

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: LRE Operating, LLC. | Contact : Mike Barrett |
| Address : 1111 Bagby Street Suite 4600, Houston ,TX 77002 | Telephone No. : 575-623-8424 |
| Facility Name: Marathon 25 State #8 | Facility Type: Battery |

| | | |
|------------------------------|-----------------------------|---------------------------|
| Surface Owner : State | Mineral Owner: State | API # 30-015-29967 |
|------------------------------|-----------------------------|---------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|-------------------------|----------------------|------------------------|---------------------|------------------------------|--------------------------------|-------------------------------|------------------------------|--------------------|
| Unit Letter C | Section 25 | Township 17S | Range 28E | Feet from the 990' | North/South Line FNL | Feet from the 1650' | East/West Line FWL | County Eddy |
|-------------------------|----------------------|------------------------|---------------------|------------------------------|--------------------------------|-------------------------------|------------------------------|--------------------|

Latitude 32.8122139954 N Longitude -104.133053542 W

NATURE OF RELEASE



| | | |
|------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------|
| Type of Release : Oil | Volume of Release : 103 bbl Oil | Volume Recovered: 97 bbls Oil |
| Source of Release : Valve Malfunction | Date and Hour of Occurrence: 5/14/15 4:00 pm | Date and Hour of Discovery: 4/14/15 4:00 pm |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? NMOCD * Heather Patterson via phone @ 10:45 am | |
| By Whom? Kimberly Wilson with Talon/LPE | Date and Hour : 5/15/15 @ 10:45 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.*

Describe Cause of Problem and Remedial Action Taken.* A valve malfunctioned inside the facility causing the release of 103 barrels of oil. A vac truck was immediately called to the location and recovered 97 barrels of oil. All wells were shut in, the valve was replaced and the facility was brought back into service. The release stayed within the berm of the facility. No fluids breached the berms of the facility.

Describe Area Affected and Cleanup Action Taken.* Talon/LPE was on site on May 15, 2015 for the initial site assessment activities. Hydrovac operations are in progress May 15, 2015. A work plan was generated and subsequently approved. Work progressed per the NMOCD approved work plan and stipulations. The battery was backfilled.

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.

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|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Signature:  | <u>OIL CONSERVATION DIVISION</u> | |
| Printed Name: Michael Barrett | Approved by District Supervisor:  | |
| Title: Production Supervisor | Approval Date: 7/28/2015 | Expiration Date: N/A |
| E-mail Address: mbarrett@limerockresources.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 7/24/2015 Phone: 575-623-8424 | FINAL | |

* Attach Additional Sheets If Necessary

2RP-3038