

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

State of New Mexico  
Energy Minerals and Natural Resources

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

**NM OIL CONSERVATION**

ARTESIA DISTRICT

Form C-141  
Revised August 8, 2011

JAN 31 2015

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

RECEIVED

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report  Final Report

*NAB1503431252*

Name of Company	SM Energy	<i>154903</i>	Contact	Tejay Simpson
Address	6301 Holiday Hill Road, Midland, TX 79707		Telephone No.	432-212-3408
Facility Name	ESDU No. 02		Facility Type	Production Well Location - Rod Pump
Surface Owner	BLM	Mineral Owner	API No. 30-015-25847	

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	13	18S	31E	330	South	330	East	Eddy

Latitude 32.741143 Longitude -103.815492

**NATURE OF RELEASE**

Type of Release	Produced Water and Oil	Volume of Release	25.3 produced water / 4.5 oil	Volume Recovered	16.2 water / 2.9 oil
Source of Release	Polished rod liner leak	Date and Hour of Occurrence	1/29/2015 approx 3:00 AM	Date and Hour of Discovery	01/29/2015 @ 7:00 AM
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Jim Amos @ BLM 1/30/15 @ 4:50 PM Central Time Laura Tulk @ NMOCD 1/30/15 @ 5:00 PM Central Time		
By Whom?	Tejay Simpson	Date and Hour	1/30/15 @ 4:50 PM Central Time		
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.\***

Upon arrival to the well location at 7:00 AM on 01/29/15 while making routine rounds, the lease operator discovered water and oil on the well pad. He found the polished rod liner had slipped and was stationary in the stuffing box while the polished rod was traveling throughout the stroke. Fluid was spraying out from between the polished rod and liner top while the unit was stroking. The lease operator shut down the pumping unit, closed in the well and tightened up the polished rod liner stopping the release of fluid.

A well pull was begun on the well on 1/23/15 and completed on 1/26/15. The well quit pumping and the crew returned to the well on the 28th and re-spaced the rods. The well was monitored the remainder of the day intermittently by the lease operator and the WSM. The well was last checked at approximately 5:30 PM by the WSM.

Estimate Spill Volume: 25.3 water / 4.5 oil

Recovered: 16.2 water / 2.9 oil

Estimated Clean up cost: \$2,000

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

Spill was contained to the well location. Vacuum truck was dispatched to the location and picked up the free liquid. Backhoe was dispatched the following day and removed the contaminated soil.

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>Tejay Simpson</i>	<i>1-31-15</i>	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Tejay Simpson	Approved by Environmental Specialist:	<i>[Signature]</i>

*DO NOT SIGN THIS REPORT LRP-2777*

Title: District Production Superintendent	Approval Date: 2/3/15	Expiration Date: N/A
E-mail Address: tsimpson@sm-energy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 01/31/2015	Phone: 432-212-3408	<b>Remediation per O.C.D. Rules &amp; Guidelines</b>

\* Attach Additional Sheets If Necessary

**SUBMIT REMEDIATION PROPOSAL NO  
LATER THAN: 3/3/15**