

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 FEB 04 2008  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-141  
Revised October 10, 2003

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

241598 NSEB0803737626 Release Notification and Corrective Action

30-015-01231

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Fairway Resources Operating, LLC	Contact Kenneth Pearce
Address 538 Silicon Drive, Ste. 101, Southlake, TX 76092	Telephone No. 817-416-1946
Facility Name Midnight Matador "A" #4	Facility Type Oil well

Surface Owner US-BLM	Mineral Owner US-BLM	Lease No. NM LC-055561
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LOCATION OF RELEASE

Unit Letter B	Section 35	Township 17S	Range 27E	Feet from the 990'	North/South Line North	Feet from the 1,650	East/West Line East	County Eddy
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Latitude 32 degrees 47' 42.4"

Longitude 104 degrees 14' 44.9"

NATURE OF RELEASE

Type of Release Oil and produced water	Volume of Release Unknown	Volume Recovered 0
Source of Release wellhead	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 1/16/08 8:00 a.m. MST
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" 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 BLM inspection indicated evidence of old leakage and soil contamination on the north side of the location. No free liquids were found, no current leakage was detected.

Describe Area Affected and Cleanup Action Taken.\*

The affected area is on north the side of the location. We propose to excavate the contaminated soil that exceeds OCD limits of 500 ppm chlorides or 5,000 ppm TPH. The contaminated soil will be hauled to a nearby drilling reserve pit that is scheduled to be closed and replaced with clean top 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>Kenneth Pearce</i>	OIL CONSERVATION DIVISION	
Printed Name: Kenneth Pearce	Approved by District Supervisor: <b>DENIED</b>	
Title: Engineer	Approval Date:	Expiration Date:
E-mail Address: kpearce@fairwayresources.com	Conditions of Approval: RESUBMIT INITIAL REPORT C-141	
Date: 2/1/08	Phone: 817-416-1946	Attached <input type="checkbox"/>

\* Attach Additional Sheets If Necessary  
pSEB0803739564

REMEDICATION PLAN DUE  
ON OR BEFORE  
March 6, 2008.  
2 RP-124