

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

SEP 19 2008

Form C-141
Revised October 10, 2003

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

OCD-ARTESIA

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

Release Notification and Corrective Action

| | | | |
|--|--|------------------------------|---------------------------------------|
| 154903 OPERATOR | | X Initial Report | <input type="checkbox"/> Final Report |
| Name of Company ST. Mary Land & Exploration Company | | Contact Tom Morrow | |
| Address 3300 N A Street Bldg 7, Ste 200, Midland, TX 79705 | | Telephone No. (432) 688-1773 | |
| Facility Name Tuesday Federal #1 | | Facility Type | |
| Surface Owner BLM | | Mineral Owner BLM | Lease No. |

3001525123

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| M | 34 | 19S | 29E | | | | | Eddy |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release Oil/Produced Wtr | Volume of Release 3BO/80BW | Volume Recovered -0- |
| Source of Release 3" Poly Transition | Date and Hour of Occurrence Unknown | Date and Hour of Discovery 7:00 PM 9/16/08 |
| 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/ OCD | |
| By Whom? Bill Hearne | Date and Hour 9/17/08 9:58 AM | |
| 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: 3" poly transition line was old and found to be split causing leaking of fluids.

Action Taken: This line is used to transport water from wells operated by Westall to St. Mary's Parkway Delaware Unit Injection station.

Immediate action was taken by putting a clamp on the transition and contacting Westall to inform them that the line would be out of service pending repairs.

Describe Area Affected and Cleanup Action Taken.*

Affected Area: Pasture land on DCP Pipeline right of way. Spill area is 20' wide X 400' Long.

Cleanup Action: Contacted Tetra Tech Environmental Services for evaluation and recommendation for cleanup of affected area.

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>Tommy SB</i> | |
| Title: Production Tech | | Approval Date: 10-15-08 | Expiration Date: 12-15-08 |
| E-mail Address: dhuddleston@stmaryland.com | | Conditions of Approval: | |
| Date: 09/17/08 | Phone: (432) 688-1789 | Within 30 days, on or before 11-17-08, completion of a remediation work plan based on delineation should be finalized and submitted for approval to the Division summarizing all actions taken and/or to be taken to mitigate environmental damage. | |

Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date.

Attached ☒

2RP - 251

Notify OCD 48 hours prior to obtaining samples where analyses are to be presented to OCD

* Attach Additional Sheets If Necessary



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 2560 0002 2222 8209

October 15, 2008

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

RE: Tuesday Federal 001 30 015 25123
M-34-19S-29E Eddy County, New Mexico
2RP-251

Dear Operator:

This office is in receipt of your C-141 regarding the oil and 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/oecd/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.



October 15, 2008

Page 2

Notify the OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD. Notification is to include date and time of sample event.

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

Within 30 days, **on or before November 17, 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.

In the event that a satisfactory response is not received to this letter, further enforcement may occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe. Such a hearing may result in imposition of civil penalties for your violation of OCD rules.

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