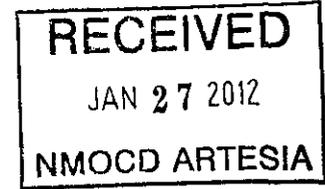




OCU copy



January 20, 2012

Mr. Mike Bratcher
NMOCD District 2
811 S. 1st Street
Artesia, NM 88210

AMARILLO
921 North Bivins
Amarillo, Texas 79107
Phone 806.467.0607
Fax 806.467.0622

ARTESIA
408 West Texas Ave.
Artesia, New Mexico 88210
Phone 575.746.8768
Fax 575.746.8905

AUSTIN
911 West Anderson Lane
Suite 202
Austin, Texas 78757
Phone 512.989.3428
Fax 512.989.3487

HOBBS
318 East Taylor Street
Hobbs, New Mexico 88240
Phone 575.393.4261
Fax 575.393.4658

MIDLAND
2901 State Hwy 349
Midland, Texas 79706
Phone 432.522.2133
Fax 432.522.2180

SAN ANTONIO
11 Commercial Place
Schertz, Texas 78154
Phone 210.265.8025
Fax 210.568.2191

TULSA
525 South Main Street
Suite 535
Tulsa, Oklahoma 74103
Phone 918.742.0871
Fax 918.382.0232

Subject: **Remediation and Closure Report**
Lime Rock Resources A, L.P.
Aid 24 State Produced Water Transfer Release
API # 30-015-22878 – 2RP-809

Dear Mr. Bratcher,

Lime Rock Resources II-A, LP (Lime Rock) has contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the referenced Aid 24 State Produced Water Transfer Release. The results of our soil assessment and completed remediation activities and closure request are submitted herein.

Incident Date

July 21, 2011

Background Information

The Aid 24 State Produced Water Transfer Release is located approximately fifteen (15) miles east of Artesia, New Mexico. The legal location for the site is Section 26, Township 17 South and Range 28 East in Eddy County, New Mexico. More Specifically the latitude and longitude for the release are 32.80140 North and -104.152254 West.

According to the soil survey provided by the United States Department of Agriculture National Resources Conservation Services, the soil in this area is made up of weathered Gypsum. The local surface and shallow geology consists of Quaternary Age sedimentary deposits, comprised of alluvium and eolian sands under lain by gypsum and hard caliches. Drainage courses in this area are normally dry. The New Mexico State Engineer web site indicates the nearest ground water data to be in S19-T16S-R29E. The ground water in the area is reported to be 110' below ground surface (bgs). The referenced groundwater data is presented in Appendix I.

The ranking for this site is 0 based on the as following:

- Depth to ground water >100'
- Wellhead Protection Area >1000'
- Distance to surface water body >1000'

ENVIRONMENTAL CONSULTING
ENGINEERING
DRILLING
CONSTRUCTION
SPILL MANAGEMENT
GENERAL CONTRACTING

Toll Free: 866.742.0742
www.talonlpe.com

Incident Description

On July 21, 2011 a connection in a 4" poly line parted causing 40 barrels of produced water to be released. The poly line was isolated and repaired. A vacuum truck was immediately brought to the location and was able to recover 10 barrels of produced water. The initial release area was south of Apache Corp. D State #5 (API 30-015-31422) location. It flowed to the north measuring approximately 89-feet long by 23-feet wide. The release then flowed onto the Apache Corp D State No. 5 location encompassing an area approximately 260-feet in length and ranging from 20-60 feet wide. A site plan illustrating the study area is attached.

Remedial Actions

On October 19, 2011 Mr. Bratcher of the OCD granted approval of the work plan. On October 28, 2011 Talon personnel mobilized to the site to begin excavation of the chloride impacted area. The effected soil within the impacted area of the release was removed to an average depth of 2-feet deep and transported to a NMOCD approved solid waste disposal facility, Lea Land, LLC pursuant to the work plan. The excavated area was left open until approval for backfilling of site was obtained from NMOCD.

On November 8, 2011 Talon personnel mobilized to the site to begin closure soil sampling activities on the sidewalls and bottom of the excavation per NMOCD requirements. Grab soil samples were collected and submitted for laboratory analysis.

On November 16, 2011 Talon personnel returned to the site for additional soil sampling activities on the pipeline right of way and west of the pipeline right of way per OCD approved stipulations. Grab soil samples were collected and submitted for laboratory analysis.

All soil samples were collected by Talon personnel wearing clean nitrile gloves. The soil samples were placed in laboratory provided sample containers and transported to Cardinal Laboratories in Hobbs, New Mexico for analysis. The chloride samples were analyzed per SM4500Cl-B. The complete laboratory reports are attached as Appendix II.

Analytical Results

Analytical results received from Cardinal Laboratories are summarized below:

November 8, 2011

<u>Sample</u>	<u>Chlorides</u>
S-7, Bottom exc 2'	736 mg/kg
S-8, North side wall	2,000
S-9, East side wall	2,160
S-10, South side wall	32
S-11, West side wall	432

November 16, 2011

<u>Sample</u>	<u>Chlorides</u>
S-12, Pipeline ROW	4,200
S-13, West of ROW	688

On November 9, 2011 the OCD granted approval to begin backfilling the excavated areas. The excavated areas were subsequently backfilled to grade using new material backhauled from Lea Land, LLC and were contoured to match the surrounding location.

Conclusions and Recommendations

- Groundwater in the project vicinity is greater than 100-feet below land surface per the New Mexico State Engineer Database.
- The background soil samples collected from the location indicates chloride levels range from 1680 mg/kg to 3200 mg/kg at land surface.
- Based on the depth to groundwater and the remedial actions carried out, it is unlikely that the impacts identified from this release will pose a threat to groundwater.
- The impacted areas in the flow path and pooling areas were excavated to a depth of 2-feet deep and the impacted soil was transported to Lea Land disposal facility.
- The excavated areas were backfilled with new soil and contoured to match surrounding location.
- Per the approved work plan no corrective actions were undertaken in the vicinity of existing pipeline. The lab data reflects historical impacts along the pipeline right of way. Additionally, removing the small volume of impacted soil in this area may pose a safety hazard to the structural integrity of the pipeline.

Closure

Therefore, on behalf of Lime Rock Resources, we respectfully request that no further actions be required and that closure with respect to this release and that site closure be granted.

If we can provide additional information or be of further assistance, please contact our office at 575.746.8768.

Respectfully submitted,

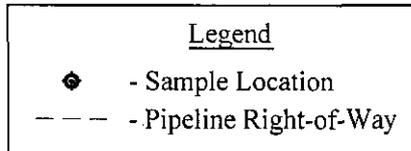
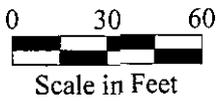
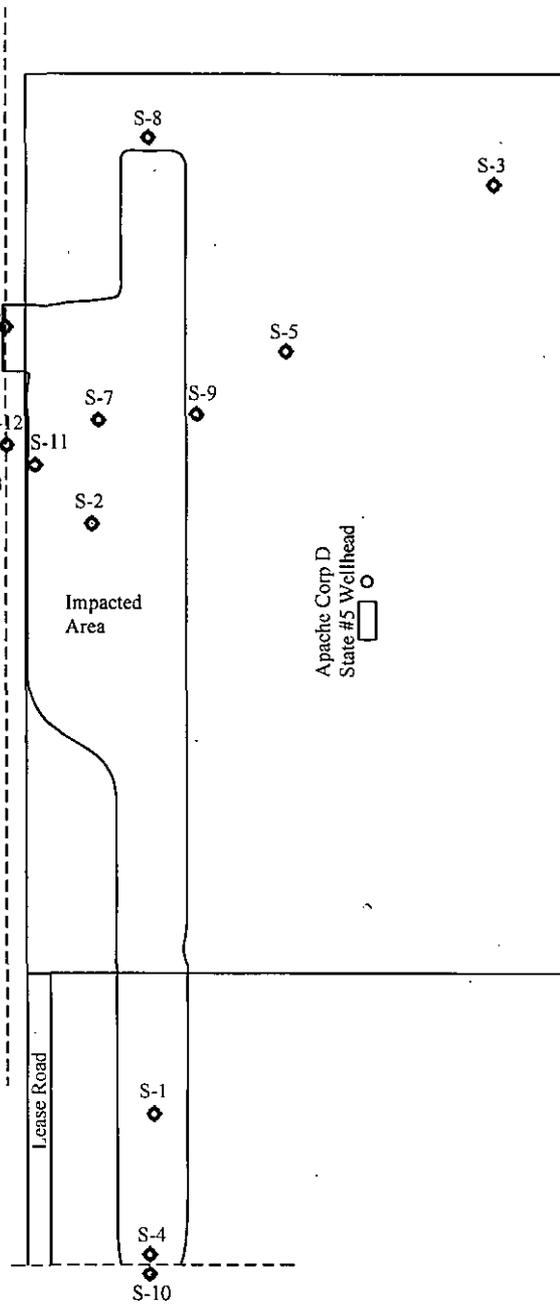
TALON/LPE

A handwritten signature in black ink, appearing to read "D. Adkins", with a stylized flourish at the end.

Mike Stubblefield
Project Manager

David J. Adkins
District Manager

SITE MAP



Date: 08/25/2011

Scale: 1" = 60'

Drawn By: TJS

Aid 24 State Produced Water Transfer Line
 Lime Rock Resources
 Eddy County, New Mexico
 Figure 1 - Site Plan

APPENDIX I
GROUNDWATER DATA

APPENDIX II
LABORATORY RESULTS



November 16, 2011

MIKE STUBBLEFIELD

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: AID 24 STATE PW TRANSFER RELEASE

Enclosed are the results of analyses for samples received by the laboratory on 11/11/11 14:30.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Celey D. Keene".

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	11/11/2011	Sampling Date:	11/11/2011
Reported:	11/16/2011	Sampling Type:	Soil
Project Name:	AID 24 STATE PW TRANSFER RELEASE	Sampling Condition:	Cool & Intact
Project Number:	701307.026.01	Sample Received By:	Jodi Henson
Project Location:	SEC.26-T17S - R28E		

Sample ID: S-12 PIPELINE ROW 1' BGS (H102457-01)

Chloride, SM4500Cl-B	mg/kg	Analyzed By: AP							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	4200	16.0	11/16/2011	ND	432	108	400	7.14	

Sample ID: S-13 6' WEST ROW (H102457-02)

Chloride, SM4500Cl-B	mg/kg	Analyzed By: AP							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	688	16.0	11/16/2011	ND	432	108	400	7.14	

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

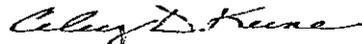
Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

November 08, 2011

MIKE STUBBLEFIELD

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: AID 24 STATE PW TRANSFER RELEASE

Enclosed are the results of analyses for samples received by the laboratory on 11/04/11 14:30.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

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Method EPA 524.4	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Celey D. Keene". The signature is written in a cursive style with a large, prominent initial "C".

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	11/04/2011	Sampling Date:	11/03/2011
Reported:	11/08/2011	Sampling Type:	Soil
Project Name:	AID 24 STATE PW TRANSFER RELEASE	Sampling Condition:	Cool & Intact
Project Number:	701307.026.01	Sample Received By:	Jodi Henson
Project Location:	SEC.26-T17S - R28E		

Sample ID: S-7 BOTTOM EXC 2' BGS (H102395-01)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	736	16.0	11/07/2011	ND	464	116	400	3.51		

Sample ID: S-8 NORTHSIDE WALL (H102395-02)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	2000	16.0	11/07/2011	ND	464	116	400	3.51		

Sample ID: S-9 EASTSIDE WALL (H102395-03)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	2160	16.0	11/07/2011	ND	464	116	400	3.51		

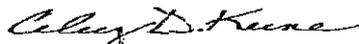
Sample ID: S-10 SOUTH SIDE WALL (H102395-04)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	32.0	16.0	11/07/2011	ND	464	116	400	3.51		

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	11/04/2011	Sampling Date:	11/03/2011
Reported:	11/08/2011	Sampling Type:	Soil
Project Name:	AID 24 STATE PW TRANSFER RELEASE	Sampling Condition:	Cool & Intact
Project Number:	701307.026.01	Sample Received By:	Jodi Henson
Project Location:	SEC.26-T17S - R28E		

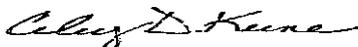
Sample ID: S-11 WEST SIDE WALL (H102395-05)

Chloride, SM4500Cl-B	mg/kg	Analyzed By: AP							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	432	16.0	11/07/2011	ND	464	116	400	3.51	

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

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- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Laboratories

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
 (575) 393-2326 FAX (575) 393-2676

Company Name: TALEN LPE
Project Manager: Mike Swartzfeld
Address: 408 West Texas Ave.
City: ALBUQUA State: NM Zip: 88210
Phone #: 505-541-7351 Fax #:
Project #: 90307-026-01 Project Owner: Limb Res & C Ref.
Project Name: ALD 24 STATE PW Transfer A-LEAK
Project Location: sec 26-T1X-R2EE
Sampler Name: Mike Swartzfeld

P.O. #:
Company: TALEN LPE
Attn:
Address:
City:
State:
Phone #:
Fax #:

Lab I.D.	Sample I.D.	MATRIX										DATE	TIME	Total Alcohols
		% CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/ASE:	ICE/COOL	OTHER:			
H102295												11/3/2011	9:30A	✓
	1-S-7 bottom excavation 2' x 4' x 6'											11/3/2011	9:40A	✓
	2-S-8 north side wall											11/3/2011	9:45A	✓
	3-S-9 East side wall											11/3/2011	10:05A	✓
	4-S-10 South side wall											11/3/2011	9:55A	✓
	5-S-11 west side wall											11/3/2011	9:55A	✓

Relinquished By: Mike Swartzfeld
Received By: Jodi Benson
Date: 11/4/11
Time: 1:05 PM
Sample Condition: Cool Intact
Checked By: Jodi Benson
Checked By: Jodi Benson

FOR LAB USE ONLY

Phone (RS/TE) Yes No **Adm'l Phone #/E** Yes No
Fax (RS/TE) Yes No **Adm'l Fax #/E** Yes No

REMARKS:

Cardinal cannot accept verbal changes. Please fax written changes to 505-593-9995

FINAL C-141

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

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company : LIME ROCK RESOURCES A, L.P.	Contact : Jerry Smith
Address : 1111 Bagby Street Suite 4600, Houston, TX 77002	Telephone No. : 575-748-9724
Facility Name : AID 24 State Produced Water Transfer Line	Facility Type: Produced Water Transfer Line
Surface Owner : State	Mineral Owner
Lease No. : API #30-015-22878	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	26	17S	28E	900	FSL	990	FWL	Eddy

Latitude 32.80140 Longitude -104.152254

NATURE OF RELEASE

Type of Release : Produce Water	Volume of Release : 40 bbls	Volume Recovered: 10
Source of Release : Poly Line	Date and Hour of Occurrence: 7/21/11 10:00 am	Date and Hour of Discovery: 7/21/11 10:00 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? NMOCD/Mike Bratcher by voicemail	
By Whom? Mike Stubblefield	Date and Hour : 7/21/11.1:30 pm	
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 connection in a new 4" poly line parted causing the release. The line was isolated and a vacuum truck was immediately brought to location. All free standing fluids were recovered.

Describe Area Affected and Cleanup Action Taken.*
Talon/LPE was contracted for the correction of this release.

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: Jerry Smith	Approved by District Supervisor:	
Title: Assistant Production Supervisor	Approval Date:	Expiration Date:
E-mail Address: jsmith@limerockresources.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 1/20/11 Phone: 575-748-9724		

* Attach Additional Sheets If Necessary