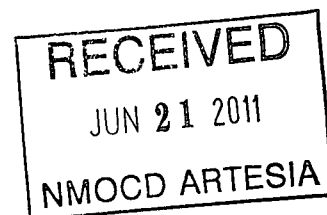




June 20, 2011

Mr. Mike Bratcher  
**NMOCD District 2**  
1301 West Grand Avenue  
Artesia, NM 88210



Subject: **Remediation and Closure Report**  
Legacy Reserves Operating, LP  
South Red Lake Unit No. 1 Release  
API # 30-015-00653 -- **2RP-604**

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

Dear Mr. Bratcher,

Legacy Reserves Operating, LP has contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the above referenced South Red Lake Unit No. 1 location. The incident description, soil assessment, remediation activities and closure request are submitted herein.

#### **Incident Date**

February 8, 2011

#### **Background Information**

The South Red Lake Unit No. 1 is located approximately eleven (11) miles southeast of Artesia, New Mexico. The legal location for the site is Section 36, Township 17 South and Range 27 East in Eddy County, New Mexico. More Specifically the latitude and longitude for the release are 32.796005 North and -104.23543 West.

This site lies on undulating plains and low hills consisting of wind worked sandy deposits. Drainage courses in this area are normally dry. The local surface and shallow geology includes silty soils underlain by sand stone and caliche layers. The New Mexico State Engineer's web site indicates the nearest ground water data to be in S10-T18S-R27E. The ground water in Section 10 is reported at a depth of 50-feet below ground surface (bgs).

The ranking for this site is 10 based on the as following:

ENVIRONMENTAL CONSULTING  
ENGINEERING  
DRILLING  
CONSTRUCTION  
SPILL MANAGEMENT  
GENERAL CONTRACTING

Depth to ground water	50'-100'
Wellhead Protection Area	>1000'
Distance to surface water body	>1000'

Toll Free: 866.742.0742  
www.talonlpe.com

## **Incident Description**

On February 8, 2011 the flow line located west of the South Red Lake Unit No. 1 location ruptured. The flow line was subsequently taken out of service and repaired. Twenty-five (25) barrels of produced water and hydrocarbons were released. Two (2) barrels of mixed fluids were recovered. The impacted area is located on a hillside approximately two hundred seventy feet (270') due north of the South Red Lake Unit No. 1 location. The flow path on the hillside is estimated to be five hundred feet (500') long by six to ten feet (6-10') wide. The release terminated on the No Bluff 36 State Com. No. 9, a producing well location which is operated by Lime Rock Resources, LLC. The pooling area on the location was estimated to be approximately forty feet (40') long by forty feet (40') wide.

## **Actions Taken**

On February 9, 2011 Talon personnel mobilized to the site to begin soil sampling and site assessment activities. Grab soil samples were collected utilizing a hand auger. The soil samples labeled S-1 were collected from a worst-case location within the flow path. The soil samples labeled S-2 were collected from the pooling area on the No Bluff 36 State Com. No. 9 location.

On February 14, 2011 Talon personnel returned to the site with a breaker bar and post hole tool to collect additional soil samples from sample location S-1. Additionally, composite soil sample (S-3) was collected upgradient from the release to determine current background conditions. An abandoned tank battery and a closed production pit were observed directly up gradient of the release, as well as areas of chloride stained soils at land surface.

Soils samples were collected by Talon personnel wearing clean nitrile gloves. The samples were placed in laboratory provided glassware, iced and transported to Cardinal Laboratories in Hobbs, New Mexico for analysis. The samples were tested for volatile organics pursuant to EPA Method 8021B; Total Petroleum Hydrocarbons (TPH) per EPA Method 8015M; and Total Chlorides via Method SM4500Cl-B

## Analytical Results

Analytical results detailed on the attached laboratory reports dated February 11, 2011 and February 18, 2011 are summarized below.

February 11, 2011

<u>Sample</u>	<u>Depth (ft)</u>	<u>Total BTEX</u>	<u>TPH</u>	<u>Chlorides</u>
S-1	0-ft	3.038	5,679	10,800 mg/kg
S-1	0.5'	ND*	74.4	4,400
S-2	0'	58.47	36,010	5,360
S-2	0.25'**	0.562	217.2	544

\*ND Not Detected within laboratory method detection limits

\*\* Refusal encountered with hand auger

February 18, 2011

<u>Sample</u>	<u>Depth (ft)</u>	<u>Total BTEX</u>	<u>TPH</u>	<u>Chlorides</u>
S-1	1'	ND	284	1,170 mg/kg
S-1	1.25'*	ND	309	896
Upgradient	0'	ND	471	5,600

\*Refusal encountered

For this site's ranking, New Mexico Oil Conservation District action level criterion for BTEX is 50 mg/kg, Benzene is 10 mg/kg and TPH is 1,000 mg/kg. The chloride remediation standard is considered to be 1,000 mg/kg.

## Remedial Actions

On February 9, 2011 Talon personnel mobilized to the site to begin excavation of the impacted area. The affected soil within the flow path of the release was removed to an average depth of 1.5-feet deep based upon visual observation. A total of 537.12 cubic yards of impacted soil was excavated and transported to an NMOCD approved solid waste disposal facility for disposal. The impacted soil on the adjacent well location was scraped to a depth of 0.25-feet and the location repaired. The excavated area was left open until an approval for backfilling of site was obtained from NMOCD.

On April 8, 2011 Talon personnel met on site with NMOCD Environmental Specialist, Mike Bratcher, to review the excavated area at release site. Mr. Bratcher gave Talon approval to backfill the excavated area with no final soil samples being required due to the elevated background testing results. On April 11, 2011 Mr. Bratcher sent Talon a confirmation email approving backfilling of excavated site.

On April 21, 2011 Talon personnel returned to the site to begin backfilling excavated area. The excavated area was backfilled back to grade using 558.33 cubic yards of new material transported from a local borrow pit. The backfill material was contoured to match the surrounding terrain and the area will be seeded with an approved seed mixture.

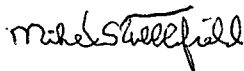
### **Conclusions and Recommendations**

- Ground water in the project vicinity is approximately 50-feet below land surface per the New Mexico State Engineer Database.
- Upgradient sampling and testing have indicated that background levels of petroleum hydrocarbons and chlorides are historically present in the area.
- Based on the depth to groundwater, the shallow confining layer encountered and the contamination levels detected in the soil; it is unlikely that the impacts identified from this release will pose a threat to groundwater.
- Based upon the results of the sampling and analytical program, all chemical parameters tested for below the final depth of excavation were determined to be below their respective Recommended Remedial Action Levels (RRALs).
- Therefore, on behalf of Legacy Reserves Operating, LP, we respectfully request that no further actions be required with respect to this release and that site closure be granted.

Should you have any questions or if further information is required, please do not hesitate to contact us at 575.746.8768.

Respectfully submitted,

TALON/LPE



Mike Stubblefield  
Project Manager



David J. Adkins  
District Manager

## GROUNDWATER DATA



# New Mexico Office of the State Engineer

## Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	Sub basin	Use	County	Q Q Q						X	Y	Depth	Depth	Water
				64	16	4	Sec	Tws	Rng			Well	Water	Column
L 01370 REPAR-1		DOM	LE	2	4	15	18S	27E	569328	3623355*	96	58	38	
RA 03714		PRO	CH	4	4	2	08	18S	27E	566212	3625253*	381		
RA 03917		PRO	LE	4	1	2	10	18S	27E	569019	3625660*	130	50	80
RA 04048		OBS	LE	1	4	4	14	18S	27E	570841	3623030*	2096		
RA 04211		PRO	CH	3	1	28	18S	27E	566512	3620562*	120	100	20	
RA 04298		OBS	ED	1	2	19	18S	27E	564082	3622523*	92			
RA 05524		STK	ED	2	4	33	18S	27E	567721	3618532*	90	49	41	
RA 05660		PRO	ED	3	4	31	18S	27E	564094	3618090*	305	65	240	
RA 05664		EXP	ED	4	1	33	18S	27E	566914	3618936*		145		
RA 05664		OBS	ED	4	1	33	18S	27E	566914	3618936*		145		
RA 06091		PRO	ED	1	2	3	29	18S	27E	565211	3620222*	90	17	73

Average Depth to Water: **78 feet**

Minimum Depth: **17 feet**

Maximum Depth: **145 feet**

**Record Count: 11**

**PLSS Search:**

**Township: 18S      Range: 27E**

\*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

## LABORATORY REPORTS



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

February 11, 2011

DAVID ATKINS

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: LEGACY S. RED LAKE UNIT #1

Enclosed are the results of analyses for samples received by the laboratory on 02/10/11 10:40.

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,

Celey D. Keene  
Lab Director/Quality Manager





PHONE (575) 393-2326 • 101 E. MARLAND • HOBBBS, NM 86240

**Analytical Results For:**

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

Received:	02/10/2011	Sampling Date:	02/09/2011
Reported:	02/11/2011	Sampling Type:	Soil
Project Name:	LEGACY S. RED LAKE UNIT #1	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Jodi Henson
Project Location:	EDDY COUNTY, NM		

**Sample ID: S-1 @ 0.25' (H100267-01)**

BTEX 8021B		mg/kg		Analyzed By: CMS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	0.067	0.050	02/10/2011	ND	2.22	111	2.00	21.6	
Toluene*	0.264	0.050	02/10/2011	ND	2.22	111	2.00	22.9	
Ethylbenzene*	0.757	0.050	02/10/2011	ND	2.27	114	2.00	23.4	
Total Xylenes*	1.95	0.150	02/10/2011	ND	6.68	111	6.00	23.0	

Surrogate: 4-Bromofluorobenzene (PIL) 94.4 % 70-130

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	10800	16.0	02/10/2011	ND	448	112	400	3.64	

TPH 8015M		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	279	100	02/11/2011	ND	201	101	200	1.33	
DRO >C10-C28	5400	100	02/11/2011	ND	199	99.7	200	2.54	

Surrogate: 1-Chlorooctane 97.1 % 70-130

Surrogate: 1-Chlorooctadecane 107 % 70-130

Cardinal Laboratories

\* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

**Analytical Results For:**

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

 Received: 02/10/2011  
 Reported: 02/11/2011  
 Project Name: LEGACY S. RED LAKE UNIT #1  
 Project Number: NONE GIVEN  
 Project Location: EDDY COUNTY, NM

 Sampling Date: 02/09/2011  
 Sampling Type: Soil  
 Sampling Condition: Cool & Intact  
 Sample Received By: Jodi Henson

**Sample ID: S-1 @ 0.5' (H100267-02)**

BTX 8021B		mg/kg		Analyzed By: CMS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/10/2011	ND	2.22	111	2.00	21.6	
Toluene*	<0.050	0.050	02/10/2011	ND	2.22	111	2.00	22.9	
Ethylbenzene*	<0.050	0.050	02/10/2011	ND	2.27	114	2.00	23.4	
Total Xylenes*	<0.150	0.150	02/10/2011	ND	6.68	111	6.00	23.0	

Surrogate: 4-Bromofluorobenzene (PIL) 90.6 % 70-130

Chloride, SM4500Cl-B		mg/kg	Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	4400	16.0	02/10/2011	ND	448	112	400	3.64	

TPH 8015M		mg/kg	Analyzed By: AB						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/11/2011	ND	201	101	200	1.33	
DRO >C10-C28	74.4	10.0	02/11/2011	ND	199	99.7	200	2.54	

Surrogate: 1-Chlorooctane 95.5 % 70-130

Surrogate: 1-Chlorooctadecane 88.4 % 70-130

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\* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

**Analytical Results For:**

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

Received: 02/10/2011  
Reported: 02/11/2011  
Project Name: LEGACY S. RED LAKE UNIT #1  
Project Number: NONE GIVEN  
Project Location: EDDY COUNTY, NM

Sampling Date: 02/09/2011  
Sampling Type: Soil  
Sampling Condition: Cool & Intact  
Sample Received By: Jodi Henson

**Sample ID: S-2 @ 0' (H100267-03)**
**BTEX 80218**

mg/kg

Analyzed By: CMS

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/10/2011	ND	2.22	111	2.00	21.6	
Toluene*	3.47	0.050	02/10/2011	ND	2.22	111	2.00	22.9	
Ethylbenzene*	17.9	0.050	02/10/2011	ND	2.27	114	2.00	23.4	
Total Xylenes*	37.1	0.150	02/10/2011	ND	6.68	111	6.00	23.0	

Surrogate: 4-Bromofluorobenzene (PIL) 118 % 70-130

**Chloride, SM4500Cl-B**

mg/kg

Analyzed By: HM

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	5360	16.0	02/10/2011	ND	448	112	400	3.64	

**TPH 8015M**

mg/kg

Analyzed By: AB

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	3210	100	02/11/2011	ND	201	101	200	1.33	
DRO >C10-C28	32800	100	02/11/2011	ND	199	99.7	200	2.54	

Surrogate: 1-Chlorooctane 96.3 % 70-130

Surrogate: 1-Chlorooctadecane 90.2 % 70-130

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\*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

**Analytical Results For:**

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

Received:	02/10/2011	Sampling Date:	02/09/2011
Reported:	02/11/2011	Sampling Type:	Soil
Project Name:	LEGACY S. RED LAKE UNIT #1	Sampling Condition:	Cool & Intact
Project Number:	NONE GIVEN	Sample Received By:	Jodi Henson
Project Location:	EDDY COUNTY, NM		

**Sample ID: S-2 @ 0.25' (H100267-04)**

BTEX 8021B		mg/kg		Analyzed By: CMS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/10/2011	ND	2.22	111	2.00	21.6	
Toluene*	<0.050	0.050	02/10/2011	ND	2.22	111	2.00	22.9	
Ethylbenzene*	0.153	0.050	02/10/2011	ND	2.27	114	2.00	23.4	
Total Xylenes*	0.409	0.150	02/10/2011	ND	6.68	111	6.00	23.0	

Surrogate: 4-Bromofluorobenzene (PIL) 99.1 % 70-130

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	544	16.0	02/10/2011	ND	448	112	400	3.64	
TPH 8015M		mg/kg		Analyzed By: AB					

TPH 8015M			mg/kg		Analyzed By: AB				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	25.2	10.0	02/11/2011	ND	201	101	200	1.33	
DRO >C10-C28	192	10.0	02/11/2011	ND	199	99.7	200	2.54	

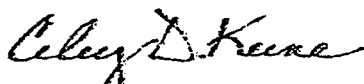
Surrogate: 1-Chlorooctane 89.8 % 70-130

Surrogate: 1-Chlorooctadecane 84.5 % 70-130

Cardinal Laboratories

\*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any data arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services rendered by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



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

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Cardinal Laboratories

\*=Accredited Analyte

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---

Celey D. Keene, Lab Director/Quality Manager



**(505) 393-2326 FAX (505) 393-2476**

## Page 7 of 7



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

February 18, 2011

DAVID ADKINS

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: SOUTH RED LAKE UNIT #1

Enclosed are the results of analyses for samples received by the laboratory on 02/16/11 9:05.

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,

Celey D. Keene  
Lab Director/Quality Manager



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

**Analytical Results For:**

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

Received: 02/16/2011  
Reported: 02/18/2011  
Project Name: SOUTH RED LAKE UNIT #1  
Project Number: NONE GIVEN  
Project Location: EDDY COUNTY SEC. 36-T17S.R27E

Sampling Date: 02/14/2011  
Sampling Type: Soil  
Sampling Condition: Cool & Intact  
Sample Received By: Jodi Henson

**Sample ID: S-1 1' (H100309-01)****BTEX 8021B**

mg/kg

Analyzed By: CMS

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/16/2011	ND	1.99	99.4	2.00	9.57	
Toluene*	<0.050	0.050	02/16/2011	ND	2.06	103	2.00	9.30	
Ethylbenzene*	<0.050	0.050	02/16/2011	ND	2.12	106	2.00	9.86	
Total Xylenes*	<0.150	0.150	02/16/2011	ND	6.30	105	6.00	10.1	

Surrogate: 4-Bromofluorobenzene (PIL) 96.1 % 70-130

**Chloride, SM4500Cl-B**

mg/kg

Analyzed By: LR

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	1170	16.0	02/16/2011	ND	416	104	400	0.00	

**TPH 8015M**

mg/kg

Analyzed By: AB

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<50.0	50.0	02/16/2011	ND	214	107	200	3.06	
DRO >C10-C28	284	50.0	02/16/2011	ND	224	112	200	3.74	

Surrogate: 1-Chlorooctane 115 % 70-130

Surrogate: 1-Chlorooctadecane 112 % 70-130

Cardinal Laboratories

\* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



**Analytical Results For:**

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

 Received: 02/16/2011  
 Reported: 02/18/2011  
 Project Name: SOUTH RED LAKE UNIT #1  
 Project Number: NONE GIVEN  
 Project Location: EDDY COUNTY SEC. 36-T17S.R27E

 Sampling Date: 02/14/2011  
 Sampling Type: Soil  
 Sampling Condition: Cool & Intact  
 Sample Received By: Jodi Henson

**Sample ID: S-1 1.25' (H100309-02)**

BTEX 8021B		mg/kg		Analyzed By: CMS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/16/2011	ND	1.99	99.4	2.00	9.57	
Toluene*	<0.050	0.050	02/16/2011	ND	2.06	103	2.00	9.30	
Ethylbenzene*	<0.050	0.050	02/16/2011	ND	2.12	106	2.00	9.86	
Total Xylenes*	<0.150	0.150	02/16/2011	ND	6.30	105	6.00	10.1	

Surrogate: 4-Bromofluorobenzene (PIL) 98.3 % 70-130

Chloride, SM4500Cl-B		mg/kg		Analyzed By: LR					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	896	16.0	02/16/2011	ND	416	104	400	0.00	

TPH 8015M		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<50.0	50.0	02/16/2011	ND	214	107	200	3.06	
DRO >C10-C28	309	50.0	02/16/2011	ND	224	112	200	3.74	

Surrogate: 1-Chlorooctane 115 % 70-130

Surrogate: 1-Chlorooctadecane 115 % 70-130

Cardinal Laboratories

\*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

**Analytical Results For:**

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

 Received: 02/16/2011  
 Reported: 02/18/2011  
 Project Name: SOUTH RED LAKE UNIT #1  
 Project Number: NONE GIVEN  
 Project Location: EDDY COUNTY SEC. 36-T17S.R27E

 Sampling Date: 02/14/2011  
 Sampling Type: Soil  
 Sampling Condition: Cool & Intact  
 Sample Received By: Jodi Henson

**Sample ID: UP GRADE (H100309-03)**

BTEX 8021B		mg/kg		Analyzed By: CMS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/16/2011	ND	1.99	99.4	2.00	9.57	
Toluene*	<0.050	0.050	02/16/2011	ND	2.06	103	2.00	9.30	
Ethylbenzene*	<0.050	0.050	02/16/2011	ND	2.12	106	2.00	9.86	
Total Xylenes*	<0.150	0.150	02/16/2011	ND	6.30	105	6.00	10.1	

Surrogate: 4-Bromofluorobenzene (PIL) 94.5 % 70-130

Chloride, SM4500Cl-B		mg/kg		Analyzed By: LR					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	5600	16.0	02/16/2011	ND	416	104	400	0.00	

TPH 8015M		mg/kg		Analyzed By: AB					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<50.0	50.0	02/16/2011	ND	214	107	200	3.06	
DRO >C10-C28	471	50.0	02/16/2011	ND	224	112	200	3.74	

Surrogate: 1-Chlorooctane 103 % 70-130

Surrogate: 1-Chlorooctadecane 99.3 % 70-130

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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

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Caley D. Keene, Lab Director/Quality Manager



**FORM C-141 FINAL**

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 –Legacy Reserves Operating, LP	Contact	
Address – PO box 10848, Midland, TX 79702-7848	Telephone No.	
Facility Name – South Red Lake Unit 1	Facility Type	
Surface Owner	Mineral Owner	Lease No. API # 30-015-00653

### LOCATION OF RELEASE

Unit Letter C	Section 36	Township 17S	Range 27E	Feet from the 660'	North/South Line North	Feet from the 1650'	East/West Line West	County Eddy
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Latitude 32.796005 N Longitude -104.23543 W

### NATURE OF RELEASE

Type of Release Mixed Fluids	Volume of Release 25 bbls	Volume Recovered 2 bbls
Source of Release Ruptured flow line	Date and Hour of Occurrence 2/8/11 am	Date and Hour of Discovery 2/8/11 pm
Was Immediate Notice Given? XX Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher, NMOCD	
By Whom? Mike Stubblefield, Talon/LPE	Date and Hour 2/9/11 @15:05pm	
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.\*

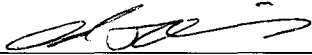
Describe Cause of Problem and Remedial Action Taken.\*

Frozen poly flow line ruptured. Line repaired the same day.

Describe Area Affected and Cleanup Action Taken.\*

The affected area was downhill four hundred seventy feet (470') long by six feet (6') wide. Talon/LPE excavated the saturated soil from the impacted area to a depth of one and half feet (1.5') and transported to and NMOCD approved Solid Waste disposal facility. Talon/LPE backfilled the area with soil to match the surrounding terrain and the area seeded with an approved seed mixture.

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: 	<b>OIL CONSERVATION DIVISION</b>		
Printed Name: David J. Adkins	Approved by District Supervisor:		
Title: District Manager Talon/LPE, Agent for Legacy Reserves	Approval Date:	Expiration Date:	
E-mail Address: dadkins@talonlpe.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 5/23/11	Phone: 575-746-8768		

\* Attach Additional Sheets If Necessary