

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: Pipeline Near NV Kyle 23 #3 (30-045-33433)	Facility Type: Pipeline
Surface Owner: Navajo Tribal	Mineral Owner:
Lease No.: 14206032198A	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	23	29N	14W	956	FSL	1025	FWL	San Juan

Latitude: 36.70779 Longitude: -108.28410

NATURE OF RELEASE

Type of Release: Produced Water	Volume of Release: 200 BBLs	Volume Recovered: None
Source of Release: Pipeline	Date and Hour of Occurrence: Unknown	Date and Hour of Discovery: June 16, 2013
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: 6/16/2013 15:00	PCUD SEP 30 '13
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	OIL CONS. DIV. DIST. 3

If a Watercourse was Impacted, Describe Fully.*

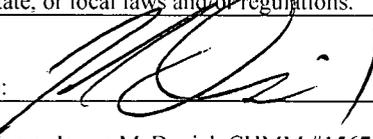
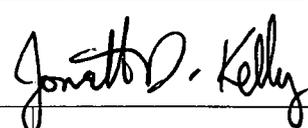
Describe Cause of Problem and Remedial Action Taken.*

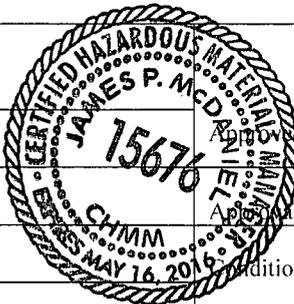
On June 16, 2013, a water leak was discovered in the produced water transport line near the NV Kyle 23 #3 well site. An estimated 200 bbls of produced water leaked from the pipeline over an undetermined amount of time. Several wells were shut in to stop the release. The waterline was excavated, and the leak occurred in a steel 45' angle beneath the ground surface. The steel pipeline juncture was replaced with poly, pressure tested, and put back into service. The produced water traveled in a small drainage feature for approximately 250', before dropping off a small cliff into a ravine, where it flowed for nearly 400 additional feet before coming to an end. The site was ranked a 20 pursuant to the NMOCD Guidelines for the Remediation of Leaks, Spills and releases, due to being in a small, unnamed wash. The depth to groundwater is estimated over 100 feet. This set the regulatory limits to 100 ppm TPH, 10 ppm benzene, and 50 ppm total BTEX.

Describe Area Affected and Cleanup Action Taken.*

The remediation of this release was delayed while awaiting approval from the Navajo Nation Historic Preservation Department to begin remediation activities. While our project was awaiting approval, the area was hit with a large amount of rain during several large storm events over a several week period. Based on the large amount of rain that has occurred in the area over the past few weeks, some additional sampling was performed in the spill area to be analyzed for Chlorides. A composite of the spill area was collected in the ravine, and analyzed for chlorides on September 17, 2013. The sample returned results of 120 mg/kg. Photo documentation of the ravine during sample collection is attached to this report for reference. Steve Austin with the Navajo Nation EPA was contacted to request closure of this incident due to the low levels of chlorides present, and on September 25, 2013 the request for closure was granted by Steve Austin with the Navajo Nation EPA. Email documentation of this approval is attached, as well as laboratory analysis from the September 17th sampling event.

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, CHMM #15676	Approved by District Supervisor: 	
Title: EH&S Supervisor	Approval Date: 10/17/2013	Expiration Date:
E-mail Address: James_McDaniel@xtoenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 9/26/2013	Phone: 505-333-3701	



NJK1329052550

McDaniel, James

From: Steve Austin <nnepawq@frontiernet.net>
Sent: Wednesday, September 25, 2013 2:55 PM
To: McDaniel, James
Cc: Nee, Martin; Baxstrom, Scott
Subject: RE: NV Kyle 23 #3

James,

Thanks for your good-faith effort to get this taken care of. I went out to the site yesterday and saw that much of the drainage has been scoured to bedrock, so I'd agree with your assessment that any flushing XTO could do would not add significantly to what has occurred naturally. With that in mind, I am willing to consider this incident closed. If you have any other questions regarding this incident, please do not hesitate to contact me. Thank you.

--Steve

Steve Austin
Sr. Hydrologist
NNEPA Water Quality Program
505-368-1037

From: McDaniel, James [mailto:James_McDaniel@xtoenergy.com]
Sent: Thursday, September 19, 2013 9:59 AM
To: nnepawq@frontiernet.net
Cc: Nee, Martin; Baxstrom, Scott
Subject: NV Kyle 23 #3

Steve,

We received our approval from the Historic Preservation Department earlier this week, and due to the large amount of rain we have received in the past weeks, we wanted to go take a look at the spill area and see what we were looking at. Upon visual inspection, it appears that visual signs of the spill are mostly gone. With this in mind, we collected a composite sample from the wash area in a three point composite along the spill area, approximately 0-6" deep. The sample was analyzed for chlorides, and sample returned results of only 120 mg/kg. With the visual signs of the spill mostly gone, and the chloride levels below even groundwater standards, I cannot see a benefit to a flush of this location any longer, and feel that any remediation activities would add no benefit to human health or the environment. XTO proposes that we close this incident as is, and submit the final closure paperwork accordingly. Thank you for your time in regards to this matter. Photos of the spill area and sampling results are attached for your reference.

James McDaniel

EH&S Supervisor
CHMM # 15676
Certified Utility Operator #11820
XTO Energy Inc.
Office # 505-333-3701
Cell # 505-787-0519
James_mcdaniel@xtoenergy.com



Analytical Report

Report Summary

Client: XTO Energy Inc.
Chain Of Custody Number: 0410
Samples Received: 9/17/2013 1:05:00PM
Job Number: 98031-0528
Work Order: P309081
Project Name/Location: NV Kyle 23 #3

Entire Report Reviewed By:

A handwritten signature in black ink, appearing to read 'Tim Cain', is written over a horizontal line.

Date: 9/18/13

Tim Cain, Laboratory Manager

Supplement to analytical report generated on: 9/18/13 2:32 pm

The results in this report apply to the samples submitted to Envirotech's Analytical Laboratory and were analyzed in accordance with the chain of custody document supplied by you, the client, and as such are for your exclusive use only. The results in this report are based on the sample as received unless otherwise noted. Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc. If you have any questions regarding this analytical report, please don't hesitate to contact Envirotech's Laboratory Staff.



XTO Energy Inc. 382 CR 3100 Aztec NM, 87410	Project Name: NV Kyle 23 #3 Project Number: 98031-0528 Project Manager: James McDaniel	Reported: 18-Sep-13 14:33
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Analytical Report for Samples

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
Spill Composite	P309081-01A	Soil	09/17/13	09/17/13	Glass Jar, 4 oz.

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5796 US Highway 64, Farmington, NM 87401

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Ph (970) 259-0615 Fr (800) 362-1879

envirotech-inc.com
laboratory@envirotech-inc.com

XTO Energy Inc. 382 CR 3100 Aztec NM, 87410	Project Name: NV Kyle 23 #3 Project Number: 98031-0528 Project Manager: James McDaniel	Reported: 18-Sep-13 14:33
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Spill Composite
P309081-01 (Solid)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
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Cation/Anion Analysis

Chloride	120	9.93	mg/kg	9.930	1338013	18-Sep-13	18-Sep-13	EPA 300.0	
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Cation/Anion Analysis - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch 1338013 - Anion Extraction EPA 300.0

Blank (1338013-BLK1)				Prepared & Analyzed: 18-Sep-13						
Chloride	ND	9.77	mg/kg							
LCS (1338013-BS1)				Prepared & Analyzed: 18-Sep-13						
Chloride	504	9.82	mg/kg	491		103	90-110			
Matrix Spike (1338013-MS1)		Source: P309081-01		Prepared & Analyzed: 18-Sep-13						
Chloride	624	9.96	mg/kg	498	120	101	80-120			
Matrix Spike Dup (1338013-MSD1)		Source: P309081-01		Prepared & Analyzed: 18-Sep-13						
Chloride	619	9.94	mg/kg	497	120	100	80-120	0.889	20	

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XTO Energy Inc.
382 CR 3100
Aztec NM, 87410

Project Name: NV Kyle 23 #3
Project Number: 98031-0528
Project Manager: James McDaniel

Reported:
18-Sep-13 14:33

Notes and Definitions

DET Analyte DETECTED
ND Analyte NOT DETECTED at or above the reporting limit
NR Not Reported
dry Sample results reported on a dry weight basis
RPD Relative Percent Difference

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XTO Energy, Inc.
NV Kyle 23 #3 (30-045-33433)
Section 23, Township 29N, Range 14W
9/17/2013



Photo 1: Ravine after Rain (View 1)

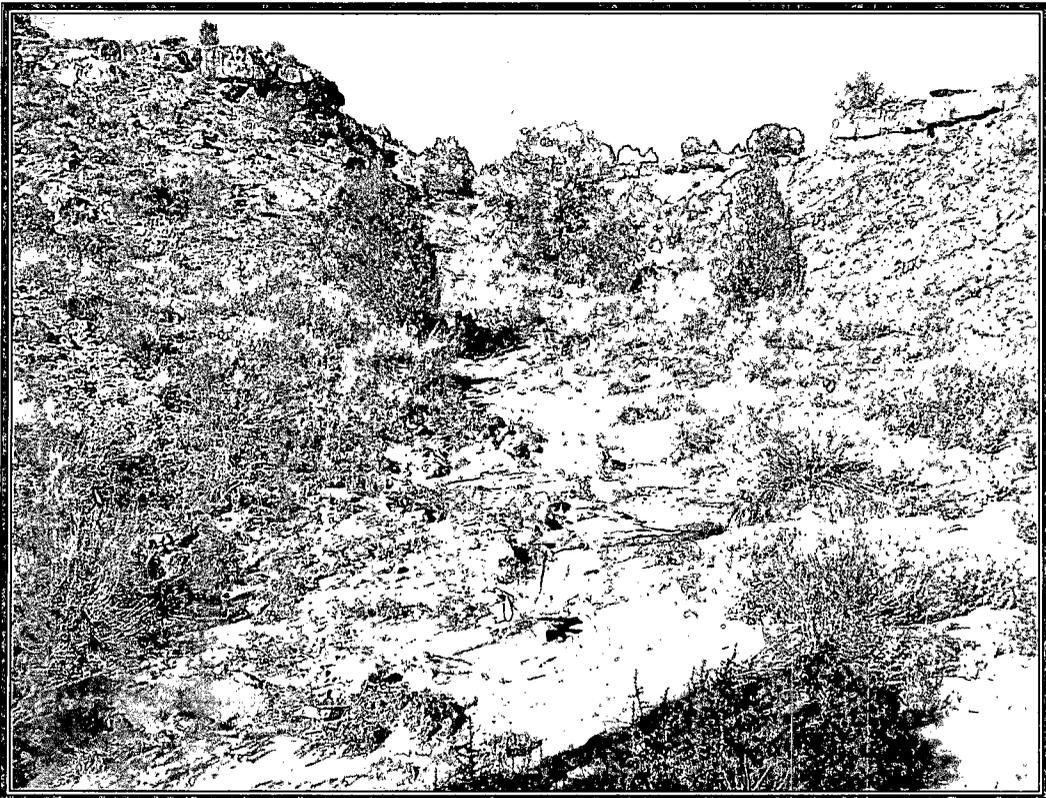


Photo 2: Ravine after Rain (View 2)

XTO Energy, Inc.
NV Kyle 23 #3 (30-045-33433)
Section 23, Township 29N, Range 14W
9/17/2013

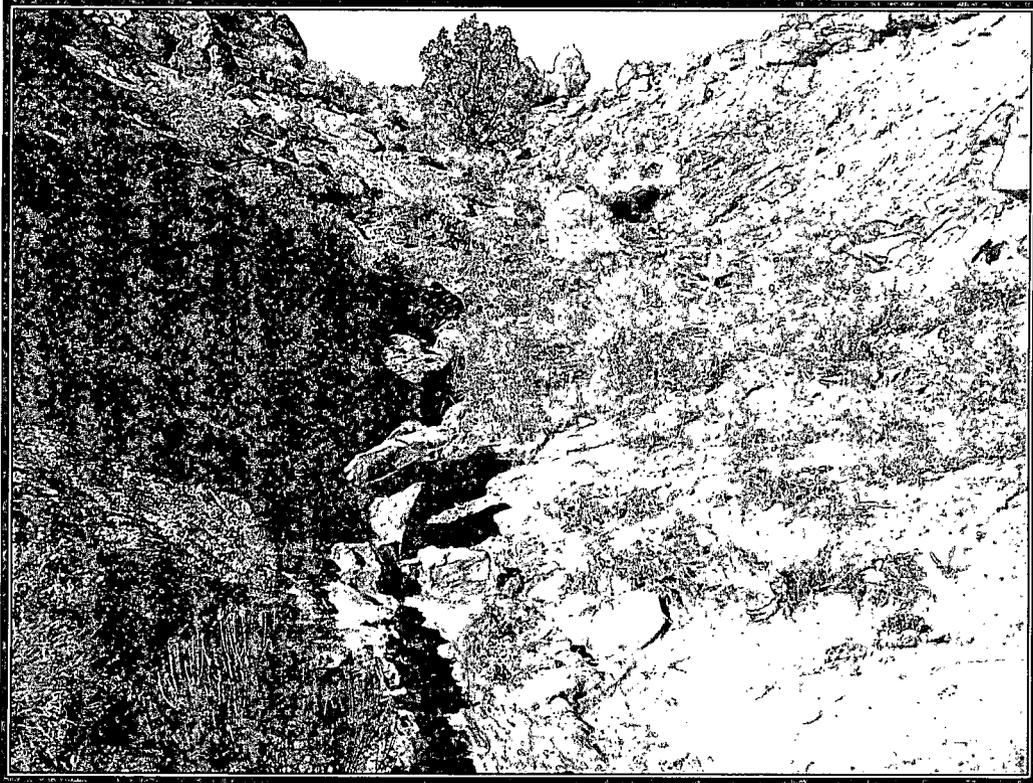


Photo 3: Ravine after Rain (View 3)

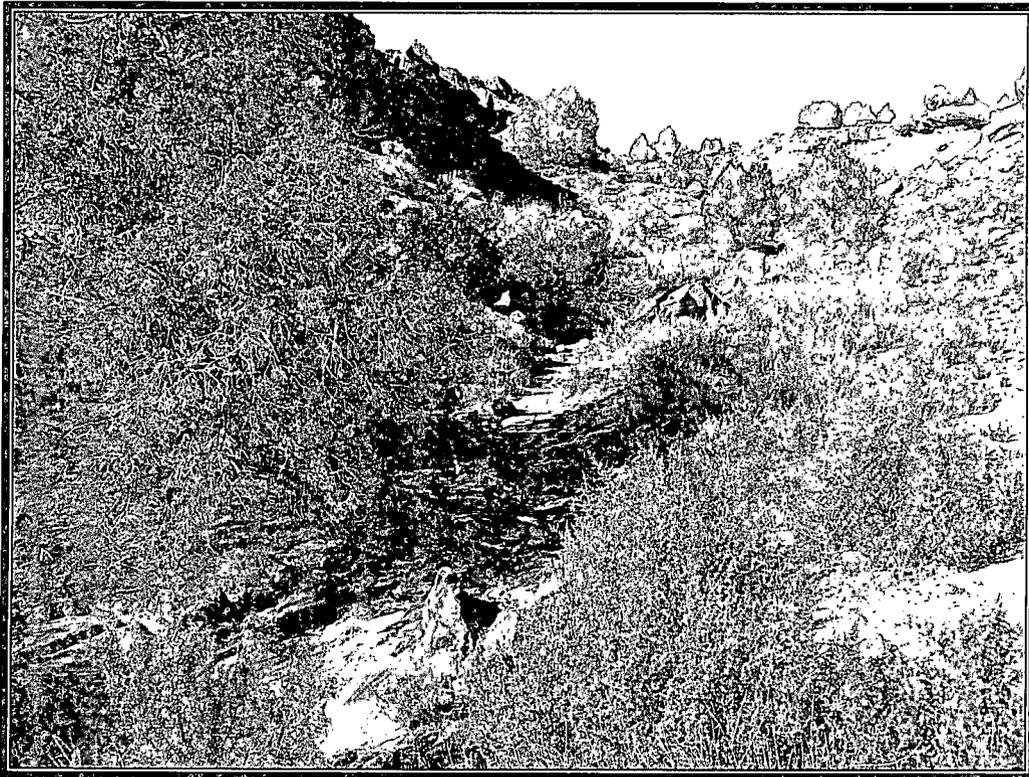


Photo 4: Ravine after Rain (View 4)