

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

nJMW 1303829836

OPERATOR

Initial Report Final Report

Name of Company	LRE Operating, LLC 281994	Contact	Michael Barrett
Address	1111 Bagby Street Suite 4600 Houston, TX 77002	Telephone No.	575-623-8424
Facility Name	Corral Fly 10 Battery	Facility Type	Battery

Surface Owner	Unknown	Mineral Owner	Federal	API No.	30-015-35623
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	10	25S	29E	2520	North	1650	East	Eddy County

Latitude 32.145057 Longitude 103.969135

NATURE OF RELEASE

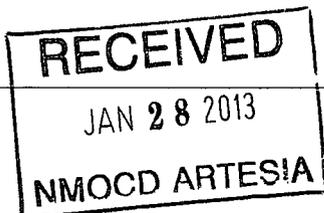
Type of Release	Oil	Volume of Release	39 bbls	Volume Recovered	21 bbls
Source of Release	Transfer Pump Failure	Date and Hour of Occurrence	1/26/2013 am	Date and Hour of Discovery	1/23/2013 @ 4:00pm
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mike Bratcher w/ OCD via voicemail Jim Amos w/ BLM via phone		
By Whom?	Michael Barrett	Date and Hour	1/24/13 @ 8:45 am		
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.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
Transfer pump failed to start, overflowed tank into lined berm.
Berm had a drain that was open which allowed fluid to flow outside berm.
Picked up standing fluid.

Describe Area Affected and Cleanup Action Taken.*
Sandy with hard gypsum.
Plan to pick up and remove contaminated soil.
Will treat area after removal with nitrogen rich fertilizer.

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 Environmental Specialist:	Signed By: <i>Mike Bratcher</i>
Title: Production Supervisor	Approval Date: FEB 07 2013	Expiration Date:
E-mail Address: mbarrett@limerockresources.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 01/25/2013 Phone: 575-623-8424	Remediation per OCD Rule & Guidelines. SUBMIT REMEDIATION PROPOSAL NO LATER THAN:	

* Attach Additional Sheets If Necessary

March 7, 2013
ZRP-1539