RCVD JANZSOY OIL CONS. DIV. Form C-141 Revised October 10, 2003

<u>District I</u> 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

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back

side of form

Release Notification and Corrective Action											
APC 30-045-33146						OPERATOR X Initial Report F1				Report Final Report	
Name of Co Address 27	00 Farmi	Ste. 1,		Contact Lisa Winn Telephone No. (505) 566-7942							
Farmington, NM 87401 Facility Name State Gas Com BC #1F						Facility Type Gas Well					
Surface Owner State Mineral Owner						Lease No.					
				N OF RELEASE							
							/South Line Feet from the East/West Line County				
A	32	31N	12W	695	North		765	East		San Juan	
Latitude 36.8611667 Longitude 108.1148056											
NATURE OF RELEASE											
Type of Release Condensate									Recovered Approx 0 bbl		
Source of Release Load Line						Date and F				d Hour of Discovery 7 at 1:30 pm	
Was Immediate Notice Given? X Yes □ No □ Not Required						If YES, To Whom? Brandon Powell					
By Whom? Kim Champlin						Date and Hour 01/03/07 at approximately 2:30 pm					
Was a Watercourse Reached?						If YES, Volume Impacting the Watercourse NA					
If a Watercourse was Impacted, Describe Fully.* NA											
Describe Cause of Problem and Remedial Action Taken.* An XTO Lease Operator discovered that the load line production tank valve was leaking condensate. The load line seal had been broken and the valve was partially cracked open and the bull plug was found lying on the ground. The valve was immediately shut and the tank gauged by the lease operator. Approximately 100 barrels of condensate was missing from the tank. A new seal was installed and bull plug was replaced. The San Juan County Sheriff 's department and the BLM were notified of apparent vandalism/theft. Release was fully contained within the berm. Describe Area Affected and Cleanup Action Taken.* The condensate was contained within the berm. Approximately 72 yards of contaminated soil was excavated from the berm and hauled off site. Pit was backfilled and samples were collected by BEI.											
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. Knin Champlin						OIL CONSERVATION DIVISION					
						Approved by District Supervisor. Brandon Pounel For: Charlie					
Printed Name: Kim Champlin											
Title Environmental Assistant						Approval Da	pproval Date: 1-24-07 Expiration I		Date		
E-mail Address: Kim_Champlin@xtoenergy.com						Conditions of Approval				Attached	
Date 01 /	03/07		Phone.	505-566-7954							