

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

Form C-141
Revised October 10, 2003

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

OCT 24 2008 Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form
OCD-ARTESIA

Release Notification and Corrective Action

OPERATOR

X Initial Report Final Report

Name of Company	Lime Rock Resources 255333	Contact	Michael Barrett
Address	1111 Bagby St Ste 4600, Houston Tx, 77002	Telephone No.	(575) 623-8424
Facility Name	Karlsbad Corral 11 SWD #1	Facility Type	Produced Water Disposal
Surface Owner	State	Mineral Owner	State
Lease No.		30 015 35341	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	11	25S	29E	2222'	FSL	2640'	FEL	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release;	produced water	Volume of Release	22 bbls	Volume Recovered	14 bbls
Source of Release;	wellhead gauge leak	Date and Hour of Occurrence,	10/18/08, 4 30 pm	Date and Hour of Discovery,	10/18/08, 4 45 pm
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input 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 type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Well head gauge broke, allowing a heavy mist to spray well pad. Shut well in & replaced gauge & valve. P/U standing fluid.

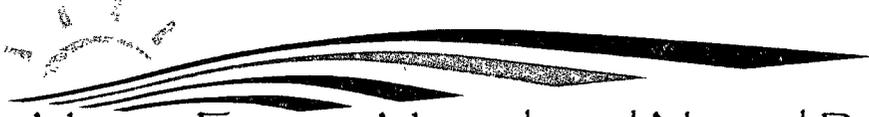
Describe Area Affected and Cleanup Action Taken.*
Packed caliche well pad. Windy & wet weather conditions.
Cleaned up pad & built berms on South edge of location.

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>Michael Barrett</i>	OIL CONSERVATION DIVISION	
Printed Name: Michael Barrett	Approved by District Supervisor: <i>T. Gunn</i>	* Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date. ↓
Title: Production Supervisor	Approval Date: 11-3-08	Expiration Date: 1-5-09
E-mail Address: mbarrett@limerockresources.com	Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: 10-20-08 Phone: 505-623-8424	DELINEATION REQUIRED until contamination reaches background levels or a site specific acceptable level. As warranted, a work plan may be required.	2RP - 264

Attach Additional Sheets If Necessary

Notify OCD 48 hours prior to obtaining samples where analyses are to be presented to OCD



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Reese Fullerton

Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



November 6, 2008

Lime Rock Resources
1111 Bagby Street, Suite 4600
Houston, TX 77002

RE: Karlsbad Corral 11 SWD 1 30-015-35341
J-11-25S-29E Eddy County, New Mexico
2RP-264

Dear Operator:

This office is in receipt of your C-141 regarding the 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."

A guide document intended to provide direction for remediation of soils and fresh waters contaminated as a result of leaks, spills, or releases of oilfield wastes and products is found on OCD's web site at the following link:

http://www.emnrd.state.nm.us/oed/documents/7C_spill1.pdf

The following actions are **required** to be addressed in the **remediation plan**:

- Horizontal and vertical delineation of the spill by soil sampling. Delineation is required until contamination reaches background levels or a site specific acceptable level. Any constituent(s) of concern—to include but not limited to TPH, BTEX, and chlorides—are to be addressed in the delineation and remediation plan.
- Prepare a sketch of the site indicating where and at what depths the samples were taken.
- Submit laboratory results of sampling and the work plan proposal (plan) for remediation, removal and/or clean up of contaminants that may be present at the site.



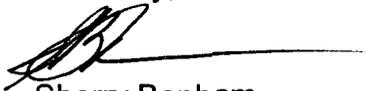
Notify the OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD. Notification is to include date and time of sample event.

Within 30 days, **on or before December 8, 2008**, 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 assistance with this matter or should you have any questions, please feel free to contact me.

Sincerely,



Sherry Bonham
NMOCD District II
(505) 748-1283 ext 109
E-mail: sherry.bonham@state.nm.us