

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
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

JUL 18 2008
OCD-ARTESIA

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

i SEB0821852969
n SEB0821852642 154903 OPERATOR X Initial Report Final Report

Name of Company	St. Mary Land & Exploration Co.	Contact	Tom Morrow
Address	3300 N. A St. Bldg 7, Suite 200, Midland, TX 79705	Telephone No.	432-688-1773
Facility Name	ESDU Injection Station	Facility Type	Injection Station

Surface Owner	Bureau of Land Management	Mineral Owner	Bureau of Land Management	Lease No.
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30 015 31350

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	24	18S	31E					

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Produced Wtr.	Volume of Release	500 bbls	Volume Recovered	410 bbls
Source of Release	Fire destroyed water tanks & gun barrel	Date and Hour of Occurrence	7/16/08 6:00 AM	Date and Hour of Discovery	7/16/08 6:00AM
Was Immediate Notice Given?	X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Jim Amos w/ BLM & Mike Bratcher w/NMOCD		
By Whom?	Bill Hearn	Date and Hour	5/30/08 10:01AM		
Was a Watercourse Reached?	<input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

CAUSE: Lightening struck injection station burning down (3) 500 bbl fiberglass suction tanks and scorching 750 bbl fiberglass gun barrel. Fill lines were broken away from tanks causing spill.
REMEDIAL ACTION: Notified all oil companies and shut-in all off lease water entering facility.

Describe Area Affected and Cleanup Action Taken.*

AFFECTED AREA: 85' X 45' = 3825 sq. ft. & 100' X 95' = 9500 sq. ft. Total = 13325 sq. ft. (Pasture Land)
CLEANUP ACTION: Picked up standing fluid w/vacuum truck. Waiting for orders from BLM/OCD for further cleanup remediation action.

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 Gum by SB</i>	
Title: Production Tech	Approval Date: <i>8-5-08</i>	Expiration Date:
E-mail Address: dhuddleston@stmaryland.com	Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: 07/17/2008 Phone: 432-688-1789		<i>2RP-208</i>

* Attach Additional Sheets If Necessary

SEB 0821853045



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 0779

August 5, 2008

St. Mary Land & Exploration Co
3300 N A St. Bldg 7, Suite 200
Midland, TX 79705

RE: East Shugart Delaware Unit 020 A-24-18S-31E
30-015-31350 Eddy County, New Mexico
2RP-208

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.



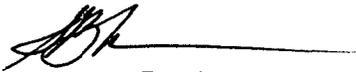
Remediation requirements may be subject to other federal, state, and local laws or regulations.

Within 30 days, **on or before September 8, 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,



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