

District I  
1625 N. French Dr., Hobbs, NM 88240  
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

**HOBBS OGD** State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505  
**RECEIVED**

Form C-141  
Revised August 8, 2011

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

JAN 05 2015

### Release Notification and Corrective Action

#### OPERATOR

Initial Report  Final Report

Name of Company	SM Energy	Contact	Tejay Simpson
Address	6301 Holiday Hill Road, Midland, TX 79707	Telephone No.	432-212-3408
Facility Name	Inca Battery	Facility Type	Production Battery
Surface Owner	BLM	Mineral Owner	
		API No.	3002530039 (closest well)

#### LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	19	18S	32E	760	North	330	West	LEA

Latitude 32.73805 Longitude -103.81254

#### NATURE OF RELEASE

Type of Release	Produced Water Spill	Volume of Release	75	Volume Recovered	70
Source of Release	Water Tank Overflow	Date and Hour of Occurrence	12/21/14	Date and Hour of Discovery	12/21/14 @ 9:30 AM
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?		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.\* NA

#### Describe Cause of Problem and Remedial Action Taken.\*

The tank battery PLC malfunctioned resulting in the produced water tank level control to the water transfer pump and the call out high level alarm not working properly and not making call out notification to the lease operator. Upon arrival to the battery during routine rounds the lease operator found the produced water tank overflowing out of the tank hatch. The produced water was contained within the tank berm with the exception of approximately 1 barrel of water that over ran the top of the berm. Spill volume estimated at 75 barrels of produced water and 1 barrel of oil. Total fluid recovered is estimated at 70 barrels of water and 0.75 barrels of oil. Back hoe and contract gang was dispatched to the site and began removal of contaminated soil with disposal scheduled at CRI. Electrician and PLC programmer were dispatched to the facility to make the repair to the PLC.

#### Describe Area Affected and Cleanup Action Taken.\*

Tank battery pad inside of the tank berm with a small area north of the berm on the access road way. Free standing fluid was recovered. Contaminated soil was excavated and disposal scheduled at CRI.

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:		
Printed Name: Tejay Simpson	Approved by Environmental Specialist:	
Title: District Production Superintendent	Approval Date: <u>1-5-15</u>	Expiration Date: <u>3-5-15</u>
E-mail Address: tsimpson@sm-energy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 12/23/14	Phone: 432-212-3408	<u>IRP-3475</u>

*Sub system repair. Rebuilt gas & electrical meter for OGD gang. Submit final C-141 by 3-5-15.*

154903  
n70150055648  
p701500556434

JAN 08 2015