

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 March 17, 1999

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

Release Notification and Corrective Action

OPERATOR

|                 |                                    |                    |                 |
|-----------------|------------------------------------|--------------------|-----------------|
| Name of Company | ConocoPhillips Company             | Contact            | Monica D. Olson |
| Address         | 5525 Hwy. 64, Farmington, NM 87401 | Telephone No.      | 505-599-3458    |
| Facility Name   | Gobernador #6                      | Facility Type      | Gas Well        |
|                 |                                    | API # 30-039-22471 |                 |
| Surface Owner   | Federal                            | Mineral Owner      | Federal         |
|                 |                                    | Lease No.          | NM-0558140      |

LOCATION OF RELEASE

|             |         |          |       |               |                  |               |                |            |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|------------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County     |
| H           | 15      | T29N     | R5W   | 1680          | North            | 795           | East           | Rio Arriba |

NATURE OF RELEASE

|   |   |                            |
|---|---|----------------------------|
| Type of Release   | Volume of Release   | Volume Recovered           |
| Produced? / Spring? water from CP well  | 88 BBL  | none                       |
| Source of Release   | Date and Hour of Occurrence   | Date and Hour of Discovery |
| ? - Cathodic protection well  | pre? 10/17/2003   | 10/17/2003 - a.m.          |
| Was Immediate Notice Given?   | If YES, To Whom?  |                            |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | Charlie Perrin - OCD - 9/22/2003 - informed of gas spurt from CP<br>Denny Foust - OCD - 10/21/2003 via email<br>Mark Kelly - BLM - 10/21/2003 via email |                            |
| By Whom?  | Date and Hour   |                            |
| Patsy Clugston  | 9/22/2003 - informed of gas spurt from CP   |                            |
| Was a Watercourse Reached?  | If YES, Volume Impacting the Watercourse.   |                            |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                       |   |                            |

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\* On Sept. 22, the lease operator noticed a slight spurt coming from the cathodic protection well, and we assumed it was a little gas seep. This was reported to Charlie Perrin at this time. This well is a low producer, and the road into the location is treacherous, so the lease operator does not check it very often. He went to check it again on Oct. 17 and found that there was water coming from the CP well, pooling on location, and running off location onto the lease road. We began investigating on Oct. 20. At this time, a pipe was connected from the leaking CP well to the 45 BBL pit tank, so that no more water would leak to the ground. The tank was gauged and it was determined that the CP well was flowing water at a rate of 22 BPD.

Describe Area Affected and Cleanup Action Taken\* See the attached diagram showing the affected area. A pipe has been connected from the leaking CP well to the 45 BBL pit tank, so that no more water will leak to the ground. A water sample was taken to Envirotech for analysis. Preliminary results are inconclusive as to the source. The scientist at Envirotech said it looks like it could be produced water, since the pH is 7.37 and the TDS is >1000 ppm, but the SAR is only 8.1, where anything <10 is considered good for drinking water. He also said that Envirotech has some monitor spring wells and he has seen results much higher than our results, so he indicated that the source of our leak could be a natural spring. Plans are to get a sample of the produced water to compare to the sample from the cathodic well. We are also planning to do a cement squeeze on this well, to determine if this may be the source of the leak.

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.

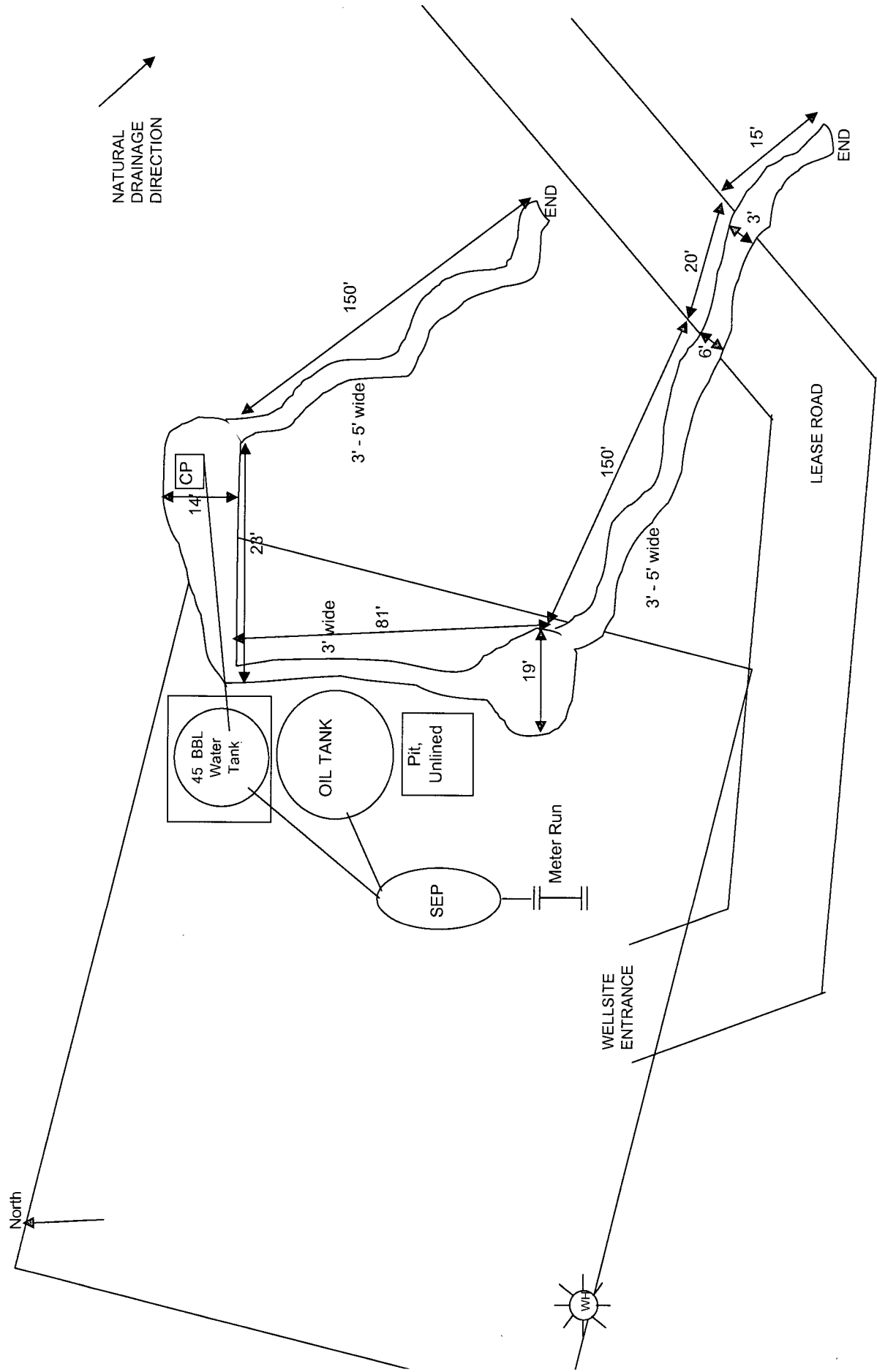
|               |  |                                  |                                   |
|---------------|--|----------------------------------|-----------------------------------|
| Signature:    | OIL CONSERVATION DIVISION                              |                                  |                                   |
| Printed Name: | Monica D. Olson  | Approved by District Supervisor: | Denny Foust<br>for Frank Chavez   |
| Title:        | Safety, Health, Environmental, & Regulatory Technician | Approval Date:                   | 12/11/03                          |
| Date:         | 10/21/2003   | Expiration Date:                 |                                   |
| Phone:        | 505-599-3458   | Conditions of Approval:          | Attached <input type="checkbox"/> |

\* Attach Additional Sheets If Necessary

W DG F0334555594

ConocoPhillips Company  
Gobernador #6 MV/PC  
API #30-039-22471

Sec. 15, T29N, R5W  
Unit H, 1680' FNL & 795' FEL  
Rio Arriba County, New Mexico



# ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

## CATION / ANION ANALYSIS

|                    |                |                 |           |
|--------------------|----------------|-----------------|-----------|
| Client:            | ConocoPhillips | Project #:      | 96052-026 |
| Sample ID:         | CP Water       | Date Reported:  | 10-21-03  |
| Laboratory Number: | 26935          | Date Sampled:   | 10-20-03  |
| Chain of Custody:  | 11491          | Date Received:  | 10-20-03  |
| Sample Matrix:     | Water          | Date Extracted: | N/A       |
| Preservative:      | Cool           | Date Analyzed:  | 10-21-03  |
| Condition:         | Cool & Intact  |                 |           |

| 500' deep well<br>Parameter   | Analytical<br>Result | Units    | Units                               |
|-------------------------------|----------------------|----------|-------------------------------------|
| pH                            | 7.37                 | s.u.     | - PW                                |
| Conductivity @ 25° C          | 2,740                | umhos/cm |                                     |
| Total Dissolved Solids @ 180C | 1,730                | mg/L     | >1000 ppm-ind. - produced water     |
| Total Dissolved Solids (Calc) | 773                  | mg/L     |                                     |
| SAR Sodium Adsorption Ratio   | 8.1                  | ratio    | 10 is considered good               |
| Total Alkalinity as CaCO3     | 704                  | mg/L     | could drink it<br>cuz not too salty |
| Total Hardness as CaCO3       | 148                  | mg/L     |                                     |
| Bicarbonate as HCO3           | 704                  | mg/L     | 11.54 meq/L                         |
| Carbonate as CO3              | <0.1                 | mg/L     | 0.00 meq/L                          |
| Hydroxide as OH               | <0.1                 | mg/L     | 0.00 meq/L                          |
| Nitrate Nitrogen              | <0.1                 | mg/L     | 0.00 meq/L                          |
| Nitrite Nitrogen              | 0.024                | mg/L     | 0.00 meq/L                          |
| Chloride - not bad            | 18.0                 | mg/L     | 0.51 meq/L                          |
| Fluoride                      | 0.72                 | mg/L     | 0.04 meq/L                          |
| Phosphate                     | <0.1                 | mg/L     | 0.00 meq/L                          |
| Sulfate                       | 38.3                 | mg/L     | 0.80 meq/L                          |
| Iron                          | 0.009                | mg/L     | 0.00 meq/L                          |
| Calcium                       | 59.2                 | mg/L     | 2.95 meq/L                          |
| Magnesium                     | <0.1                 | mg/L     | 0.00 meq/L                          |
| Potassium                     | 2.77                 | mg/L     | 0.07 meq/L                          |
| Sodium                        | 227                  | mg/L     | 9.87 meq/L                          |
| Cations                       |                      |          | 12.90 meq/L                         |
| Anions                        |                      |          | 12.88 meq/L                         |
| Cation/Anion Difference       |                      |          | 0.14%                               |

Reference: U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.

Water And Waste Water", 18th ed., 1992.

Comments: Gobernador.

Analyst

Review