

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

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JAN 06 2009

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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: Range Operating New Mexico, Inc. | Contact: Chris Garcia |
| Address: PO Box 1570, Eunice, NM 88231 | Telephone No.: 575-394-1485 |
| Facility Name: Grizzelle "B" Battery | Facility Type: Oil & Gas |

| | | |
|--------------------------------------|---------------|---------------------------------|
| Surface Owner: Range Resources, Inc. | Mineral Owner | APL No. 30-025-37611 RP-2042 |
|--------------------------------------|---------------|---------------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|--------------|-----------------|--------------|------------------------|-------------------------|-----------------------|-----------------------|---------------|
| Unit Letter H | Section 8 | Township 22S | Range 37E | Feet from the 1980' | North/South Line FNL | Feet from the 810' | East/West Line FEL | County Lea |
| | | | | | | | | |

Latitude _____ Longitude _____

NATURE OF RELEASE

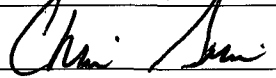
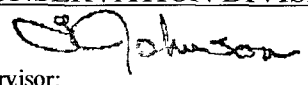
| | | |
|---|---|--|
| Type of Release: Produced water and minor amounts of oil | Volume Released: 910 bbls. | Volume Recovered: 900 bbls. |
| Source of Release: 2" Transition on transfer pump came apart | Date and Hour of Occurrence: 12/28/08 @ 0930 Hours | Date and Hour of Discovery: 12/29/08 @ 0930 Hours |
| Was Immediate Notice Given? X Yes <input type="checkbox"/> No Not Required | If YES, To Whom? Larry Johnson (NMOCD) Not in office. Left on message line and later spoke with Jeff Leking. | |
| By Whom? Cheryl Winkler (Michael Carrillo discovered spill.) | Date and Hour: 29 December 2008 Approx. 0930 Hours | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes X No | If YES, Volume Impacting the Watercourse. N/A | |

If a Watercourse was Impacted, Describe Fully.* N/A

Describe Cause of Problem and Remedial Action Taken.*
The spill was caused by the failure of the 2" Transition on the transfer pump which fatigued due to inclement weather conditions causing freezing of the line. All discharged material was contained within the berm walls of the lined battery with the exception of 10 bbls. which was immediately addressed by calling in heavy equipment to contain the contaminated soil until it could be hauled off to disposal. Vacuum trucks were immediately called to location to suck up the discharged liquid both within the 40 ml lined battery and the 10 bbls. outside of the battery containment.

Describe Area Affected and Cleanup Action Taken.*
Since the majority of the spill was contained within the lined berm walls of the battery, cleanup was easily handled by vacuum trucks which were dispatched to the scene immediately, recovering 900 bbls. of discharge out of 910 bbls. of total discharge. The remaining contaminated soil was excavated and hauled to Sundance for disposal. Samples were taken and sent to Trace for analysis. Clearance was given by NMOCD to close predicated on infield data shipped to lab.

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.

| | | |
|--|--|-----------------------------------|
| Signature:  | OIL CONSERVATION DIVISION | |
| Printed Name: Chris Garcia | Approved by District Supervisor:  | |
| Title: Production Supervisor Eunice/Loving, NM | Approval Date: 1.6.09 | Expiration Date: 3.3.09 |
| E-mail Address: cgarcia@rangeresources.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 5 January 2009 | Phone: 575-394-1485 | |

* Attach Additional Sheets If Necessary

FGRL 0902136307

Mr. Chris Garcia
Area Production Supervisor, Eunice & Loving, NM
Range Resources Corporation
PO Box 1570
Eunice, NM 88231

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5 January 2009

Mr. Larry Johnson
OIL CONSERVATION DIVISION
1625 N. French Drive
Hobbs, NM 88240

Re: Grizzell "B" Battery Spill *Corrective Action Plan* and *Final Remediation Report*
(API No.: 30-025-37611) U/L G S8 T22S R37E, 2310' FNL and 2310' FEL
NMOCD Spill Report No. RP-2042

Dear Mr. Johnson:

Range Operating Resources, Inc. (Range) herewith submits the following combined documents regarding the spill remediation on the Grizzell "B" Tank Battery which occurred on 28 December 2008 at approximately 0930 Hours whose facility is located near the above cited area for purposes of satisfying the New Mexico Oil Conservation Division's (NMOCD) requirements for cleanup of said spill: (1) Initial C-141, (2) Final C-141, *Corrective Action Plan* (CAP) and *Final Remediation Report* (FRR).

The spill occurred after local inclement weather conditions caused the 2" transition on the transfer pump to freeze and subsequently separate allowing the discharge to occur. Also Rice Operating line does not have a check valve installed so it was necessary to close the valve on the flowline. Water discharging from the flowline was exiting at a significant enough pressure to project across the 40 ml lined battery area hitting the North firewall and causing some residual splashing outside the battery which amounted to approximately 10 barrels. Fortunately, 900 barrels were contained within the firewalls and recovered out of a total 910 barrel spill. Therefore, the only samples obtained were taken from the area outside the firewalls and shipped to Trace Analysis lab for legal analysis.

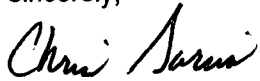
Once the spill was discovered, the 2" transition valve was repaired and vacuum trucks were called to begin pulling produced water from within the battery area, which was hauled to Sundance Disposal. Infield samples were conducted on the area outside of the battery walls after all contaminated soil had been removed, as well, to Sundance.

NMOCD was contacted regarding the possibility to close since the discharge onto the ground was minimal and predicated on the infield samples indicated compliance had been achieved. Once NMOCD gave the approval to go ahead, the excavated areas were returned to local topographic contour with a clean sandy material from the area.

Subsequently, due to the (1) successful containment of the majority of the spill within the bermed battery walls, (2) cleanup and removal to disposal of the contaminated soils and (3) the fact that there is no definable danger to human health or the environment, Range herewith, simultaneously, submits this single report constituting its *Corrective Action Plan* and *Final Remediation Report* to satisfy NMOCD Regulatory Performa requirements.

Should you have questions please call the office (575-394-1485).

Sincerely,



Chris Garcia
Production Supervisor for Eunice/ Loving New Mexico

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Enclosures: Initial/Final C-141