

INITIAL C-141

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 2009-008

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 | Southern Union Gas Services, Ltd. | Contact | Tony Savoie |
| Address | P.O. Box 1226 Jal, N.M. 88252 | Telephone No. | 505-395-2116 |
| Facility Name | Lea County Field Dept. | Facility Type | Natural Gas Gathering |

| | | |
|-----------------------------|----------------------|-----------|
| Surface Owner: Millard Deck | Mineral Owner: State | Lease No. |
|-----------------------------|----------------------|-----------|

LOCATION OF RELEASE ^{NARREY WELL} API # 30.025.39231.00.00

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| O | 15 | 21S | 37E | | | | | Lea |

Latitude N32 28.326 Longitude W103 9.077

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release : Crude Oil, and Natural Gas | Volume of Release: Greater than 50 MCF gas Greater than 5 bbls crude oil | Volume Recovered NONE |
| Source of Release : 10" Natural Gas Pipeline | Date and Hour of Occurrence not known | Date and Hour of Discovery 1/7/09 9:07 a.m. |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? Tony Savoie | Date and Hour: | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

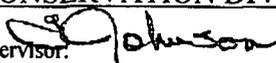
If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

The 10" Natural gas pipeline developed a leak prior to the discovery date of 2/26/09. The leak area had been excavated and 3 temporary leak clamps had been installed on the pipeline. There were no fluids standing or gas leaking upon discovery. There were 2 areas noted during the discovery that were oil stained. One area measured approximately 10 ft. X 18 ft. and the other measured approximately 40 ft. X 20 ft.

Describe Area Affected and Cleanup Action Taken. Approximately 1340 sq.ft. of pasture land was affected by the leak and temporary repair. Final remediation will follow the NMOCD recommended guidelines for leaks and spills.

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: John A. Savoie | Approved by District Supervisor:  | |
| Title: Remediation Supervisor | ENVIRONMENTAL ENGINEER | |
| E-mail Address: tony.savoie@sug.com | Approval Date: 3.24.09 | Expiration Date: 5.24.09 |
| Date: 3/23/09 Phone: 505-395-2116 | Conditions of Approval: | Attached <input type="checkbox"/> IRP# 09.5.2165 |

* Attach Additional Sheets If Necessary

L-5 to MF Job # 2009-008 Ranking Analysis

| NMOCD Standards | | | Points |
|--------------------------------|--|--------------|------------|
| Depth to Ground Water | Greater than 100 ft. | | 0 |
| Depth to Ground Water | Less than 100 ft. but greater than 50 ft. | | 10 |
| Depth to Ground Water | Less than 50 ft. | | 20 |
| Well Head Protection | Less than 1000 ft. from a water source, or; | Yes | 20 |
| | Less than 200 ft. from private domestic water source | No | 0 |
| Distance to Surface water body | Less than 200 Horizontal. ft. | | 20 |
| Distance to Surface water body | 200 to 1000 Horizontal ft. | | 10 |
| Distance to Surface water body | Greater than 1000 Horizontal ft. | | 0 |
| Action levels | >19 | 10-19 | 0-9 |
| Benzene (mg/kg) | 10 | 10 | 10 |
| BTEX (mg/kg) | 50 | 50 | 50 |
| TPH (mg/kg) | 100 | 1000 | 5000 |

| Site Ranking | | | Points |
|----------------------------|------------------|--|-----------|
| Depth to Ground Water | Less than 50 ft. | | 20 |
| Well Head Protection | 1347 Horiz. Ft. | | 0 |
| Surface Water Body | 2120 Horiz. Ft. | | 0 |
| Total Ranking Score | | | 20 |

| Site Closure Objective | |
|------------------------|--|
| Benzene (mg/kg) | 10 |
| BTEX (mg/kg) | 50 |
| TPH (mg/kg) | Delineation 100mg/kg Backfill 100 mg/kg |
| Chloride (mg/kg) | Delineation 250mg/kg Backfill 500 mg/kg |

Remediation Plan:

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|---|
| All affected soil will be excavated and sampled for the presence of Hydrocarbons EPA method (8015M) and Chlorides method 4500-CI-B or 300 S |
| Soil with TPH values greater than 100 mg/kg will be transported to the S.U.G.S. Landfarm |
| Soil with Chloride values greater than 1000 mg/kg will be disposed of in an approved facility |
| Soil with Chloride value less than 1000 mg/kg but greater than 250 mg/kg will be transported to the S.U.G.S. Landfarm. |
| Soil samples will be collected from the excavation and analyzed for Hydrocarbons EPA method (8015M) and Chlorides method 4500-CI-B or 300 S |
| All samples will be field screened with a "PID" The soil sample with the highest PID reading will be analyzed separately and tested for BTEX. |

