced water tank over flowed	Date and Hour of Occurrence	10-9-07	Date and Hour of Discovery	9/7/07
Was Immediate Notice Given?	☒ Yes ☐ No ☐ Not Required	If YES, To Whom?	N.M.O.C.D. Pat Richards voice mail		
By Whom?	Gene Hudson	Date and Hour	10-9-07	3:00 PM	
Was a Watercourse Reached?	☐ Yes ☒ No	If YES, Volume Impacting the Watercourse	N/A		

If a Watercourse was Impacted, Describe Fully.

N/A

Describe Cause of Problem and Remedial Action Taken.

Power failure at Battery caused the water transfer pumps to be off. Water Tanks high leveled and over flowed. Vacuum truck picked up 20 bbl. water and 3 bbl. oil off the ground. A backhoe removed the affected soil and placed it on 20 mil plastic.

Describe Area Affected and Cleanup Action Taken.

Approx 10' X 70' area in rock and caliche pasture had produced water and oil released. It was vacuumed up and a backhoe removed the soil to 20 mil plastic. Soil samples will be submitted for testing, and will remediate affected area per O.C.D. requirements.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NM O.C.D. 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 NM O.C.D. 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, NM O.C.D. 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.

OIL CONSERVATION DIVISION

Signature: <i>Gene Hudson</i>	Approved by: <i>JD Johnson</i>	
Printed Name: Gene Hudson	ENVIRONMENTAL ENGINEER	
Title: Maintenance Foreman	Approval Date: 10-9-07	Expiration Date: 12-10-07
Date: 10-9-07	Phone: 505-441-1634	Conditions of Approval: COMPLETE
Attach Additional Sheets If Necessary		Attached ☐ <i>1</i>

CLEANUP & SUBMIT FINAL C-141 BY

RP#1610

396-6025



ARDINAL LABORATORIES

PHONE (925) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBBS, NM 86240

ANALYTICAL RESULTS FOR
XTO ENERGY INC.
ATTN: GENE HUDSON
P.O. BOX 700
EUNICE, NM 88231
FAX TO: (575) 394-3362

Receiving Date: 10/10/07
Reporting Date: 10/12/07
Project Number: 505-441-1634
Project Name: NVA #204 BATTERY
Project Location: BUCKEYE, NM

Sampling Date: 10/10/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: SB
Analyzed By: CK/HM/KS

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₂) (mg/Kg)	DRO (>C ₁₂ -C ₂₈) (mg/Kg)	CI* (mg/Kg)
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ANALYSIS DATE	10/11/07	10/11/07	10/11/07
H13476-1 SOUTH 2"	<25.0	4340	320
H13476-2 EAST 2"	1050	5460	<18
H13476-3 WEST 3"	<20.0	149	1250
H13476-4 NORTH 3"	<50.0	102	64
H13476-5 CENTER 3"	331	2330	16
Quality Control	514	555	500
True Value QC	500	500	500
% Recovery	103	111	100
Relative Percent Difference	8.5	4.0	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Std. Methods 4500-CIG

*Analyses performed on 1:4 w:v aqueous extracts.

Chemist

Date

H13476TCL XTO

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever, shall be deemed waived unless made in writing and resolved by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



ARDINAL LABORATORIES

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PHONE (505) 393-2328 • 101 E MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR

XTO ENERGY INC.

ATTN: GENE HUDSON

P.O. BOX 700

EUNICE, NM 88231

FAX TO: (575) 394-3362

Receiving Date: 10/23/07

Reporting Date: 10/24/07

Project Number: 505-441-1634

Project Name: NVA #204 BATTERY

Project Location: BUCKEYE, NM

Sampling Date: 10/23/07

Sample Type: SOIL

Sample Condition: COOL & INTACT

Sample Received By: SB

Analyzed By: CK/KS

LAB NUMBER	SAMPLE ID		GRO	DRO	Cl ⁻
			(C ₈ -C ₁₂) (mg/kg)	(>C ₁₂ -C ₂₅) (mg/kg)	(mg/kg)
ANALYSIS DATE			10/23/07	10/23/07	10/23/07
H13565-1	NORTH	6"	<10.0	218	80.0
H13565-2	SOUTH	6"	<10.0	604	32.0
H13565-3	EAST	8"	<10.0	77.8	128
H13565-4	WEST	6"	<10.0	1020	16.0
H13565-5	CENTER	8"	<10.0	383	256
Quality Control			435	378	500
True Value QC			500	500	500
% Recovery			87.0	76.0	100
Relative Percent Difference			13.1	3.0	2.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Std. Methods 4500-Cl⁻B

*Analyses performed on 1:4 w:v aqueous extracts.

Chemist

Date

H13565TCL XTO

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

Company Name: XTO Energy Inc.						BILL TO							ANALYSIS REQUEST															
Project Manager: Gene Hudson						P.O. #:																						
Address: P.O. Box 700						Company:																						
City: Eunice			State: N.M. Zip: 88231			Attn: GENE HUDSON																						
Phone #: 575-394-2089			Fax #: 575-394-3362			Address:																						
Project #: 505-441-1634			Project Owner:			City:																						
Project Name: NVA #204 Battery						State: Zip:																						
Project Location: Buckeye, N.M.						Phone #:																						
Sampler Name: Gene Hudson						Fax #:																						
FOR USE ONLY						MATRIX					PRESERV			SAMPLING														
Lab I.D.	Sample I.D.					(G)RAB OR (C)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SUDGE	OTHER:	ACID/BASE	ICE / COOL	OTHER:	DATE	TIME										
H13565-1	North					X	1			X							10-23-07	1015A	X	X								
2	South					X	1			X							10-23	1030A										
3	East					X	1			X							10-23	955A										
4	West					X	1			X							10-23	1025A										
5	Center					X	1			X							10-23	1030A										

PLEASE NOTE: Liability and Damages. Candidate's liability and entire exclusive remedy for any claim arising whether based in contract or tort shall be limited to the amount paid by the client for the services received. Applying under this agreement and any other cause whatsoever shall be deemed waived unless made in writing and received by Candidate within 30 days after completion of the applicable service. In no event shall Candidate be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or losses of profits incurred by client or its subsidiaries, affiliates, or subsidiaries. This limitation shall not be construed to limit the performance of services hereunder by Candidate, regardless of whether such claim is based upon any of the above stated elements or otherwise.

Relinquished By:	Date:	Received By:	Phone Result:	☐ Yes ☐ No	Add'l Phone #:
<i>Sue Barnes</i>	10-23-07		Fax Result:	☒ Yes ☐ No	Add'l Fax #:
	Time:		REMARKS:		
	12:2 PM				
Relinquished By:	Date:	Received By:			
	Time:				
		<i>Sue Barnes 10/23/07 1:30p</i>			
Delivered By: (Circle One)	Sample Condition:	Checked By:			
<u>Sampler</u> - UPS - Bus - Other:	Cool Intact	(Initials)			
	☒ Yes ☐ No	<i>SB</i>			
	☐ Yes ☐ No				

† Cardinal cannot accept verbal changes. Please fax written changes to 605-393-2476



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

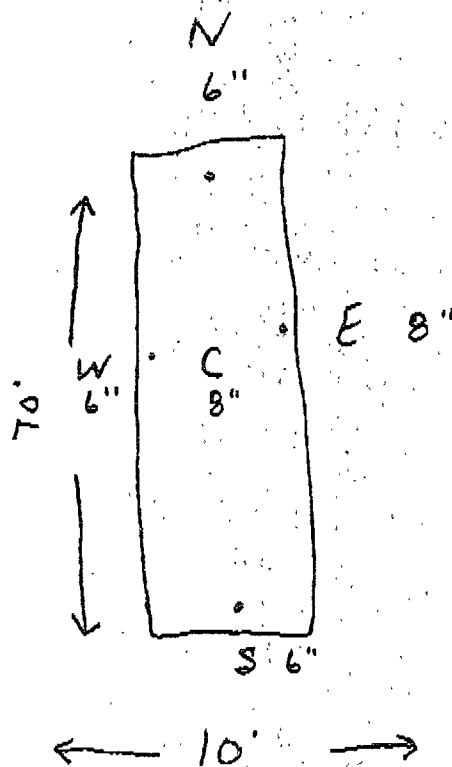
Company Name: XTD Energy Inc.				BILL TO		ANALYSIS REQUEST																									
Project Manager: Gene Hudson				P.O. #:		C1 TPH 8015A7																									
Address: P.O. Box 700				Company:																											
City: Eunice N.M. State: NM. Zip: 88231				Attn: Gene Hudson																											
Phone #: 505-394-2089 Fax #: 505-394-3362				Address:																											
Project #: 505-441-1634 Project Owner:				City:																											
Project Name: NVA #204 Battery				State: Zip:																											
Project Location: Buckeye, N.M.				Phone #:																											
Sampler Name: Gene Hudson				Fax #:																											
FOR LAB USE ONLY																															
Lab I.D.		Sample I.D.		(G)RAB OR (C)OMP	# CONTAINERS	MATRIX						PRESERV.		SAMPLING																	
						GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER	DATE													TIME			
H134761		South		X	X				X							10-10-07	1107A	X	X												
-2		East		X	X				X							10-10-07	1108A	X	X												
-3		West		X	X				X							10-10-07	1120A	X	X												
-4		North		X	X				X							10-10-07	1115A	X	X												
5		Center		X	X				X							10-10-07	1052A	X	X												

PLEASE NOTE - Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for: incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client. Its subsidiaries, affiliates or successors arising out of or related to the performance of services rendered by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By: <i>Gene Hudson</i>		Date: 10-10-07		Received By:		Phone Result: ☐ Yes ☒ No Add'l Phone #:	
		Time: 1:20P				Fax Result: ☒ Yes ☐ No Add'l Fax #:	
Relinquished By:		Date: 10/10/07		Received By: <i>Sue Barnes</i>		REMARKS:	
		Time: 1:20PM					
Delivered By: (Circle One)				Sample Condition		CHECKED BY:	
☒ Sampler ☐ UPS ☐ Bus ☐ Other:				Cool Intact		(Initials)	
				☒ Yes ☐ No		<i>SB</i>	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

NVA #204
Produced Water
Tanks



NVA#204
10-23-07

Soil Samples

XTO Energy