RESACA
OPERATING COMPANY

Resaca Exploitation, Inc.
Langley Jal Unit #49
Corrective Action Plan

Subject Lease:
Langley Jal Unit
Sec. 6 –T25S-R37E
Lea County, New Mexico

Prepared For:
New Mexico Oil Conservation Division
Hobbs District Office
And
Resaca Exploitation, Inc.
Mr. Marc Neatherlin

March 1, 2013

Prepared by:
Environmental Compliance Associates, Inc
10590 Westoffice Drive, Suite 150
Houston, Texas 77042

TABLE OF CONTENTS

APPENDICES:

1.0 PURPOSE

The purpose of this document is to summarize and define corrective action measures that will take place to mitigate any possible environmental impairment as a result of an accidental release that occurred on February 12th, 2013 from a leak of a 6" water injection line near the Langley Jal Unit #49. The leak is located in Section 6, T25S, R37E, Lea County, New Mexico.

This corrective action plan is being submitted to supplement the initial C-141 submitted to the New Mexico Oil Conservation Division (NMOCD) on February 14th, 2013.

2.0 DESCRIPTION OF INCIDENT

On February 12th, 2013, a leak developed in a water injection line, resulting in the release of approximately one hundred (100) barrels of produced water. When the release was discovered, Resaca Operating Company shut in all associated facilities and the utility locate call was made in anticipation of excavation of the area. The spill was verbally reported to The New Mexico Environmental Department on February 12th, 2013 and the initial Form C-141 was submitted to the NMOCD On February 14th, 2013 by Mr. Aaron Edrington of Environmental Compliance Associates, Inc. (ECA). The area of the produced water release is located just northeast of the Langley Jal Unit #49, just west of New Mexico Highway 18.

A copy of the initial NMOCD Form C-141 is reproduced as Appendix A. A general site diagram is attached as Appendix B. Site Ranking Information is included as Appendix C. Photographic documentation is presented as Appendix D. Material Safety Data Sheets are provided as Appendix E. The analytical laboratory results of the samples taken are attached as Appendix F.

3.0 GENERAL SITE CHARACTERISTICS

The Langley Jal Unit #49 well is described as a producing oil and gas well. This location sits on Tonuco series soils. The Tonuco series is shallow to very shallow, excessively drained and is formed from coarse textured alluvium derived from mixed sources. It is on broad plains and alluvial fans with slopes of zero to five percent (0-5%). Average annual precipitation is approximately twelve inches (12") and the average annual air temperature is approximately sixty-three degrees Fahrenheit (63°F). The affected area consists of native plants and grasses.

4.0 CORRECTIVE ACTIONS

The process we propose to use to delineate the affected area is to chemically remediate the affected area is as follows:

1) Collect a minimum of five point composite samples of the soil profile to a minimum depth of twelve inches (12") below ground surface and analyze for presence and concentrations of BTEX, total petroleum hydrocarbons (TPH) and total chlorides.
2) Disc the affected area to a minimum depth of six to twelve inches (6"-12") below ground surface.
3) Apply SoilSaver and I A Petro to affected areas (MSDS for each product is located in Appendix E).
4) Disc the affected area to a minimum depth of six to twelve inches (6"-12") below ground surface.
5) Water the affected area provided the absence of rain.
6) Collect a minimum of five point composite sample of the soil profile to a minimum depth of twelve inches (12") below ground surface and analyze

for presence and concentrations of BTEX, total petroleum hydrocarbons (TPH) and total chlorides.

7) Contour to minimize erosion.
8) Seed with varietal mixture acceptable to landowner.

5.0 CONCLUSION OF REMEDIATION

The remediation process will be complete once the affected areas have been tilled, remediated and confirmation samples, gathered from zero to twenty-four (0"-24") inches below the surface, show that chloride levels are below two hundred fifty (250) ppm and TPH levels are below five thousand (5,000) ppm.

Upon completion of this project, the third party environmental consulting firm will draft notes of sample results during the remediation process, provide photographic documentation of activities and submit a final version of form C-141 to the NMOCD for successful closure of this Corrective Action Plan.

It is our opinion that the implementation of this corrective action plan will assist to ensure the protection of fresh waters, and public health and the environment within the State of New Mexico.

Sincerely,

Marc Neatherlin - District Manager
Resaca Exploitation