

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

SEP 04 2007

Form C-141  
Revised October 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

OCD-ARTESIA

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

Release Notification and Corrective Action

30-015-28268

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	NGX Company	Contact	George L. Scott, III
Address	100 N. Pennsylvania, Roswell, NM 88203	Telephone No.	(505) 622-6713
Facility Name:	McKee State #1	Facility Type:	Oil Well
Surface Owner:	State of NM	Mineral Owner	State of New Mexico
		Lease No.	VO-5446-2

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	25	T24S	R28E	990	South	1650	East	Eddy

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

NATURE OF RELEASE


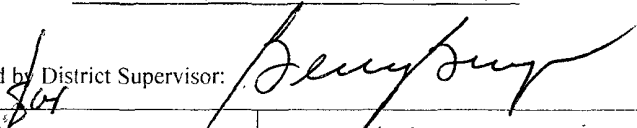
Type of Release: Leaking line-misted to ground	Volume of Release 20 BO	Volume Recovered soaked soil
Source of Release: Line off heater-treater	Date and Hour of Occurrence	Date and Hour of Discovery 4/4/07
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Notice received from NMOCD via letter of violation #029707	
By Whom? Pumper failed to notify NGX - was fired as result	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.\*  
N/A

Describe Cause of Problem and Remedial Action Taken.\*  
Line off heater-treater sprung a leak and misted onto location and adjacent pasture, in violation of Rule 116 and Rule 13. (An area approximately 50 feet X 60 feet) Heater-treater line was repaired and all oil-contaminated soil was excavated and stockpiled on a tarp on location. (Verbal approval from Mike Bratcher).

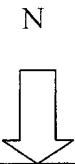
Describe Area Affected and Cleanup Action Taken.\*  
An area approx. 50 feet X 60 feet is affected by oil misting; the heater treater line was fixed and the oil-contaminated soil was excavation and stockpiled on a tarp on location. Will haul contaminated soil to CRI. Soil samples will be taken as set forth on attached plat and results submitted to the OCD. Upon sample results being approved by the OCD, N2-rich fertilizer will be placed abundantly onto the clean soil profile and tilled into the soil for further remediation.

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: George L. Scott, III	Approved by District Supervisor: 	
Title: President	Approval Date: SEP 5 2007	Expiration Date:
E-mail Address: geoilxploration@aol.com	Co: <b>See Attached Stipulations</b>	Attached <input checked="" type="checkbox"/>
Date: August 30, 2007	Phone: (505) 350-2030	

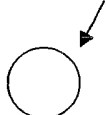
\* Attach Additional Sheets If Necessary

NGX McKee State #1  
T24S, R28E, Sec. 25  
990' FSL 1650' FEL



✦ = Soil Samples

Tank Battery



Oil Spill



Heater Treater



Wellhead



Road

**Stipulations of approval  
Of C-141**

- Samples must be obtained and forwarded to NMOCD with a work plan for remediation prior to backfilling the excavation.