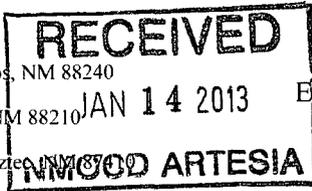


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87505
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505



State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised August 8, 2011

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

Release Notification and Corrective Action

nJM/W/1302238706

OPERATOR Initial Report Final Report

Name of Company SM ENERGY COMPANY 154903	Contact VICKIE MARTINEZ
Address 3300 N "A" STREET, BLDG 7-200	Telephone No. (432)688-1709
Facility Name PDU TRACT 2	Facility Type BATTERY
Surface Owner BLM	Mineral Owner BLM
API No. 3001526112	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	26	19S	29E	330	SOUTH	1980	EAST	EDDY

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release PRODUCED WATER	Volume of Release 35	Volume Recovered 30
Source of Release WATER TANK	Date and Hour of Occurrence 12/6/12 6:30 AM	Hour of Discovery SAME
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? JIM AMOS W/BLM & NMOCD GENERAL MAILBOX	
By Whom? BILL HEARNE	Date and Hour 12/6/12 9:37 PM	
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.* N/A		
Describe Cause of Problem and Remedial Action Taken.* MURPHY SWITCH MALFUNCTION WAS CAUSE OF PROBLEM. SM ENERGY WILL BE TURNING THIS OVER TO TETRA TECH FOR FURTHER EVALUATION.		
Describe Area Affected and Cleanup Action Taken.* SPILL AREA: 40'X30' = 1200 SQ FT. PICKED UP 30 BBLs WHICH WERE ALL CONTAINED INSIDE BERM 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>Vickie Martinez</i>	OIL CONSERVATION DIVISION	
Printed Name: VICKIE MARTINEZ	Approved by Environmental Specialist:	Signed By: <i>Mike Berman</i>
Title: ENGINEER TECH II	Approval Date: JAN 22 2013	Expiration Date:
E-mail Address: VMARTINEZ@SM-ENERGY.COM	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 01/03/2013 Phone: (432)688-1709	Remediation per OCD Rule & Guidelines. SUBMIT REMEDIATION PROPOSAL NO LATER THAN: February 22, 2013	

* Attach Additional Sheets If Necessary

2RP-1511