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JUL 13 2012

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brzoz Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural ResourcesOil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505Form C-141
Revised October 10, 2003Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form**Release Notification and Corrective Action**

nJMW 122125040

OPERATOR☒ Initial Report ☐ Final Report

| | |
|--|------------------------------|
| Name of Company - Legacy Reserves Operating, LP 240974 | Contact: Berry Johnson |
| Address - PO box 10848, Midland, TX 79702-7848 | Telephone No. : 432-689-5200 |
| Facility Name - South Red Lake II Unit #37 | Facility Type: WIW |

| | | |
|----------------|------------------------|------------------------------|
| Surface Owner: | Mineral Owner: Federal | Lease No. API # 30-015-00715 |
|----------------|------------------------|------------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|--------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter D | Section 1 | Township 18S | Range 27E | Feet from the 330' | North/South Line North | Feet from the 330' | East/West Line West | County Eddy |
|------------------|--------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|

Latitude 32.78253 N Longitude -104.23978 W**NATURE OF RELEASE**

| | | |
|--|---|---|
| Type of Release: Produced Water | Volume of Release 4-5 bbls | Volume Recovered -0- bbls |
| Source of Release : 2" steel line | Date and Hour of Occurrence 6/25/2012 | Date and Hour of Discovery 6/25/2012 |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? BLM | |
| 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.*

There was a leak at the 2" steel line that feeds injection well. No water was recovered, the well was shut in, the line was repaired and brought back into service.

Describe Area Affected and Cleanup Action Taken.* The affected area was about 30' X 50' just east and south of the well. There was a small amount of mist that settled northeast of the location. Talon/LPE has been contracted to complete site assessment and work plan activities.

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: <u>Sharon Bowersock</u> | OIL CONSERVATION DIVISION | |
| Printed Name: Sharon Bowersock | Approved by District Supervisor: <u>Mike Brown</u> | Signed By <u>Mike Brown</u> |
| Title: Eng./Regulatory Tech | Approval Date: <u>JUL 30 2012</u> | Expiration Date: |
| E-mail Address: sbowersock@legacylp.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 07/13/2012 Phone: (432) 689-5200 | | |

* Attach Additional Sheets If Necessary

Remediation per OCD Rules &
Guidelines. **SUBMIT REMEDIATION
PROPOSAL NOT LATER THAN:**8/30/12

2RP-1231