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

Release Notification and Corrective Action

Revised October 10, 2003

Form C-141

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

| ZFA | 30 | 045-3 | 31046 | 5 | | OPERA' | OR | | Initial | Report | \boxtimes | Final Report | |
|---|---|----------------|------------------|---|----------------------|---|---|--------------------------|----------------------------|-------------------|--------------------|-----------------------|--|
| Name of Co | | | | | Contact Kim Champlin | | | | | | | | |
| | | ngton Ave, | | Telephone No. (505) 566-7954 | | | | | | | | | |
| Farmington | | | | | | | | | | | | | |
| Facility Nar | ne NV Na | avajo 27 #2 | | Facility Type Gas Well | | | | | | | | | |
| Surface Ow | ner BLM | | wner | Lease No. 14-20-603-2168A | | | | | | 68A | | | |
| | | | | LOCA | TIO | N OF REI | EASE | | | | | | |
| Unit Letter | | | | | | | | Vest Line County | | | | | |
| C | 27 | 29N | 14W | 695 | Nort | h | 1885 | West | | San Juan | | | |
| Latitude Longitude | | | | | | | | | | | | | |
| NATURE OF RELEASE | | | | | | | | | | | | | |
| Type of Release Produced Water Volume Released Approx 30 bbl Volume Recovered Approx 20 bbl | | | | | | | | | | | | | |
| Source of Release Separator Flowline | | | | | | | | | | Hour of Discovery | | | |
| - | | | | | | | | | 7 8:20 AM | | | | |
| Was Immedi | ate Notice (| | If YES, To Whom? | | | | | | | | | | |
| X Yes No Not Required | | | | | | Brandon Powell- OCD Navajo Nation and BLM | | | | | | | |
| By Whom? Lisa Winn | | | | | | Date and Hour 05/25/07 9:00 AM | | | | | | | |
| Was a Watercourse Reached? | | | | | | If YES, Volume Impacting the Watercourse | | | | | | | |
| | | L. | NA | | | | | | | | | | |
| If a Watercourse was Impacted, Describe Fully.* | | | | | | | | | | | | | |
| NA NA | | | | | | | | | | | | | |
| Describe Cause of Problem and Remedial Action Taken * XTO Lease Operator arrived on location on 05/25/07 and noticed water on location. | | | | | | | | | | | | | |
| Upon investigation it was discovered that the flowline coming out of the separator blew out where the steel and poly pipe meet causing | | | | | | | | | | | | | |
| | approximately 30 barrels of produced water to be released. Appropriate notifications were made and a vac truck dispatched. Approximately 20 | | | | | | | | | | | | |
| barrels of produced water was recovered. | | | | | | | | | | | | | |
| Describe Area Affected and Cleanup Action Taken.* A vac truck was used to recover water on location and repairs were made to the flowline. | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | e is true and compl | | | | | | | | | |
| regulations a | or the envi | are required t | o report a | nd/or file certain re ce of a C-141 repo | elease : | notitications a he NMOCD m | nd pertorm correct arked as "Final R | ctive actio eport" do | ns for reli es not reli | eases which | may ei rator of | idanger Fliability | |
| | | | | investigate and re | | | | | | | | | |
| 1 | | | | otance of a C-141 i | eport (| does not teliev | e the operator of | responsib | ility for c | ompliance v | vith an | y other | |
| federal, state, or local laws and/or regulations | | | | | | | | | | | | | |
| Signature Kim Chamstin | | | | | | OIL CONSERVATION DIVISION | | | | | | | |
| Signature. | Kun | Cham | | | | | | | | | | | |
| Printed Name: Kim Champlin | | | | | | Approved by District Supervisor: Bring Loll For: Charlie | | | | | | | |
| | | | | | | | | | | | | | |
| Title: Environmental Assistant | | | | | | Approval Date. 6-12-07 Expiration D. Conditions of Approval | | | epiration | Date: | | | |
| E-mail Address Kim Champlin(a,xtoenergy.com | | | | | | | | | Attached | Attached | | | |
| Date: 06/ | 04/07 | | Phone. | 505-566-7954 | | | | | | | | | |

* Attach Additional Sheets If Necessary

NBP0719727186

RCVD JUN12'07 OIL CONS. DIV. DIST. 3