District I 1625 N. French Dr., Hobbs, NM 88240 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 1220 S. St. Francis Dr., Santa Fe, NM 87505

Attach Additional Sheets If Necessary

State of New Mexico Energy Minerals and Natural Resources

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

Submit 2 Copies to appropriate

Form C-141

Revised October 10, 2003

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: Rice Operating Company Contact: Jennifer Johnson Telephone No.: 505-393-9174 Address: 122 West Taylor Facility Type: SWD Gathering line Facility Name: EME Mineral Owner: Lease No.: Surface Owner: State API#30.025.05721.00.00 LOCATION OF RELEASE Township Feet from the North/South Line Feet from the East/West Line County Section Range Unit Letter 29 19s 37E Lea F Latitude: 32*37.913N Longitude: 103*16.529W NATURE OF RELEASE Type of Release: produced water with oil Volume of Release: 100 Volume Recovered: 20 Source of Release: Pipeline Date and Hour of Occurrence: Date and Hour of Discovery: 12/29/05 11:55 am 12/29/05 Was Immediate Notice Given? If YES, To Whom? Paul Sheeley By Whom? Jennifer Johnson Date and Hour: 4:00 pm 12/29/05 Was a Watercourse Reached? If YES, Volume Impacting the Watercourse: ☐ Yes ☒ No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* 6" A/C line cracked, replaced with 20 ' of 6" PVC line. Describe Area Affected and Cleanup Action Taken.* 5371 sq ft affected. The top 7" of impacted soil was hauled to a NMOCD approved disposal facility. Chloride concentrations show a conclusive decline with depth, indicative of non saturated vadose zone conditions. ROC concludes that with restoration of surface vegetation no further action is warranted. 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. OIL CONSERVATION DIVISION Signature: (Approved by District Supervisor: This I Sellams Printed Name: Jennifer Johnson Title: Environmental and Field Technician Approval Date: **Expiration Date:** E-mail Address: jjriceswd@valornet.com Conditions of Approval: Attached | Date: 8/01/06 Phone: 505-393-9174