

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 *III 16 2008*

Form C-141
Revised October 10, 2003

Oil Conservation Division **OCD-ARTESIA** Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form
1220 South St. Francis Dr.
Santa Fe, NM 87505

Release Notification and Corrective Action

SEB0819849612
154903

OPERATOR Initial Report Final Report

Name of Company	ST. MARY LAND & EXPLORATION	Contact	TOM MORROW
Address	3300 N. A. ST. BLDG 7, SUITE 200, MIDLAND TX 79705	Telephone No.	432-688-1773
Facility Name	PDU 304 <i>30-015-29503</i>	Facility Type	INJECTION WELL
Surface Owner	BLM	Mineral Owner	BLM
		Lease No.	NM - 67102

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	35	19S	29E	1485	NORTH	1485	EAST	EDDY

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	PRODUCED WATER	Volume of Release	275 BBLs	Volume Recovered	80 BBLs
Source of Release	2" INJ. LATERAL LINE & 2" BALL VALVE	Date and Hour of Occurrence	7/13/08 (MORNING ??)	Date and Hour of Discovery	7/13/08 10:00 AM
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? OCD (VOICEMAIL 104) @ 1:34 PM JIM AMOS W/BLM @ 1:50 PM			
By Whom?	BILL HEARNE	Date and Hour	7/13/08 (SEE ABOVE TIMES)		
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.*
CAUSE: BALL VALVE FAILURE ON 2" INJECTION LATERAL LINE ON THE PDU 205 INJ. WELL.
REMEDIAL ACTION TAKEN: SHUT IN PDU 205 INJ WELL & PICKED UP STANDING FLUID AND MAKE REPAIRS TO BALLVALVE & LINE.

Describe Area Affected and Cleanup Action Taken.*
AFFECTED AREA: 435' X 125' PASTURE LAND
CLEANUP ACTION: PICKED UP ALL STANDING FLUID, WAITING ON ORDERS FROM BLM/OCD AND HIGHLANDER ENVIRONMENTAL EVALUATION BEFORE FUTHER CLEANUP ACTION AND REMEDIATION IS TAKEN.

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>Donna Huddleston</i>	OIL CONSERVATION DIVISION	
Printed Name: Donna Huddleston	Approved by District Supervisor:	<i>T. Cumby EB</i>
Title: Production Tech	Approval Date: <i>7-16-08</i>	Expiration Date:
E-mail Address: dhuddleston@stmaryland.com	Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: 07/14/08 Phone: 432-688-1789	SEE ATTACHED STIPULATIONS	<i>2RP-200</i>

* Attach Additional Sheets If Necessary
SEB0819850075

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



CERTIFIED MAIL—Return Receipt Requested
7007 2680 0001 6451 2698

July 16, 2008

St. Mary Land & Exploration
ATTN: Tom Morrow
3300 N. A. St., Bldg 7, Suite 200
Midland, TX 79705

RE: Parkway Delaware Unit 304 30-015-29503
G-35-19S-29E Eddy County, New Mexico
2RP- 200

Dear Operator:

This office is in receipt of your C-141 regarding the produced water release at this facility.

NMOCD Rule 19.15.3.116 states in part "...The responsible person must complete **division approved corrective action** for releases which endanger public health or the environment. Releases will be addressed in accordance with a **remediation plan** submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

Information and tools for proper corrective action may be found in the Environmental Handbook on our web site at the following link: http://www.emnrd.state.nm.us/ocd/documents/7C_spill1.pdf

The following actions are **required** to be addressed in the **remediation plan**:

- Determine the horizontal and vertical delineation of the spill by sampling.
- Prepare a sketch of the site indicating where and at what depths the samples were taken.
- Submit laboratory results of sampling as well as the proposed remediation with the plan.

Remediation requirements may be subject to other federal, state, and local laws or regulations.

Within 30 days, **on or before August 18, 2008**, completion of a remediation work plan should be finalized and submitted to the Division summarizing all actions taken or to be taken to mitigate environmental damage related to the leak, spill or release for approval.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further assistance with this matter or should you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Sherry Bonham", is written over a horizontal line.

Sherry Bonham
NMOCD District II, Artesia
(505) 748-1283 ext 109
E-mail: sherry.bonham@state.nm.us

Cc: James Amos, BLM

