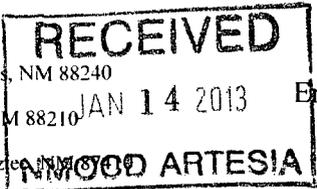


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87401  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505



State of New Mexico  
Energy Minerals and Natural Resources

Form C-141  
Revised August 8, 2011

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

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 <b>SM ENERGY COMPANY 154903</b>	Contact <b>VICKIE MARTINEZ</b>
Address <b>3300 N "A" STREET, BLDG 7-200</b>	Telephone No. <b>(432)688-1709</b>
Facility Name <b>PDU TRACT 2</b>	Facility Type <b>BATTERY</b>

Surface Owner <b>BLM</b>	Mineral Owner <b>BLM</b>	API No. <b>3001526112</b>
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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
O	26	19S	29E	330	SOUTH	1980	EAST	EDDY

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

**NATURE OF RELEASE**

Type of Release <b>PRODUCED WATER</b>	Volume of Release <b>35</b>	Volume Recovered <b>30</b>
Source of Release <b>WATER TANK</b>	Date and Hour of Occurrence <b>12/6/12 9:37 AM</b>	Date and Hour of Discovery <b>SAME</b>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <b>JIM AMOS W/BLM &amp; NMOCD GENERAL MAILBOX</b>	
By Whom? <b>BILL HEARNE</b>	Date and Hour <b>12/6/12 9:37 PM</b>	
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>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: <b>VICKIE MARTINEZ</b>	Approved by Environmental Specialist:	Signed By: <i>Mike Beaman</i>
Title: <b>ENGINEER TECH II</b>	Approval Date: <b>JAN 22 2013</b>	Expiration Date:
E-mail Address: <b>VMARTINEZ@SM-ENERGY.COM</b>	Conditions of Approval: <b>Remediation per OCD Rule &amp; Guidelines. SUBMIT REMEDIATION PROPOSAL NO LATER THAN:</b>	Attached <input type="checkbox"/>
Date: <b>01/03/2013</b> Phone: <b>(432)688-1709</b>	<b>February 22, 2013</b>	<b>2RP-1511</b>

\* Attach Additional Sheets If Necessary