

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 23196 OPERATOR ☐ Initial Report ☒ Final Report

| | | |
|---|----------------------------------|----------------|
| Name of Company HEC | Contact Jeff Pickett | |
| Address 332 Road 3100 - Aztec, NM 87410 | Telephone No. 505-326-2657 X.111 | |
| Facility Name Montoya MV B. Montoya 25 #1 | Facility Type Gas Well | |
| Surface Owner Montoya | Mineral Owner Montoya | Lease No. 25-1 |

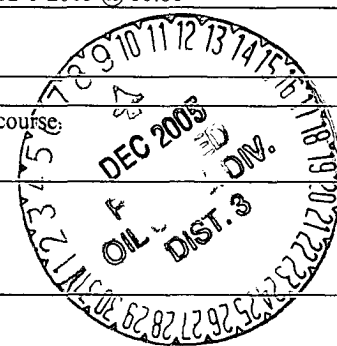
LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|----------|
| H | 25 | 32N | 13W | 1850 | North | 790 | East | San Juan |

Latitude 103 657.46 Longitude 108 09.669

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release Produced Water | Volume of Release 20 BBL's | Volume Recovered 20 BBL's |
| Source of Release Tank Battery | Date and Hour of Occurrence 12-1-2005 Hour ? | Date and Hour of Discovery 12-1-2005 @ 10:00 |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? | Date and Hour | |
| 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.* Hole in the fire tube on tank heater resulted in Produced Water leaking from tube into the berm area. Tank was drained and the fire tube has been sent off for evaluation and repair. | | |
| Describe Area Affected and Cleanup Action Taken.* Area affected was inside the berm. Vacuum truck was used to pull standing water from the berm area. Ground was partially frozen from the cold weather, minimum amount of absorption. | | |
| 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: Keith Beam | OIL CONSERVATION DIVISION | |
| Printed Name: Keith Beam | Approved by District Supervisor: Deny Hunt for Charlie Perrin | |
| Title: HES Professional | Approval Date: 12/22/05 | Expiration Date: |
| E-mail Address: beamwk@chevron.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 12-5-2005 | Phone: 505-326-2657 x.112 | |

* Attach Additional Sheets If Necessary

n DGF 0535638446