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 NMOCD ARTESIA

October 20, 2011

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

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

Subject: **Remediation and Closure Report**
 Lime Rock Resources
 Marathon Water Transfer Line Release
 API # 30-015-36555 – 2RP-791

Dear Mr. Bratcher,

Lime Rock Resources has contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the Marathon Water Transfer Line referenced release. The incident description, soil assessment, remediation activities and closure request are submitted herein.

Incident Date

May 24, 2011

Background Information

The Marathon Water Transfer Line Release is located approximately fifteen (15) miles east of Artesia, New Mexico. The legal location for the site is Section 26, Township 17 South and Range 28 East in Eddy County, New Mexico. More Specifically the latitude and longitude for the release are 32.80082 North and -104.14941 West.

According to the soil survey provided by the United States Department of Agriculture National Resources Conservation Services, the soil in this area is made up of Simona-Bippus land complex soils with 0 to 5 percent slopes. The local surface and shallow geology consists of Quaternary Age sedimentary deposits which are comprised of alluvium and eolian sands that include silty soils under lain by dense caliche layers. Drainage courses in this area are normally dry. The New Mexico State Engineer web site indicates the nearest ground water data to be in S34-T17S-R28E. The ground water in Section 34 is reported to be at an average depth of 53' below ground surface (bgs).

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

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

ENVIRONMENTAL CONSULTING
 ENGINEERING
 DRILLING
 CONSTRUCTION
 SPILL MANAGEMENT
 GENERAL CONTRACTING

Toll Free: 866.742.0742
 www.talonlpe.com

Incident Description

On May 24, 2011 a below grade 2-inch diameter steel water transfer line was found to be leaking. The line was shut-in, repaired and placed back into service. This transfer line moves produced water from the Marathon 25, Marathon A25 and Marathon 26 batteries and crosses under US Highway 82 through a conduit pipe to the Quantum SWD. Approximately 190 barrels of produced water were released. A vacuum truck was used as an initial response to recover 130 barrels of produced water. The initial release is located in Unit M, Section 26, Township 17 South and Range 28 East, just north of Highway 82 and measures approximately 10-feet wide by 30-feet in length. The discharged fluids then traveled eastward along the north side of US Highway 82 in the right of way encompassing an area approximately 6-10 feet wide by 239-feet long.

The released fluids also traveled through the conduit running southward under US Highway 82 and exited in a second flow path measuring approximately 80-feet wide and narrowing down to 4-feet wide by 544-feet long as shown on the attached Site Plan. This area and the conduit running under Highway 82 contain multiple fluid transfer lines operated by several oil companies in the area.

Actions Taken

On August 29, 2011 Talon personnel mobilized to the site to begin excavation. The impacted soil from the locations S-1 and S-2 was removed to an average depth of 4-feet deep which was transported to an NMOCD approved solid waste disposal facility, Lea Land. A 20 mil liner was then installed into the excavated areas at S-1 and S-2.

The excavated areas (S-1, S-2 and in the flow path) were backfilled to grade with new material transported from a local borrow pit with a 3-foot soil lift. The soil lift was contoured to match the surrounding terrain. The location will be seeded using the recommended seed mixture for the area.

The impacted soil from the flow path located south of US Highway 82 was excavated to a depth of 2-feet deep which was transported to an NMOCD approved solid waste disposal facility, Lea Land.

Conclusions and Recommendations

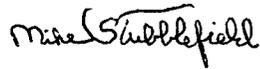
- Ground water in the project vicinity is greater than 50-feet below land surface per the New Mexico State Engineer Database.
- Based on the depth to groundwater and the installation of a 20 mil liner, it is unlikely that the impacts identified from this release will pose a threat to groundwater.
- The results of the sampling and analytical program were approved by the NMOCD prior to completion of field activities.

- Therefore, on behalf of Lime Rock Resources, we respectfully request that no further actions be required and that closure with respect to this release 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

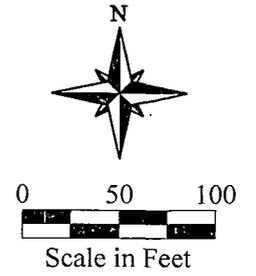


Mike Stubblefield
Project Manager



David J. Adkins
District Manager

SITE MAP



County Road 209

Initial Point of Release



S-1



S-2



S-3



US Highway 82

S-9



S-10



S-4



S-5



S-6



S-7



B-1



S-8



BG-001

BG-002



Legend

- ◆ - Sample Locations
- - Release Area



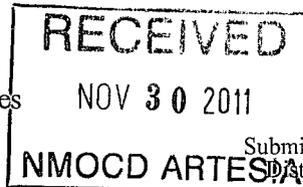
Date: 06/22/2011
 Scale: 1" = 100'
 Drawn By: TJS

Lime Rock Resources - Marathon Release
 US Highway 82 & County Road 209
 Artesia, New Mexico
 Figure 1 - Site Plan

FINAL C-141

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 : LIME ROCK RESOURCES A, LP	Contact : Jerry Smith
Address : 1111 Bagby Street Suite 4600, Houston, TX 77002	Telephone No. : 575-748-9724
Facility Name : Marathon Water Transfer Line	Facility Type: Produced Water Line
Surface Owner : Private	Mineral Owner: State
Lease No. : API #30-015-36555 2RP-791	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
SW 1/4	26	17S	28E	330	FSL	1815	FWL	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release : Produced Water	Volume of Release : 190 bbls PW	Volume Recovered: 130 bbls PW
Source of Release : Hole in water line	Date and Hour of Occurrence: 5/24/11 am	Date and Hour of Discovery: 5/24/11
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? 5/25/11 OCD Emergency Extension 5/26/11 Mike Bratcher	
By Whom? Michael Barrett	Date and Hour : 5/25/11	
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.* Hole in 2" steel water line. The line was isolated and the hole was clamped. All standing fluids were picked up.

Describe Area Affected and Cleanup Action Taken.* The impacted soil from this release was excavated. The excavated soil was transported to an NMOCD approved solid waste disposal facility. A 20 mil liner was installed around the conduit pipes and the excavated areas were backfilled to grade using new material transported from a local borrow pit, then contoured to match existing terrain.

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:	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Jerry Smith	Approved by District Supervisor:	
Title: Assistant Production Supervisor	Approval Date:	Expiration Date:
E-mail Address: jsmith@limerockresources.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 10/26/11	Phone: 575-748-9724	

* Attach Additional Sheets If Necessary