

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

RECEIVED

JUN 14 2012

NMOCD ARTESIA

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

HOBBS OCD

DEC 19 2011

RECEIVED

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

JMW 1217349902

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	SM ENERGY COMPANY 154903	Contact	VICKIE MARTINEZ
Address	3300 N "A" ST BLDG 7-200 MIDLAND, TX 79705	Telephone No	(432)688-1709
Facility Name	OSAGE 30-015-26089	Facility Type	BATTERY

Surface Owner	BUREAU OF LAND MANAGEMENT	Mineral Owner	BUREAU OF LAND MANAGEMENT	Lease No.	NMNM90807
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	34	19S	29E	1980	NORTH	1980	EAST	EDDY

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	OIL	Volume of Release	30 BBLS	Volume Recovered	0
Source of Release	VALVE	Date and Hour of Occurrence	9/24/11 10:00 AM	Date and Hour of Discovery	SAME
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 *

N/A

Describe Cause of Problem and Remedial Action Taken *

Cause of problem Tank Valve malfunction causing Transporter - Holley Energy pumps to suck oil from tanks down pipeline that was unaccounted for by Holley Energy. No oil was recovered
Remedial Action Taken. Emptied tank with Valve malfunction and repaired valve Unaccounted for 30 bbls which will be shown on C-115 and MMS OGOR report as Lost oil

Describe Area Affected and Cleanup Action Taken *

N/A

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	Vickie Martinez			OIL CONSERVATION DIVISION	
Printed Name	VICKIE MARTINEZ			Signed By <u>M/L B...</u>	
Title	ENGINEER TECH II			Approval Date	JUN 21 2012
E-mail Address	VMARTINEZ@SM-ENERGY.COM			Expiration Date	
Date	11/10/2011			Conditions of Approval	Attached <input type="checkbox"/>
Phone	(432)688-1709				

* Attach Additional Sheets If Necessary

Remediation per OCD Rules &
Guidelines. **SUBMIT REMEDIATION
PROPOSAL NOT LATER THAN:**

7/21/12

2RP-1185