

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

Enter in well file

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

API 30045-32662

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company XTO Energy	Contact Jeff Clement	
Address 2700 Farmington Avenue, Farmington, New Mexico	Telephone No. 505) 566-7910	
Facility Name State Gas Com M	Facility Type Potential Producing Well	
Surface Owner State	Mineral Owner State	Lease No. # 3

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	16	31N	12W	880	South	1040	West	San Juan

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Natural Gas H2S Release	Volume of Release est. 225 Mcf	Volume Recovered 0
Source of Release Unanticipated/Unexpected Formation Release of Natural (H2S) Gas	Date and Hour of Occurrence 7/25/2005 est. 12:01 p.m.	Date and Hour of Discovery 7/25/05 est. 12:01 p.m.
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Charlie Perrin	
By Whom? Jeff Clement	Date and Hour 7/29/2005 1:45 p.m.	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

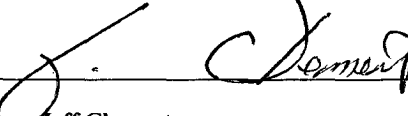
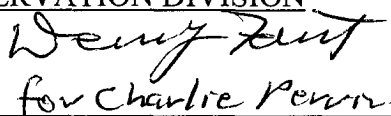
If a Watercourse was Impacted, Describe Fully.*

Non-Applicable

Describe Cause of Problem and Remedial Action Taken.* ☐ While drilling out from under surface casing on the State Gas Com M # 3, there was an unexpected release of Natural Gas containing H2S. There is an ever more presence of H2S in the most unlikely of areas that is starting to show up. Practices dictate that mud drilling be utilized. Review with OCD and submit for sundry (For Air Drilling) and obtain permission from the OCD before deviating from mud drilling practices.

Describe Area Affected and Cleanup Action Taken.* ☐ After noticing that there was a "Rotten Egg" smell in the air, drilling operations were ceased and XTO Safety Manager (Jeff Clement) along with H2S professionals Jacobs Engineering (Cortez, Colo.) were called to location to evaluate the situation. Areas affected were location pad and a short distance of the lease road that led into location. Drilling operations were shut down (well Shut in) by XTO Safety Manager (Jeff Clement); required respiratory fit testing and H2S training was performed on the drilling crew. All contractors were made aware of the possible exposure to H2S and were told that they needed to have all required training before coming to location. Cards to identify training were required. Drilling Operations themselves did not resume until early A.M. on Friday the 29th. Drilling crew mudded up, killed well and determined if pipe was stuck or not. Drilling operations continued on mud without any further H2S being observed. H2S professional services (Jacobs Engineering) stayed on location; continually monitored atmospheric conditions until cementing operations were performed and were released. 1150 PPM H2S observed

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: Jeff Clement	Approved by District Supervisor: 	
Title: EH&S Manager San Juan Basin	Approval Date: 8/10/05	Expiration Date:
E-mail Address: jeff_clement@xtoenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 8/1/2005	Phone: 566-7910	

* Attach Additional Sheets If Necessary

NDGF052223765