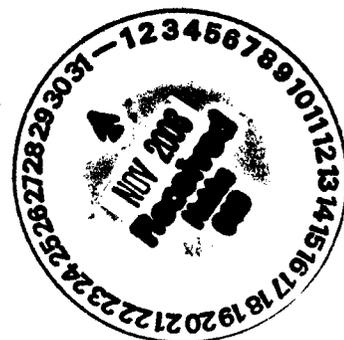


RD  
# 1120

**XTO ENERGY**  
**SDE 31 FEDERAL #4**  
**FLOW LINE LEAK**  
Unit F, Sect. 31, T. 23 S., R. 32 E.  
GPS: 32 15' 46" N 103 43' 00" W

**CLOSURE**



Prepared by  
Eddie Seay Consulting  
November 2006

Application - PPAC 0631833255

November 30, 2006

NMOCD Environmental  
ATTN: Larry Johnson  
1625 N. French Drive  
Hobbs, NM 88240

RE: XTO Energy  
SDE 31 Fed. #4

Mr. Johnson:

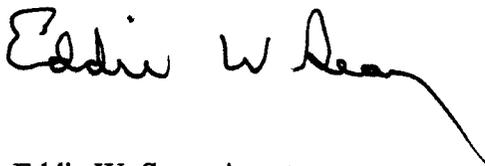
XTO has completed the excavation phase of this remediation and testing. We are within guidelines for closing and would like to backfill with clean soil, level, contour and seed.

XTO excavated approximately 288 cu. yds. of oily dirt and hauled it to CRI Disposal, an OCD approved facility. The clean soil will come from a site just North of the spill.

Whenever we get approval, we will backfill as approved and send a final report. (Larry Johnson, with OCD, reviewed analytical and approved closure 11/29/06.)

Find enclosed photos, analytical and map of site. If you have any questions, please call.

Sincerely,



Eddie W. Seay, Agent  
Eddie Seay Consulting  
601 W. Illinois  
Hobbs, NM 88242  
(505)392-2236  
seay04@leaco.net



PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
 EDDIE SEAY CONSULTING  
 ATTN: EDDIE SEAY  
 601 W. ILLINOIS  
 HOBBS, NM 88242  
 FAX TO: (505) 392-6949

Receiving Date: 11/27/06  
 Reporting Date: 11/29/06  
 Project Owner: XTO  
 Project Name: XTO SDE 31 #4  
 Project Location: 50 MILES W / HOBBS, NM

Sampling Date: 11/27/06  
 Sample Type: SOIL  
 Sample Condition: COOL & INTACT  
 Sample Received By: BC  
 Analyzed By: BC/AB

LAB NUMBER	SAMPLE ID	GRO (C <sub>6</sub> -C <sub>10</sub> ) (mg/Kg)	DRO (>C <sub>10</sub> -C <sub>28</sub> ) (mg/Kg)	CI* (mg/Kg)
ANALYSIS DATE		11/28/06	11/28/06	11/27/06
H11840-1	SDE 31 - 1	85.3	1070	1650
H11840-2	SDE 31 - 2	<10.0	52.6	160
H11840-3	SDE 31 - 3	<10.0	20.5	672
H11840-4	SDE 31 - 4	<10.0	31.3	112
H11840-5	SDE 31 - 5	<10.0	157	112
Quality Control		767	765	470
True Value QC		800	800	500
% Recovery		95.8	95.7	94.0
Relative Percent Difference		1.0	1.3	4.2

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CI'B

\*Analyses performed on 1:4 w:v aqueous extracts.

*Burgess J. Cook*  
 Chemist

*11/29/06*  
 Date

H11840

PLEASE NOTE: **Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



# CARDINAL LABORATORIES, INC.

2111 Beechwood, Ahlone, TX 79603 101 East Marland, Hobbs, NM 88240  
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

**BILL TO**

**ANALYSIS REQUEST**

Company Name: Eddie's Safety Consulting  
 Project Manager: Eddie's Safety Consulting  
 Address: Loop 1 W Illinois  
 City: Udles State: NM Zip: 86242  
 Phone #: 392.2234 Fax #: 392.6949  
 Project #: XTO SDE 31-4 Project Owner: XTO  
 Project Name: XTO SDE 31-4  
 Project Location: 50 miles W Udles  
 Sampler Name: Eddie's Safety Consulting  
 P.O. #: \_\_\_\_\_ Company: \_\_\_\_\_  
 Attn: \_\_\_\_\_ Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP	# CONTAINERS	MATRIX						DATE	TIME	REMARKS
				GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER :			
A11840-1	SDE 31-1	✓	1	✓	✓	✓	✓	✓	✓	11/27	9:45	TPH / 8015
	SDE 31-2	✓	1	✓	✓	✓	✓	✓	✓	11/27	10:15	Chloride
	SDE 31-3	✓	1	✓	✓	✓	✓	✓	✓	11/27	10:40	
	SDE 31-4	✓	1	✓	✓	✓	✓	✓	✓	11/27	11:00	
	SDE 31-5	✓	1	✓	✓	✓	✓	✓	✓	11/27	11:20	

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Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collection, including attorney's fees.

Sampler Relinquished: \_\_\_\_\_ Date: 11/27 Time: 9:00  
 Relinquished By: [Signature]  
 Received By: \_\_\_\_\_ Date: \_\_\_\_\_ Time: \_\_\_\_\_  
 Received By: (Lab Staff) [Signature]  
 Delivered By: (Circle One) \_\_\_\_\_  
 Sampler - UPS - Bus - Other: \_\_\_\_\_  
 Sample Condition: \_\_\_\_\_  
 Cool Intact:  Yes  No  
 Checked By: \_\_\_\_\_ (Initials)  
 Phone Result:  Yes  No Add'l Phone #: \_\_\_\_\_  
 Fax Result:  Yes  No Add'l Fax #: \_\_\_\_\_  
 REMARKS: ASAP

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.



# ARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603  
PHONE (505) 393-2318 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
EDDIE SEAY CONSULTING  
ATTN: EDDIE SEAY  
601 W. ILLINOIS  
HOBBS, NM 88242  
FAX TO: (505) 392-6949

Receiving Date: 11/27/06  
Reporting Date: 11/29/06  
Project Owner: XTO  
Project Name: XTO SDE 31 #4  
Project Location: 50 MILES W / HOBBS, NM

Sampling Date: 11/27/06  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: BC  
Analyzed By: BC/AB

LAB NUMBER	SAMPLE ID	GRO (C <sub>8</sub> -C <sub>10</sub> ) (mg/Kg)	DRO (>C <sub>10</sub> -C <sub>28</sub> ) (mg/Kg)	Cl <sup>*</sup> (mg/Kg)
ANALYSIS DATE		11/28/06	11/28/06	11/27/06
H11840-1	SDE 31 - 1	85.3	1070	1650
H11840-2	SDE 31 - 2	<10.0	52.6	160
H11840-3	SDE 31 - 3	<10.0	20.5	672
H11840-4	SDE 31 - 4	<10.0	31.3	112
H11840-5	SDE 31 - 5	<10.0	157	112
Quality Control		767	765	470
True Value QC		800	800	500
% Recovery		95.8	95.7	94.0
Relative Percent Difference		1.0	1.3	4.2

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl<sup>\*</sup> Std. Methods 4500-Cl<sup>\*</sup>B

\*Analyses performed on 1:4 w/v aqueous extracts.

Burgess J. Coche  
Chemist

11/29/06  
Date

OK  
Harry Johnson  
11/29/06

H11840

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based on contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

French Dr., Hobbs, NM 88240  
 II  
 W. Grand Avenue, Artesia, NM 88210  
 District III  
 90 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

OPERATOR  Initial Report  Final Report

Name of Company <b>XTO Energy</b>	Contact <b>Gene Hudson</b>
Address <b>Box 700 E Union NM 88231</b>	Telephone No. <b>441. 1634</b>
Facility Name <b>SDE 31 Federal</b>	Facility Type <b>Flow line</b>

Surface Owner <b>FED</b>	Mineral Owner <b>BLM</b>	Lease No. <b>NM 18248</b>
--------------------------	--------------------------	---------------------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<b>F</b>	<b>31</b>	<b>23</b>	<b>32</b>					<b>lea</b>

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

**IRP# 1120**

NATURE OF RELEASE

Type of Release <b>Production Fluid Oil + water</b>	Volume of Release <b>35 lbs</b>	Volume Recovered <b>0</b>
Source of Release <b>Flow line / Truck Rain area</b>	Date and Hour of Occurrence <b>10/30</b>	Date and Hour of Discovery <b>10/30</b>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <b>Pat Caperton</b>	
By Whom? <b>Jerry Pankay</b>	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.\*

**Truck ran over fl. and line parted.**

Describe Area Affected and Cleanup Action Taken.\*

**line was repaired, and area contained  
 will file work plan for final cleanup.**

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.

OIL CONSERVATION DIVISION

Signature: **Eddie W Seay**  
 Printed Name: **Eddie W Seay**  
 Title: **Agent**  
 E-mail Address: **seay\_04@leaco.net**  
 Date: **11/1/06** Phone: **505.390.2454**

Approved by District Supervisor: **[Signature]**  
 Approval Date: **11.14.06** Expiration Date: **3.14.07**  
 Conditions of Approval:  
 Attached



Attach Additional Sheets If Necessary



**XTO**  
ENERGY INC.  
SDE 31 FEDERAL #4  
UNIT F, SEC.31-T23S-R32E  
SE/4 NW/4  
API #30-025-32716  
LEASE #NM 18848  
LEA COUNTY, NM









District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
100 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**

**OPERATOR**

Initial Report  Final Report

Name of Company <b>XTO Energy</b>	Contact <b>Gene Hudson</b>
Address <b>Box 700 Eunice NM 89231</b>	Telephone No. <b>505. 441. 1634</b>
Facility Name <b>SDE 31 Fed.</b>	Facility Type <b>Flow Lines</b>
Surface Owner <b>Fed</b>	Mineral Owner <b>BLM</b>
Lease No. <b>NM 19848</b>	

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
<b>F</b>	<b>31</b>	<b>23</b>	<b>32</b>					<b>Lea</b>

API# **30025 32716000** Latitude **32° 15' 46"** Longitude **103° 43' 00"** **RP #1120**

**NATURE OF RELEASE**

Type of Release <b>oil + water</b>	Volume of Release <b>35 bbl</b>	Volume Recovered <b>0</b>
Source of Release <b>Flow lines next to road</b>	Date and Hour of Occurrence <b>10/30</b>	Date and Hour of Discovery <b>10/30</b>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <b>Pat Caperton also Paul Evans BLM</b>	
By Whom? <b>Jerry Parker</b>	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.\*

Describe Area Affected and Cleanup Action Taken.\*

area was 2 x 4 ft wide running into pastures approx 250 ft.  
All contaminated soil was excavated and hauled to CRZ for disposal.  
Clean soil was replaced, Larry Johnson Approved analytical, site closed.

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.

**OIL CONSERVATION DIVISION**

Signature:	Approved by District Supervisor: <b>ENVIRONMENTAL</b>	
Printed Name: <b>Eddie W Seay</b>	Approval Date: <b>2-15-07</b>	Expiration Date: <b>—</b>
Title: <b>Agent</b>	Conditions of Approval:	
E-mail Address: <b>seay_04@leaco.net</b>	Attached <input type="checkbox"/>	
Date: <b>2/14/07</b>	Phone: <b>505.392.2236</b>	

Attach Additional Sheets If Necessary