



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

30-015-00658

November 27, 2007

Fairway Resources Operating, LLC
538 Silicon Dr. Ste 101
Southlake, TX 76092

ATTN: Kenneth Pearce

RE: South Red Lake II Unit Central Battery

Dear Sir:

This office is in receipt of your C-141 on the oil and produced water release, at this facility.

NMOCD Rule 19.15.3.116 states in part ... "The responsible person must complete **division approved corrective action** for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

Information and tools for proper corrective action may be found in the Environmental Handbook on our web site www.emnrd.state.nm.us/ocd under the heading publications.

Remediation requirements may be subject to other federal, state and local laws or regulations.

Within 30 days, **on or before December 27, 2007**, completion of a remediation work plan should be finalized and submitted to the Division, summarizing all actions taken or to be taken to mitigate environmental damage related to the leak, spill or release, for approval.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further service or if you have any questions please feel free to contact me.

Sincerely,

Gerry Guye

Compliance Officer

NMOCD District II, Artesia

(505) 748-1283 ext 105

Cell (505) 626-0843

E-mail: gerry.guye@state.nm.us

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

NOV 27 2007
OCD-ARTESIA

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-015-00658
00658

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Fairway Resources Operating, LLC	Contact	Kenneth Pearce
Address	538 Silicon Dr., Ste. 101, Southlake, TX 76092	Telephone No.	817-416-1946
Facility Name	South Red Lake II Unit Central Battery	Facility Type	Produced water tanks
Surface Owner	State of New Mexico	Mineral Owner	State of New Mexico
		Lease No.	NMNM109695X

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	35	17S	27E	2,125'	South	150'	East	Eddy

Latitude 32.78898 degrees Longitude -104.24337 degrees

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	200 bbls water; 10 bbls oil	Volume Recovered	5 bbls oil; 150 bbls water
Source of Release	Storage tank	Date and Hour of Occurrence	11/2/07 5 a.m.	Date and Hour of Discovery	11/2/07 8 a.m.
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input 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.*					
Describe Cause of Problem and Remedial Action Taken.*					
Injection pump went down due to electrical problem and high tank level alarm malfunction. Electrical problem and high level tank alarm repaired.					
Describe Area Affected and Cleanup Action Taken.*					
Berm around tanks. Water hauled to disposal and caliche placed around tanks.					
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>Cindy Flood</i>		OIL CONSERVATION DIVISION	
Printed Name: Cindy Flood		Approved by District Supervisor: <i>[Signature]</i>	
Title: Office Manager		Approval Date: NOV 27 2007 Expiration Date:	
E-mail Address: cflood@fairwayresources.com		Conditions of Approval: <i>See Stipulations</i>	
Date: 11/26/2007 Phone: 817-416-1946		Attached <input checked="" type="checkbox"/>	

* Attach Additional Sheets If Necessary