

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: Gardner #7A (30-045-30743) | Facility Type: Gas Well (Mesaverde) |

| | | |
|------------------------|----------------|------------|
| Surface Owner: Federal | Mineral Owner: | Lease No.: |
|------------------------|----------------|------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|-------------|-----------------------|-------------------------|-----------------------|-----------------------|--------------------|
| Unit Letter B | Section 26 | Township 32N | Range 9W | Feet from the 1180 | North/South Line FNL | Feet from the 2015 | East/West Line FEL | County San Juan |
|------------------|---------------|-----------------|-------------|-----------------------|-------------------------|-----------------------|-----------------------|--------------------|

Latitude: 36.95949 Longitude: -107.74719

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release: Tank Leak | Volume of Release: 36.5 BBLS | Volume Recovered: None |
| Source of Release: Below Grade Tank | Date and Hour of Occurrence: 5/4/2010 | Date and Hour of Discovery: 5/4/2010 |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Brandon Powell | RCVD MAY 17 '10 OIL CONS. DIV. DIST. 3 |
| By Whom? James McDaniel | Date and Hour: 5/5/2010 17:58 | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.*

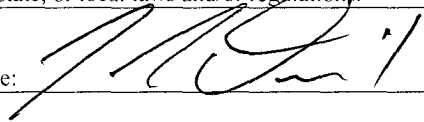

Describe Cause of Problem and Remedial Action Taken.*

A below grade tank leaked its contents into the cellar due to a hole in the bottom of the tank. Approximately 36.5 BBLS of produced water was lost into the soil. The site was ranked pursuant to the NMOCD Guidelines for the Remediation of Leaks, Spills and Releases. The site was ranked a 10 due to a wash at less than 1,000 feet from the location. This set the closure standard to 1,000 mg/kg TPH, 10 mg/kg benzene and 50 mg/kg total BTEX. The tank was removed, and a small amount of visible oil was removed from the surface. The pit tank will be closed and replaced with an above ground storage tank. A BGT closure report will follow.

Describe Area Affected and Cleanup Action Taken.*

A sample was collected from the spill area around and under the former location of the BGT. The sample was analyzed for TPH via USEPA Method 8015, for BTEX via USEPA Method 8021B and for total chlorides. The sample returned results below the 1,000 mg/kg TPH standard via USEPA Method 8015, the 10 mg/kg benzene standard and the 50 mg/kg total BTEX standard determined for this site. No further excavation is necessary. The tank will be replaced with an above grade tank pending the approval of the closure plan for this site. Analytical results are attached for your reference.

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 | Approved by District Supervisor:  For: CP | |
| Title: EH&S Specialist | Approval Date: 9/22/10 | Expiration Date: |
| E-mail Address: James_McDaniel@xtoenergy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 5/13/2010 | Phone: 505-333-3701 | |

* Attach Additional Sheets If Necessary

nBP1026552932

10



EPA METHOD 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

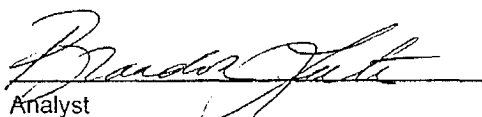
| | | | |
|----------------------|-----------------|---------------------|------------|
| Client: | XTO | Project #: | 98031-0528 |
| Sample ID: | Spill Composite | Date Reported: | 05-07-10 |
| Laboratory Number: | 54037 | Date Sampled: | 05-05-10 |
| Chain of Custody No: | 9286 | Date Received: | 05-05-10 |
| Sample Matrix: | Soil | Date Extracted: | 05-05-10 |
| Preservative: | Cool | Date Analyzed: | 05-06-10 |
| Condition: | Intact | Analysis Requested: | 8015 TPH |

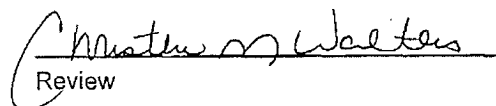
| Parameter | Concentration (mg/Kg) | Det. Limit (mg/Kg) |
|------------------------------|--------------------------|--------------------------|
| Gasoline Range (C5 - C10) | 183 | 0.2 |
| Diesel Range (C10 - C28) | 136 | 0.1 |
| Total Petroleum Hydrocarbons | 319 | 0.2 |

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: Gardner #7A


Analyst


Review



envirotech

Analytical Laboratory

EPA Method 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Quality Assurance Report

| | | | |
|--------------------|--------------------|---------------------|----------|
| Client: | QA/QC | Project #: | N/A |
| Sample ID: | 05-06-10 QA/QC | Date Reported: | 05-07-10 |
| Laboratory Number: | 53963 | Date Sampled: | N/A |
| Sample Matrix: | Methylene Chloride | Date Received: | N/A |
| Preservative: | N/A | Date Analyzed: | 05-06-10 |
| Condition: | N/A | Analysis Requested: | TPH |

| | I-Cal Date | I-Cal RF | C-Cal RF | % Difference | Accept Range |
|-------------------------|------------|-------------|-------------|--------------|--------------|
| Gasoline Range C5 - C10 | 05-07-07 | 9.6809E+002 | 9.6848E+002 | 0.04% | 0 - 15% |
| Diesel Range C10 - C28 | 05-07-07 | 1.0228E+003 | 1.0232E+003 | 0.04% | 0 - 15% |

| Blank Conc. (mg/L - mg/Kg) | Concentration | Detection Limit |
|------------------------------|---------------|-----------------|
| Gasoline Range C5 - C10 | ND | 0.2 |
| Diesel Range C10 - C28 | ND | 0.1 |
| Total Petroleum Hydrocarbons | ND | 0.2 |

| Duplicate Conc. (mg/Kg) | Sample | Duplicate | % Difference | Accept Range |
|-------------------------|--------|-----------|--------------|--------------|
| Gasoline Range C5 - C10 | ND | ND | 0.0% | 0 - 30% |
| Diesel Range C10 - C28 | ND | ND | 0.0% | 0 - 30% |

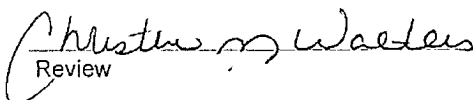
| Spike Conc. (mg/Kg) | Sample | Spike Added | Spike Result | % Recovery | Accept Range |
|-------------------------|--------|-------------|--------------|------------|--------------|
| Gasoline Range C5 - C10 | ND | 250 | 260 | 104% | 75 - 125% |
| Diesel Range C10 - C28 | ND | 250 | 253 | 101% | 75 - 125% |

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: QA/QC for Samples 53957, 53958, 53963, 53964, 53986 - 53988, 54013, 54014 and 54037.


Analyst


Review



EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

| | | | |
|--------------------|-----------------|---------------------|------------|
| Client: | XTO | Project #: | 98031-0528 |
| Sample ID: | Spill Composite | Date Reported: | 05-07-10 |
| Laboratory Number: | 54037 | Date Sampled: | 05-05-10 |
| Chain of Custody: | 9286 | Date Received: | 05-05-10 |
| Sample Matrix: | Soil | Date Analyzed: | 05-06-10 |
| Preservative: | Cool | Date Extracted: | 05-05-10 |
| Condition: | Intact | Analysis Requested: | BTEX |

| Parameter | Concentration (ug/Kg) | Det. Limit (ug/Kg) |
|--------------|--------------------------|--------------------------|
| Benzene | 6.2 | 0.9 |
| Toluene | 47.2 | 1.0 |
| Ethylbenzene | 9.8 | 1.0 |
| p,m-Xylene | 82.2 | 1.2 |
| o-Xylene | 31.5 | 0.9 |
| Total BTEX | 177 | |

ND - Parameter not detected at the stated detection limit.

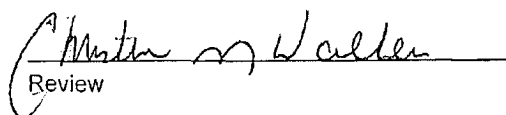
| Surrogate Recoveries: | Parameter | Percent Recovery |
|-----------------------|---------------------|------------------|
| | Fluorobenzene | 93.4 % |
| | 1,4-difluorobenzene | 91.6 % |
| | Bromochlorobenzene | 96.8 % |

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Method 8021B, Aromatic Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: Gardner #7A


Analyst


Review



**EPA METHOD 8021
AROMATIC VOLATILE ORGANICS**

| | | | |
|--------------------|------------------|----------------|----------|
| Client: | N/A | Project #: | N/A |
| Sample ID: | 05-06-BTEX QA/QC | Date Reported: | 05-07-10 |
| Laboratory Number: | 53957 | Date Sampled: | N/A |
| Sample Matrix: | Soil | Date Received: | N/A |
| Preservative: | N/A | Date Analyzed: | 05-06-10 |
| Condition: | N/A | Analysis: | BTEX |

| Calibration and Detection Limits (ug/L) | I-Cal RF: | C-Cal RF: | %Diff | Blank Conc | Detect Limit |
|--|-------------|---------------|---------|---------------|-----------------|
| | | Accept. Range | 0 - 15% | | |
| Benzene | 9.4068E+005 | 9.4257E+005 | 0.2% | ND | 0.1 |
| Toluene | 8.6679E+005 | 8.6852E+005 | 0.2% | ND | 0.1 |
| Ethylbenzene | 7.7887E+005 | 7.8043E+005 | 0.2% | ND | 0.1 |
| p,m-Xylene | 1.8732E+006 | 1.8769E+006 | 0.2% | ND | 0.1 |
| o-Xylene | 7.2427E+005 | 7.2572E+005 | 0.2% | ND | 0.1 |

| Duplicate Conc. (ug/Kg) | Sample | Duplicate | %Diff | Accept Range | Detect Limit |
|-------------------------|--------|-----------|-------|--------------|--------------|
| Benzene | ND | ND | 0.0% | 0 - 30% | 0.9 |
| Toluene | ND | ND | 0.0% | 0 - 30% | 1.0 |
| Ethylbenzene | ND | ND | 0.0% | 0 - 30% | 1.0 |
| p,m-Xylene | ND | ND | 0.0% | 0 - 30% | 1.2 |
| o-Xylene | ND | ND | 0.0% | 0 - 30% | 0.9 |

| Spike Conc. (ug/Kg) | Sample | Amount Spiked | Spiked Sample | % Recovery | Accept Range |
|---------------------|--------|---------------|---------------|------------|--------------|
| Benzene | ND | 50.0 | 49.2 | 98.4% | 39 - 150 |
| Toluene | ND | 50.0 | 48.1 | 96.2% | 46 - 148 |
| Ethylbenzene | ND | 50.0 | 49.2 | 98.5% | 32 - 160 |
| p,m-Xylene | ND | 100 | 101 | 101% | 46 - 148 |
| o-Xylene | ND | 50.0 | 48.6 | 97.1% | 46 - 148 |

ND - Parameter not detected at the stated detection limit.

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.
Method 8021B, Aromatic and Halogenated Volatiles by Gas Chromatography Using Photoionization and/or Electrolytic Conductivity Detectors, SW-846, USEPA December 1996.

Comments: QA/QC for Samples 53957, 53958, 53986 - 53988, 54013 - 54014 and 54037.

Analyst

Review



envirotech
Analytical Laboratory

**EPA METHOD 418.1
TOTAL PETROLEUM
HYDROCARBONS**

| | | | |
|----------------------|-----------------|------------------|------------|
| Client: | XTO | Project #: | 98031-0528 |
| Sample ID: | Spill Composite | Date Reported: | 05-07-10 |
| Laboratory Number: | 54037 | Date Sampled: | 05-05-10 |
| Chain of Custody No: | 9286 | Date Received: | 05-05-10 |
| Sample Matrix: | Soil | Date Extracted: | 05-07-10 |
| Preservative: | Cool | Date Analyzed: | 05-07-10 |
| Condition: | Intact | Analysis Needed: | TPH-418.1 |

| Parameter | Concentration (mg/kg) | Det. Limit (mg/kg) |
|------------------------------|--------------------------|--------------------------|
| Total Petroleum Hydrocarbons | 1,070 | 21.6 |

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: **Gardner #7A**

Analyst

Review



envirotech
Analytical Laboratory

EPA METHOD 418.1
TOTAL PETROLEUM
HYDROCARBONS
QUALITY ASSURANCE REPORT

| | | | |
|--------------------|-----------------------|------------------|-----------|
| Client: | QA/QC | Project #: | N/A |
| Sample ID: | QA/QC | Date Reported: | 05-07-10. |
| Laboratory Number: | 05-07-TPH.QA/QC 54038 | Date Sampled: | N/A |
| Sample Matrix: | Freon-113 | Date Analyzed: | 05-07-10 |
| Preservative: | N/A | Date Extracted: | 05-07-10 |
| Condition: | N/A | Analysis Needed: | TPH |

| Calibration | I-Cal Date | C-Cal Date | I-Cal RF: | C-Cal RF: | % Difference | Accept. Range |
|-------------|------------|------------|-----------|-----------|--------------|---------------|
| | 04/22/2010 | 05-07-10 | 1,690 | 1,720 | 1.8% | +/- 10% |

| Blank Conc. (mg/Kg) | Concentration | Detection Limit |
|---------------------|---------------|-----------------|
| TPH | ND | 21.6 |

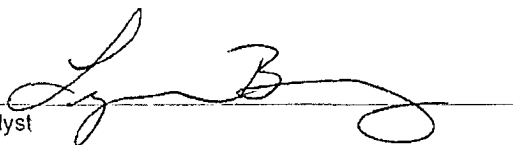
| Duplicate Conc. (mg/Kg) | Sample | Duplicate | % Difference | Accept. Range |
|-------------------------|--------|-----------|--------------|---------------|
| TPH | 24.3 | 25.7 | 5.8% | +/- 30% |

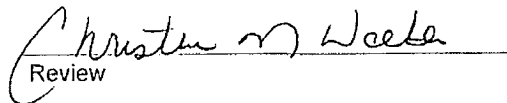
| Spike Conc. (mg/Kg) | Sample | Spike Added | Spike Result | % Recovery | Accept Range |
|---------------------|--------|-------------|--------------|------------|--------------|
| TPH | 24.3 | 2,000 | 1,790 | 88.4% | 80 - 120% |

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: QA/QC for Samples 54037 - 54043, 54049, 54050 and 54073.


Analyst

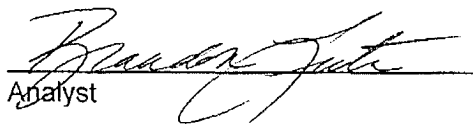

Review

| | | | |
|----------------|-----------------|-------------------|------------|
| Client: | XTO | Project #: | 98031-0528 |
| Sample ID: | Spill Composite | Date Reported: | 05-06-10 |
| Lab ID#: | 54036 | Date Sampled: | 05-05-10 |
| Sample Matrix: | Soil | Date Received: | 05-05-10 |
| Preservative: | Cool | Date Analyzed: | 05-06-10 |
| Condition: | Intact | Chain of Custody: | 9285 |

Parameter**Concentration (mg/Kg)****Total Chloride****50**

Reference: U.S.E.P.A., 4500B, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **Gardner #7A**


Analyst
Review

CHAIN OF CUSTODY RECORD

09285

| Client: XTC | | Project Name / Location: Gardner #7A | | ANALYSIS / PARAMETERS | | | | | | | | | | | | | | |
|------------------------------------|-------------|---|---------|-----------------------|--------------------------|------------------------------------|-------------------|--------------------|-------------------|---------------|----------------|-----|---------------|-----|-------------|----------|-------------|---------------|
| Client Address: 382 CR 3100 | | Sampler Name: JM Daniels | | RUSH | | | | | | | | | | | | | | |
| Client Phone No.: 767-0519 | | Client No.: 98031-0528 | | | | | | | | | | | | | | | | |
| Sample No./ Identification | Sample Date | Sample Time | Lab No. | Sample Matrix | No. Volume of Containers | Preservative H ₂ O, HCl | TPH (Method 8015) | BTEX (Method 8021) | VOC (Method 8260) | RCRA 8 Metals | Cation / Anion | RCI | TCLP with H/P | PAH | TPH (418.1) | CHLORIDE | Sample Cool | Sample Intact |
| Spill composite | 5/5/10 | 1515 | 54036 | Soil Sludge Aqueous | 1/4oz | X | | | | | | | | | | X | | 44 |
| | | | | Soil Sludge Aqueous | | | | | | | | | | | | | | |
| | | | | Soil Sludge Aqueous | | | | | | | | | | | | | | |
| | | | | Soil Sludge Aqueous | | | | | | | | | | | | | | |
| | | | | Soil Sludge Aqueous | | | | | | | | | | | | | | |
| | | | | Soil Sludge Aqueous | | | | | | | | | | | | | | |
| | | | | Soil Sludge Aqueous | | | | | | | | | | | | | | |
| | | | | Soil Sludge Aqueous | | | | | | | | | | | | | | |
| | | | | Soil Sludge Aqueous | | | | | | | | | | | | | | |
| | | | | Soil Sludge Aqueous | | | | | | | | | | | | | | |
| | | | | Soil Sludge Aqueous | | | | | | | | | | | | | | |
| | | | | Soil Sludge Aqueous | | | | | | | | | | | | | | |
| Relinquished by: (Signature) | | | | Date | Time | Received by: (Signature) | | | | | | | | | | | Date | Time |
| | | | | 5/5/10 | 1640 | John Thompson | | | | | | | | | | | 5/5/10 | 16:40 |
| Relinquished by: (Signature) | | | | | | Received by: (Signature) | | | | | | | | | | | | |
| Relinquished by: (Signature) | | | | | | Received by: (Signature) | | | | | | | | | | | | |



5796 US Highway 64 • Farmington, NM 87401 • 505-632-0615 • lab@envirotech-inc.com