

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

RECEIVED
MAY 03 2010
NMOCD ARTESIA

Form C-141
Revised October 16, 2003
Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-015-20104

Release Notification and Corrective Action

~~IRP 2068~~

nSEB 0930051803

OPERATOR

Initial Report Final Report

Name of Company	Fairway Resources	241598	Contact
Address	538 Silicon Drive Suite 101, Southlake, TX 76902		Telephone No.
Facility Name	South Red Lake Grayburg Unit 41		Facility Type
Surface Owner		BLM	Mineral Owner
		BLM	Lease No. 0577798

LOCATION OF RELEASE

Unit Letter "P"	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	35	17S	27E		990'		990'	Eddy

Latitude 32° 47', 10 62" North

Longitude 104° 14', 44.73" West

NATURE OF RELEASE

Type of Release	Produced Water and Crude Oil	Volume of Release	15 bbls	Volume Recovered	0 bbl
Source of Release	Flow Line	Date and Hour of Occurrence	9/28/2009	Date and Hour of Discovery	9/28/2009
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required		If YES, To Whom? Jim Amos (BLM)		
By Whom?	Mike Jones	Date and Hour	9/28/2009		
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 A fiberglass flow line above the north east corner of the location failed under pressure releasing 15 bbls of produced water and crude. All saturated materials will be removed and transported to an approved NMOCD disposal facility. Once all saturated materials have been removed the area will be delineated to determine what remedial steps will need to be taken.

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 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	<i>John J. Pulte</i>	Approved by District Supervisor	Signed By <i>Mike Brannan</i>
Printed Name	John J. Pulte	Approval Date	JUN 03 2010
Title	Operations Engineer	Expiration Date	1/1
E-mail Address	jipulte@fairwayresources.com	Conditions of Approval:	
Date: 4/06/2010	Phone: 817-416-1946		

2RP-359