

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: XTO Energy, Inc. | Contact: James McDaniel | |
| Address 382 Road 3100, Aztec, New Mexico 87410 | Telephone No (505) 333-3701 | |
| Facility Name: Ohio C Govt #3 (30-045-07125) | Facility Type: Gas Well (Dakota) | |
| Surface Owner Federal | Mineral Owner. | Lease No . |

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|-------------------------|----------------------|-----------------------|--------------------|
| Unit Letter P | Section 26 | Township 28N | Range 11W | Feet from the 1190 | North/South Line FSL | Feet from the 990 | East/West Line FEL | County San Juan |
|------------------|---------------|-----------------|--------------|-----------------------|-------------------------|----------------------|-----------------------|--------------------|

RCVD FEB 11 '11

Latitude: 36.62905 Longitude: -107.96760

**OIL CONS. DIV.
DIST. 3**

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release Condensate/ Produced water | Volume of Release 43.5 BBLs | Volume Recovered None |
| Source of Release Damaged line on tank bottom | Date and Hour of Occurrence: 1/26/11 | Date and Hour of Discovery: 1/26/11 |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Brandon Powell | |
| By Whom? James McDaniel | Date and Hour. 1/27/11 - 10 36 AM | |
| Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | If YES, Volume Impacting the Watercourse. unknown | |

If a Watercourse was Impacted, Describe Fully *

Groundwater was encountered during excavation activities. Some visible product was seen floating on the groundwater, but has since been removed by water truck. The oil has not come back into the excavated area, and currently no sheen or free product is visible on the groundwater. Once all four (4) sides of the excavation have been deemed clean through sampling, the water will be removed from the bottom of the excavation, and a water sample of the aquifer will be collected from the water entering the excavated area.


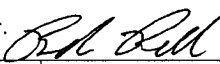
Describe Cause of Problem and Remedial Action Taken *

On January 26, 2011, an XTO employee noticed that the production tank at the Ohio C Govt #3 wellsite was leaking. It was estimated that 43.5 bbls of oil and water were released into the soil around the tank, with none being recovered. Approximately 11 inches of oil was recovered from the leaking production tank, and stored in the on-site water tank temporarily. All on-site equipment was removed to the excavation of the spill area. Due to a wash at less than 1,000 feet from the location, and a depth to groundwater of less than 50 feet, the site was ranked a 30 pursuant to the NMOCD Guidelines for the remediation of Leaks, Spills and Releases. This set the closure standard to 100 ppm TPH, 10 ppm benzene and 50 ppm total BTEX.

Describe Area Affected and Cleanup Action Taken *

To date, approximately 2,500 cubic yards of impacted soil have been removed from the spill area. XTO Energy, Inc. will submit a final C-141 report when the spill has been remediated completely.

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  | OIL CONSERVATION DIVISION | | |
| Printed Name James McDaniel | Approved by District Supervisor.  | | |
| Title EH&S Specialist | Approval Date. 2-11-11 | Expiration Date: | |
| E-mail Address. James_McDaniel@xtoenergy.com | Conditions of Approval: NJK 1122336327 | | Attached <input type="checkbox"/> |
| Date 2/8/2011 | Phone 505-333-3701 | | |