

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

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 SM Energy Company | Contact Vickie Martinez |
| Address 3300 N "A" St Bldg. 7-200 Midland, Tx 79705 | Telephone No. (432) 688-1709 |
| Facility Name Parkway 36 State #001 | Facility Type Tank Battery |

| | | |
|---|---|------------------------|
| Surface Owner: Commissioner of Public Lands | Mineral Owner: Commissioner of Public Lands | Lease No. 30-015-26112 |
|---|---|------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|-------------------------|----------------------|------------------------|---------------------|---------------|------------------|---------------|----------------|-----------------------|
| Unit Letter F | Section 36 | Township 19S | Range 29E | Feet from the | North/South Line | Feet from the | East/West Line | County Eddy |
|-------------------------|----------------------|------------------------|---------------------|---------------|------------------|---------------|----------------|-----------------------|

Latitude N 32.61872° Longitude W 104.03101°

NATURE OF RELEASE


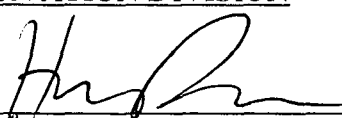

| | | |
|--|---|---|
| Type of Release: Produced Water | Volume of Release 125 bbls | Volume Recovered 0 bbls |
| Source of Release: Unknown | Date and Hour of Occurrence 08/09/2011 | Date and Hour of Discovery 08/09/2011 |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher | |
| By Whom? Bill Hearne | Date and Hour 08/09/2011 1:58 p.m. | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. N/A | |

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
Sometime between 08/08/2011 and 08/09/2011 an unknown water transport truck backed up to location and dumped a load in the pasture near SM Energy's Parkway 36 State #001

Describe Area Affected and Cleanup Action Taken.*
Tetra Tech inspected site and collected samples to define spills extent. Soil that exceeded RRAL was removed and hauled away for proper disposal. Site was then brought up to surface grade with clean backfill material. Tetra Tech prepared closure report and submitted to NMOCD for review.

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:  | | OIL CONSERVATION DIVISION | |
| Printed Name: Aaron Hale (Agent for SM Energy) | | Approved by District Supervisor:  | |
| Title: Project Manager | | Approval Date: 7/7/15 | Expiration Date: N/A |
| E-mail Address: aaron.hale@tetrattech.com | | Conditions of Approval:  Attached <input type="checkbox"/> | |
| Date: _____ Phone: (432) 682-4559 | | | |

* Attach Additional Sheets If Necessary

2RP-1533