Received 8/15/2016 NMOCD Artesia

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 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

Submit 2 Copies to appropriate

Form C-141

Revised October 10, 2003

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 SM Energy Company Contact Vickie Martinez Address 3300 N "A" St Bldg. 7-200 Midland, Tx 79705 Telephone No. (432) 688-1709 Facility Name Parkway 36 State #001 Facility Type Tank Battery Surface Owner: Commissioner of Public Mineral Owner: Commissioner of Public Lands Lease No. 30-015-26112 Lands LOCATION OF RELEASE Unit Letter Township Range Feet from the North/South Line Feet from the East/West Line Section County F 36 19S 29E Eddy Latitude N 32.61872° Longitude W 104.03101° NATURE OF RELEASE Type of Release: Produced Water Volume of Release 125 bbls Volume Recovered 0 bbls Source of Release: Unknown Date and Hour of Occurrence Date and Hour of Discovery 08/09/2011 08/09/2011 Was Immediate Notice Given? If YES, To Whom? Yes No Not Required Mike Bratcher By Whom? Bill Hearne Date and Hour 08/09/2011 1:58 p.m. Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ⊠ No N/A If a Watercourse was Impacted, Describe Fully.* N/A Describe Cause of Problem and Remedial Action Taken.* Sometime between 08/08/2011 and 08/09/2011 an unknown water transport truck backed up to location and dumped a load in the pasture near SM Energy's Parkway 36 State #001 Describe Area Affected and Cleanup Action Taken.* Tetra Tech inspected site and collected samples to define spills extent. Soil that exceeded RRAL was removed and hauled away for proper disposal. Site was then brought up to surface grade with clean backfill material. Tetra Tech prepared closure report and submitted to NMOCD for review. 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: Printed Name: Ike Tavarez Approval Date: 8/23/2016 Expiration Date: N/A Title: Project Manager E-mail Address: aaron.hale@tetratech.com Conditions of Approval:

Date:

Phone: (432) 682-4559

Attached

FINAL

^{*} Attach Additional Sheets If Necessary