

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

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: Lime Rock Resources II-A, LP | Contact: Michael Barrett |
| Address: 1111 Bagby St. Suite 4600, Houston, TX 77002 | Telephone No. 575-623-8424 |
| Facility Name: Falcon 3 G Federal #7 | Facility Type: Battery |

| | | |
|------------------------|------------------------|---------------------------------------|
| Surface Owner: Federal | Mineral Owner: Federal | API No. 30-015-29126 (LC 065478-B) |
|------------------------|------------------------|---------------------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|--------------|-----------------|--------------|-----------------------|-----------------------|-----------------------|---------------------|----------------|
| Unit Letter G | Section 3 | Township 18S | Range 27E | Feet from the 1450 | North/South Line N | Feet from the 2310 | East/West Line E | County Eddy |
|------------------|--------------|-----------------|--------------|-----------------------|-----------------------|-----------------------|---------------------|----------------|

Latitude 32.779365 Longitude -104.265335

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release: Mixed Fluids | Volume of Release: 30bbls Oil 20bbls PW | Volume Recovered: 24 bbls Mixed Fluids |
| Source of Release: Heater Treater | Date and Hour of Occurrence: 12/28/2015 | 12/28/2015 and Hour of Discovery: |
| 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.*

A heater treater malfunctioned causing a release of 20bbls of produced water and 30bbls of oil. The heater treater was taken out of service and repaired. A vacuum truck was dispatched to the location and recovered 24bbls of fluid. Talon mobilized personnel to the location for emergency spill response and to contain the release due to adverse weather conditions. Recovery of fluid continued as the snow melted.

Describe Area Affected and Cleanup Action Taken.*

The impacted area encompassed the location downhill of the battery, the county road, and the pasture on the south side of the road. Initial response activities included building berms to contain the fluid and snow melt, steam cleaning the road (fluid was recovered with a vacuum truck), and scraping the heavily impacted soil from the surface. Once Talon personnel conducted a site assessment and performed soil sampling at the site a remediation work plan was drafted and subsequently approved by NMOCD and BLM. The remediation was conducted to the scope laid out in the approved work plan.

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: Michael Barrett | Approved by Environmental Specialist: | |
| Title: Production Supervisor | Approval Date: 1/29/2016 | Expiration Date: N/A |
| E-mail Address: mbarrett@limerockresources.com | Conditions of Approval: FINAL | Attached <input type="checkbox"/> |
| Date: 1/27/2016 Phone: 575-623-8424 | | |

* Attach Additional Sheets If Necessary

2RP-3473