

District I
1625 N. French Dr. Hobbs, NM 88240
District II
301 W. Grand Avenue, Artesia, NM 88210
District III
1060 Rio Brazos Road, Aztec, NM 87417
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
Santa Fe, NM 87505

RECEIVED
MAY 03 2010
NMOC D ARTESIA

Form C-141
Revised October 10, 2007
Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-015-00644

Release Notification and Corrective Action

75E81009836860

OPERATOR

Initial Report Final Report

Name of Company	Fairway Resources	Contact	Matt Eagleston
Address	538 Silicon Drive Suite 101, Southlake, TX 76092	Telephone No.	(817) 416-1946
Facility Name	South Red Lake II Unit 31	Facility Type	Well Location
Surface Owner	BLM	Mineral Owner	BLM
		Lease No.	LC-028755A

LOCATION OF RELEASE

Unit Letter 'N'	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	35	17S	27E					Eddy

Latitude North Longitude West

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	Unknown	Volume Recovered	0 bbl
Source of Release	Flow Line	Date and Hour of Occurrence	Unknown	Date and Hour of Discovery	
Was Immediate Notice Given?	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.

Describe Cause of Problem and Remedial Action Taken. Flow line failed causing an unknown volume of produced water to be released. During initial response activities the flow line was clamped and soil was excavated.
Describe Area Affected and Cleanup Action Taken. Site was excavated, confirmation soil samples were collected from the excavation, impacted soil was transported to Lea Land, LLC for disposal, non-impacted soil was purchased locally and the excavation was backfilled. Please see attached Basin Environmental Consulting Remediation Summary and Site Closure Request, dated April 2010, for remediation details.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC D 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 D 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 D 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	<i>John J. Pulte</i>	Approved by	Signed By <i>Michelle Brannon</i>
Printed Name	John J. Pulte	Approval Date	JUN 07 2010
Title	Operation Engineer	Expiration Date	N/A
E-mail Address	jpulte@fairwayresources.com	Conditions of Approval	
Date	4/06/2010	Phone	817-416-1946

2RP-416