

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

30-015-28268

Release Notification and Corrective Action

OPERATOR

X Initial Report ☐ Final Report

Name of Company: NGX Company	7269	Contact: George Scott
Address: PO Box 5 Roswell NM 88202-0005		Telephone No. # 505.350.2030
Facility Name McKee St. 1		Facility Type -oil well
Surface Owner: State of NM	Mineral Owner: NM State	Lease No. 7269

LOCATION OF RELEASE

Unit Letter O	Section 25	Township 24S	Range 28E	Feet from the 990	North/South Line South	Feet from the 1650	East/West Line East	County Eddy
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Latitude

Longitude

NATURE OF RELEASE

Type of Release: leaking line- misted to ground	Volume of Release: est. 20 gals	Volume Recovered -soaked soil
Source of Release: line off heater-treater	Date and Hour of Occurrence	Date and Hour of Discovery- April 4 th , 07
Was Immediate Notice Given? <input type="checkbox"/> Yes X No <input type="checkbox"/> Not Required	If YES, To Whom? Notice received from NMOCDD via letter of violation #029707	
By Whom? Pumper failed to notify NGX- was fired as result	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse. None	

If a Watercourse was Impacted, Describe Fully.*
NA

Describe Cause of Problem and Remedial Action Taken.*

Line off of heater-treater was open ended onto location and adjacent pasture, in violation of Rule 116 and Rule 13. All oil-contaminated soil will be excavated immediately upon approval of the work plan below and N2-rich fertilizer will be placed onto and tilled into the soil for remediation.

Describe Area Affected and Cleanup Action Taken.*

An area approx. 40 feet X 40 feet is affected by oil misting; the heater treater open line will be fixed and the oil-contaminated soil will be cleaned up by excavation (upon approval of this work plan) to CRI, then N2-rich fertilizer will be placed abundantly onto the clean soil profile and tilled into the soil for remediation. A follow-up work plan will then be submitted to the NMOCDD attn: Mr. Phil Hawkins.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCDD 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 NMOCDD 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, NMOCDD 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: George L. Scott III

Printed Name: George L. Scott III

Title: President

E-mail Address: geniiexploration@aol.com

Date: April 18, 2007

Phone: 505.350.2030

Approved by District Supervisor:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

* Attach Additional Sheets If Necessary

SEE ATTACHED



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

NGX Company
P.O. Box 5
Roswell, NM 88202-0005

April 23, 2007

Reference: McKee 001 30-015-28268 O-25-24s-28e Eddy County, New Mexico

Operator,

A release of produced fluids was discovered by a New Mexico Oil Conservation Division District 2 (OCD) field inspector at the above referenced well site on April 4, 2007. A Letter of Violation (LOV) was issued requesting a Form C-141 and a remediation work plan proposal be submitted to the OCD by NGX Company. On April 20, 2007, a Form C-141 was received via facsimile by the OCD. This Form C-141 is being denied for the following reasons:

- The form is not signed. An authorized company representative may do this.
- The reported release volume was 20 gallons. The reported impacted area was 40 feet x 40 feet. The OCD does not concur with this reported volume. Photos taken at the site are included with this correspondence.

Please re-submit a Form C-141 signed by an authorized company representative, and a more realistic volume release estimate. The work plan proposal requested is to be based on contaminant delineation, site ranking, and OCD Rules and Guidelines. A guide to formulating a remediation work plan may be found on the OCD website as follows:

- www.emnrd.state.nm.us/ocd Click on each of the following items as they appear:
- Publications
- Environmental Handbook
- Miscellaneous Guidelines
- Remediation of Leaks, Spills and Releases

Please submit the requested form and work plan proposal to the OCD District 2 Office no later than May 14, 2007

If I can be of assistance, please contact me

Sincerely,

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext. 108
(505) 626-0857
mike.bratcher@state.nm.us

Distribution: NGX Company (via US Postal Service); Phil Hawkins (NMOCD)

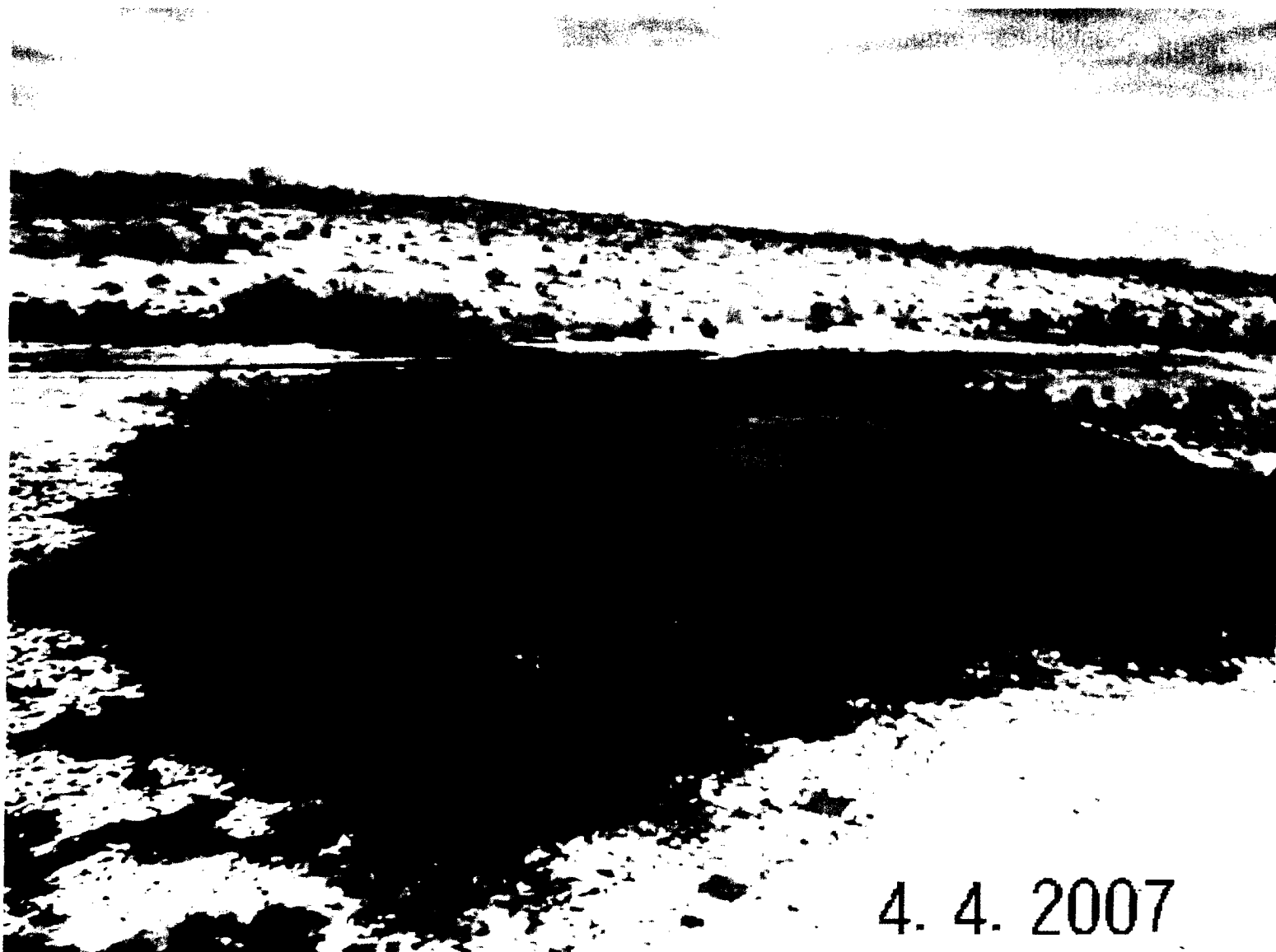


NGX Co.

McKee 001

30-015-28268

0-25-245-286



4. 4. 2007

NGX Co.

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