

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

JUN 26 2009

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**

**OPERATOR**

☐ Initial Report ☒ Final Report

Name of Company	Fairway Resources Operating, LLC	Contact	Jay Pulte
Address	538 Silicon Drive, Ste. 101, Southlake, Texas 76092	Telephone No.	(817) 416-1946
Facility Name	South Red Lake II Unit #43	Facility Type	Oil Well

Surface Owner	State of New Mexico	Mineral Owner	State of New Mexico	Lease No.	NM10695X
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3001523913

**LOCATION OF RELEASE**

Unit Letter "K"	Section 36	Township 17S	Range 27E	Feet from the 1,650'	North/South Line South	Feet from the 1,650	East/West Line West	County Eddy
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Latitude 32.7877800° North

Longitude 104.2350200° West

**NATURE OF RELEASE**

Type of Release	Produced Water and Crude Oil	Volume of Release	25 bbls (est.)	Volume Recovered	20 bbls (est.)
Source of Release	Flowline Release Near Wellhead	Date and Hour of Occurrence	06/16/08 @ unknown time	Date and Hour of Discovery	06/17/08 - 0800 hours
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.

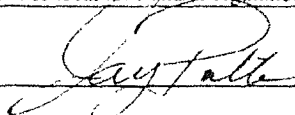
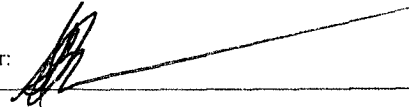
Describe Cause of Problem and Remedial Action Taken:

A steel nipple failed at the wellhead flowline connection. Free liquids were recovered and transported to the central facility using a vacuum truck. Following mitigation of the release, the nipple was replaced.

Describe Area Affected and Cleanup Action Taken.

Approximately 2,830 cubic yards of impacted soil was excavated, stockpiled and transported to Lea Land Landfill (Permit #NM-01-0035) for disposal. Confirmation soil samples were collected and submitted to the laboratory for analysis. With NMOCD Artesia Office approval a risk-based site closure was employed, utilizing a polyethylene liner. Following the installation of the liner, the excavation was backfilled with locally purchased native soil. A Remediation Summary and Site Closure Request dated May 2009 was submitted to the NMOCD Artesia Office and contains additional details and documentation not contained in this document.

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			
Printed Name: Jay Pulte	OIL CONSERVATION DIVISION		
Title: Operations Engineer	Approved by District Supervisor:		
E-mail Address: jpulte@fairwayresources.com	Approval Date: 6-29-09	Expiration Date: N/A	2RP-0188
Date: 6/24/09	Conditions of Approval: N/A	Phone: (817) 416-1946	