

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

Form C-141
Revised August 8, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

NAME NAB1514654493 **OPERATOR** 281994 ☒ Initial Report ☐ Final Report

Name of Company LRE Operating, LLC 281994 Contact Mike Barrett
Address 720 East College Blvd, Roswell, New Mexico 88210 Telephone No. 575-623-8738
Facility Name Staley State No. 20

Surface Owner Fee & Federal Mineral Owner Federal API No. 30-015-40983

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
O	30	17S	28E	330'	FSL	1650'	FEL	EDDY

Latitude 32.79450 Longitude 104.20561

NATURE OF RELEASE

Type of Release Treated produced waters	Volume of Release 65 bbls	Volume Recovered 5-10 bbls
Source of Release 10" transfer line	Date and Hour of Occurrence 5/13/2015 5:30am	Date and Hour of Discovery 5/13/2015 5:30am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Heather Patterson/NMOCD Artesia Office	
By Whom? Mike Stubblefield	Date and Hour 12/13/2015 11:00am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse	

NM OIL CONSERVATION
ARTESIA DISTRICT

If a Watercourse was Impacted, Describe Fully.*

MAY 22 2015

RECEIVED

Describe Cause of Problem and Remedial Action Taken.*

During the transfer of treated waters from the NW State 19 Recycling Containment, a valve located on the 10" transfer line vibrated shut, the maximum operating pressure for the 10" line was exceeded and the line ruptured. A vacuum truck was immediately brought to the release site, standing fluids were recovered.

Describe Area Affected and Cleanup Action Taken.*

The affected area is located in Ut. M sec.29-T17S-R28E. This area was measured to be 195' L x 108' W.
R.T. Hicks Consultants has been contracted for construction of a remediation work plan and the correction on the Staley State 20 release.

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>[Signature]</u>	OIL CONSERVATION DIVISION	
Printed Name: Michael Barrett	Approved by Environmental Specialist: <u>[Signature]</u>	
Title: Production Supervisor	Approval Date: <u>5/26/15</u>	Expiration Date: <u>N/A</u>
E-mail Address: Michael Barrett <mbarrett@limerockresources.com>	Conditions of Approval: Remediation per O.C.D. Rules & Guidelines <input type="checkbox"/> SUBMIT REMEDIATION PROPOSAL NO	
Date: 5/20/2015	Phone: 575-623-8424	LATER THAN: <u>5/28/15</u>

2RP-3017