

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

API 30-045-30660

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company XTO Energy Inc.	Contact Kim Champlin
Address 2700 Farmington Ave, Bldg K, Ste. 1, Farmington, NM 87401	Telephone No. (505) 566-7954
Facility Name WF Federal 1 #1	Facility Type Gas Well

Surface Owner BLM	Mineral Owner	Lease No. NMMN 101552
--------------------------	---------------	------------------------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	01	30N	14W	1940	South	1520	West	San Juan

Latitude 36.8410109633 Longitude -108.264197039

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release Approx 50 bbl	Volume Recovered 0 bbl
Source of Release Filter Pot	Date and Hour of Occurrence 07/16/07, time unknown	Date and Hour of Discovery 07/16/07 8:30 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Brandon Powell- OCD Mark Kelly- BLM	RCVD JUL 24'07 OIL CONS. DIV.
By Whom? Kim Champlin	Date and Hour 07/16/07 3:00PM	DIST. 3
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse Approximately 40 bbl	

If a Watercourse was Impacted, Describe Fully.*

Approximately 40 bbl of produced water entered an unnamed dry wash adjacent to the location and traveled approximately 194 yards down the wash. Due to recent dry weather conditions the produced water was absorbed into the wash bed. Samples were collected along the area of the wash where the impact occurred. XTO is working with the BLM on treating the elevated chlorides within the impacted areas with gypsum.

Describe Cause of Problem and Remedial Action Taken.* ☐ A lease operator noticed a release of produced water location on July 16, 2007. The tubing on location pumps into a filter pot and then into the water pipeline. The filter pot is equipped with a secondary containment system using a pressure relief valve that opens at a preset pressure and sends the water around the filter pot to dual 400 barrel lay down rectangular tanks. The filters plugged up causing the secondary containment valve to open, sending the water to the dual rectangular tanks bypassing the filter pot. These tanks filled up and ran over releasing approximately 50 barrels of produced water. The produced water was released running off location approximately 194 yards into an unnamed dry wash. Appropriate notifications were made. Dry weather conditions caused the water to be absorbed into the ground on location and in the wash bed.

Describe Area Affected and Cleanup Action Taken *

Samples were collected and BLM was contacted to determine treatment of affected areas. Gypsum will be applied and worked into the alluvium for displacement of sodium and chloride ions.

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: <i>Kim Champlin</i>	OIL CONSERVATION DIVISION	
Printed Name: Kim Champlin	Approved by District Supervisor: <i>Brandon Powell</i> For: <i>Charlie Perrin</i>	
Title: Environmental Assistant	Approval Date: 7-24-07	Expiration Date.
E-mail Address: Kim_Champlin@xtoenergy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 07/23/07	Phone: 505-566-7954	

* Attach Additional Sheets If Necessary

nBP0726035921