<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

Form C-141

Revised October 10, 2003

Release Notification and Corrective Action												
46-	<u> </u>	-045-	6		OPERA	tial Report	X	Final Report				
		TO Energy			Contact Lisa Winn							
Address 2700 Farmington Ave, Bldg K, Ste. 1, Farmington, NM 87401						Telephone No. (505) 566-7942						
Facility Nai	ne Federa	al Gas Com			Facility Type Gas Well (Fruitland Coal)							
Surface Ow	ner BLM		Mineral O	wner	BLM Lease No				lo. NMNM	o. NMNM019414		
LOCATION OF RELEASE												
Unit Letter	t Letter Section Township Range Feet from the North				South Line Feet from the East/W			est Line	t Line County			
В	20	32N	12W	1000	Nortl	'n	2320	East		San Juan		
Latitude 36.97606 Longitude 108.11697												
NATURE OF RELEASE												
Type of Rele	ase Produc	ced Water	IVAI	Volume of Release Approx 15 bbl Volume				Recovered Approximately 6 -				
Source of Release Production tank						Date and Hour of Occurrence Date				nd Hour of Discovery		
										5 at 2:00 pm		
Was Immediate Notice Given? Yes No X Not Required						If YES, To Whom?						
By Whom?						Date and Hour						
Was a Watercourse Reached?						If YES, Volume Impacting the Watercourse MAY 2006						
If a Watercon N/A	urse was Im	pacted, Descr										
Describe Cause of Problem and Remedial Action Taken.* The belt on the transfer pump broke causing the pump that moves water to goldown on												
high discharge. The automation device functioned properly shutting the compressor and pumping unit down. However, the tubing continued to flow to the tank causing the tank to overflow. The lateral extent of the spill remained within the bermed area. The spill consisted of Fruitland												
Coal water and no further remedial action is recommended at this time. Describe Area Affected and Cleanup Action Taken.* There did not appear to be lateral migration of the spill beyond the secondary containment.												
The spill was detected promptly and a vacuum truck immediately recovered the water within the berm walls. Quick response resulted in recovery of water and no observed impact to the location.												
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 la	ws and/or regi	ulations.		OIL CONSERVATION DIVISION							
	41	. 111.		OIL CONSERVATION DIVISION								
Signature:	TRAV	CCC	<u>un</u>			Approved by District Supervisor 1 1 For: Charlie						
Printed Nam	e: Lisa Wi	nn			Approved by District Supervisor. Branslon Powell For: Charlie Persin							
Title: Environmental Specialist						Approval Date: 5-24-06 Expiration Date:						
E-mail Address: Lisa_Winn@xtoenergy.com						Conditions of Approval: Attached						
Date 05/	15/06		Phone:	505-566-7942								

^{*} Attach Additional Sheets If Necessary