

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 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

Received 8/23/2016  
NMOCD Artesia

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**

**OPERATOR**

Initial Report  Final Report

Name of Company SM Energy Company	Contact Zach Luikens	
Address	Telephone No. (432) 688-3138	
Facility Name Osage 30-015-26089	Facility Type Battery	
Surface Owner BLM	Mineral Owner BLM	API No. 30-015-26089

**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	Date and Hour of Discovery
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.\*

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.\*

This lost oil down Holley's pipeline was incorrectly placed on a C-141 form and classified as a spill. No spill occurred. A valve malfunctioned which allowed Holley to pump unaccounted for oil out of the tank. The lost oil was accounted for on a C-115 and on the MMS OGOR report.

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: 	<b><u>OIL CONSERVATION DIVISION</u></b>	
Printed Name: Zach Luikens	Approved by Environmental Specialist:	
Title: Engineer	Approval Date: 8/26/2016	Expiration Date: N/A
E-mail Address: zluikens@sm-energy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 8/23/16	Phone: (432) 688-3138	<b>FINAL</b>