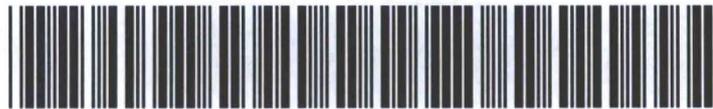




AE Order Number Banner

Report Description

This report shows an AE Order Number in Barcode format for purposes of scanning. The Barcode format is Code 39.



App Number: pJXK1604730468

1RP - 2722

SOUTHERN UNION GAS SERVICES LTD

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
DEC Energy Minerals and Natural Resources
Oil Conservation Division
RECEIVED
220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

Form C-141
Revised October 10, 2003

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

HOBBS OCD

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company	Southern Union Gas Services	Contact	Rose Slade
Address	801 South Loop 464, Monahans, TX 79756	Telephone No.	432-940-5147
Facility Name	Trunk "M" (King Road)	Facility Type	Natural Gas Pipeline
Surface Owner	State of New Mexico (Corrected)	Mineral Owner	API No 30-025-28822

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	25	22S	36E					Lea

Latitude 32 degrees 21.776' Longitude 103 degrees 12.611'

NATURE OF RELEASE

Type of Release	Natural Gas, Crude Oil and Produced Water	Volume of Release	30 BBLS	Volume Recovered	4 BBLS
Source of Release	20-Inch Steel Pipeline (Low Pressure)	Date and Hour of Occurrence	June 27, 2011 - Unknown	Date and Hour of Discovery	June 27, 2011 - 2020 hrs
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Geoffrey Leking - NMOCD Hobbs District Office		
By Whom?	Rose L. Slade	Date and Hour	June 28, 2011 - 1143 hours (MDT)		
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.*
Failure of a segment of the twenty (20) inch low-pressure steel pipeline resulted in the release of approximately thirty (30) barrels of a mixture of crude oil and produced water. The cause of the failure was attributed to internal corrosion. An unknown volume of natural gas was released to the atmosphere. Following discovery of the release, a temporary pipeline clamp was employed to mitigate the release. A vacuum truck was able to recover approximately four (4) barrels of the released mixture.

Describe Area Affected and Cleanup Action Taken.*
An area along the pipeline ROW measuring approximately 1,450 feet in length and one (1) to ten (10) feet in width was affected by the release. The affected area was limited to the pipeline ROW two-track road. Please reference "Remediation Summary and Site Closure Request" dated October 2011 for remediation details. Approximately 2,226 cubic yards of impacted soil was transported to Sundance Services, Inc. in Eunice, New Mexico and backfill material was purchased from the grazing lessee.

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:	Rose L. Slade	Approved by ENV SPECIALIST:	
Title:	EHS Compliance Specialist	Approval Date:	12/14/11
E-mail Address:	rose.slade@sug.com	Expiration Date:	—
Date:	December 12, 2011	Conditions of Approval:	—
Phone:	432-940-5147	Attached	<input type="checkbox"/>

IRP-6-U-2722

* Attach Additional Sheets If Necessary