

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

Name of Company <u>Energex Resources</u>		Contact <u>Andy Cobb</u>
Address <u>3300 North A Street, Ste 100, Mid. TX</u>		Telephone No. <u>432-687-1155</u>
Facility Name <u>W. Livingston Strawn Unit #237905</u>		Facility Type <u>Flowline leak</u>
Surface Owner <u>Dan Field</u>	Mineral Owner <u>Energex</u>	Lease No. <u>27820</u>

LOCATION OF RELEASE <u>API # 30025378460000</u>								
Unit Letter <u>O</u>	Section <u>34</u>	Township <u>1SS</u>	Range <u>3SE</u>	Feet from the <u>660</u>	North/South Line <u>S</u>	Feet from the <u>2310</u>	East/West Line <u>E</u>	County <u>lea</u>
Latitude <u>32° 58.021'</u>				Longitude <u>103° 23.261'</u>				

Type of Release <u>Oil &amp; Produced water</u>	Volume of Release <u>45</u>	Volume Recovered <u>35</u>
Source of Release <u>Flowline leak</u>	Date and Hour of Occurrence <u>8-31-07</u>	Date and Hour of Discovery <u>8-31-07</u>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <u>Larry Johnson</u>	<u>8:50 am</u>
By Whom? <u>Andy Cobb</u>	Date and Hour <u>8-31-07 @ 2:50 PM</u>	<u>8:45 AM</u>
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.\*

Chloride concentration of produced water is approx 55,000 ml/k

Describe Cause of Problem and Remedial Action Taken.\* Wells in Flowline caused by internal corrosion. Shut in wells producing into this flowline and began immediate excavation of affected area

Describe Area Affected and Cleanup Action Taken.\* Affected area is 60' x 70' on surface; vertically Energex removed 8,460 yards of material to an average depth of 3' to a minimum of 10'. Samples of the affected area have been obtained and are included with this form. we are requesting OGD approval to close this area

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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: <u>Andrew H. Cobb</u>		OIL CONSERVATION DIVISION	
Printed Name: <u>Andrew H. Cobb</u>		Approved by District Supervisor: <u>Chris Williams</u>	
Title: <u>Sr Safety &amp; Environmental Spec.</u>		Approval Date: <u>1/16/08</u>	Expiration Date: <u>4/16/08</u>
E-mail Address: <u>andy.cobb@energex.com</u>		Conditions of Approval: <u>Can not close until sample information is received.</u>	Attached <input type="checkbox"/>
Date: <u>10-8-07</u>	Phone: <u>432-686-3599</u>		

\* Attach Additional Sheets If Necessary

RP# 1721