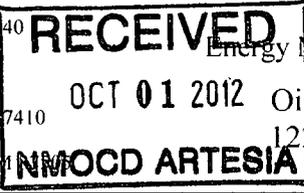


District I
1625 N. French Dr., Hobbs, NM 88340
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505



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 August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

nJMW122-8642037

OPERATOR

Initial Report Final Report

Name of Company SM ENERGY COMPANY 154903	Contact VICKIE MARTINEZ
Address 3300 N "A" ST BLDG 7-200 MIDLAND, TX 79705	Telephone No. (432)688-1709
Facility Name OSAGE 30-015-26089	Facility Type BATTERY

Surface Owner BUREAU OF LAND MANAGEMENT	Mineral Owner BUREAU OF LAND MANAGEMENT	API No. NMNM90807
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	34	19S	29E	1980	NORTH	1980	EAST	EDDY

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release PRODUCED WATER	Volume of Release 25 BBLS	Volume Recovered 7 BBLS
Source of Release 3" POLYETHYLENE SW LINE	Date and Hour of Occurrence 9/24/12 6:00 AM	Hour of Discovery SAME
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? NMOCD 575-748-1283X102 & BLM-JIM AMOS 575-361-2648	
By Whom? BILL HEARNE	Date and Hour 9/25/2012 8:30 AM	
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.*
MOVING DRILLING RIG SUBSTRUCTURE ALONG LEASE ROAD HUNG & PULLED 3" POLYETHYLENE SW LINE CAUSING SPILL. SUBSTRUCTURE WAS TOO WIDE FOR EXISTING LEASE ROAD. RECOVERED 7 BBLS STANDING FLUID FROM ROAD.

Describe Area Affected and Cleanup Action Taken.*
SPILL AREA: 570'x6' = 3420 SQ FT - SCRAPE CONTAMINATED CALICHE OFF ROAD. HAUL OFF TO DISPOSAL AND REPLACE W/FRESH CALICHE AS PER BLM.

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: <i>Vickie Martinez</i>	OIL CONSERVATION DIVISION	
Printed Name: VICKIE MARTINEZ	Approved by Environmental Specialist	Signed By <i>Mike Brandon</i>
Title: ENGINEER TECH II	Approval Date: OCT 12 2012	Expiration Date:
E-mail Address: VMARTINEZ@SM-ENERGY.COM	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 09/27/2012	Phone: (432)688-1709	

* Attach Additional Sheets If Necessary

Remediation per OCD Rules & Guidelines. **SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:**

Nov. 12, 2012

ZRP-1314