

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

30-045-28236

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company	Koch Exploration Company, LLC	Contact	Don Johnson
Address	PO Box 489, Aztec, NM 87410	Telephone No.	505-334-9111 or 505-320-0819
Facility Name	Seymour 723	Facility Type	Gas Well

Surface Owner	Mario Ulibarri	Mineral Owner	BLM	Lease No.	SF-078505
---------------	----------------	---------------	-----	-----------	-----------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	25	31N	9W	1030	North	1705	East	San Juan

Latitude N36°52.398 Longitude W107° 43.77

NATURE OF RELEASE

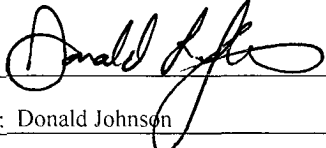

Type of Release	Produced Water	Volume of Release	205 bbls	Volume Recovered	193 bbls
Source of Release	2" hammer union between pump and pipeline	Date and Hour of Occurrence	7/2-3/06	Date and Hour of Discovery	7/3/06 11:45 AM
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	NMOCD Brandon Powell		
By Whom?	Don Johnson	Date and Hour	7/3/06 1:35 PM		
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 Area Affected and Cleanup Action Taken.*

Water was pulled from the berm area, area on location where it pooled, and from the bar ditch. Wet spot was +/- 258'. Per direction from Brandon Powell, area is being raked frequently until no dark or white spots remain. Brandon Powell indicated on July 17, 2006 that the impacted bar ditch is not considered a "Watercourse", as defined by the NMOCD.

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: Donald Johnson	Approved by District Supervisor:  For: Charlie Perrin	
Title: Field Operations Manager	Approval Date: 7/18/06	Expiration Date:
E-mail Address: johnso4d@kochind.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 7/12/06 Phone: 505-334-9111		

* Attach Additional Sheets If Necessary

nBP0619850151