

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

RECEIVED

MAY 04 2010

NMOCD ARTESIA

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

7 SEB1012549380

Release Notification and Corrective Action

30-015-31283

OPERATOR

X Initial Report

☐ Final Report

| | |
|---|--|
| Name of Company Lime Rock Resources Operating Company, Inc. | Contact Jerry Smith (Operations Foreman) |
| Address 303 East Main Street, Artesia, N.M. 88201 | Telephone No. 575-748-9724 |
| Facility Name Resler State P.W. Transfer pump | Facility Type Water line |

| | | |
|---------------------|---------------------|-----------|
| Surface Owner State | Mineral Owner State | Lease No. |
|---------------------|---------------------|-----------|

Resler St #1

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|-------------------------|-----------------------|-----------------------|----------------|
| Unit Letter P | Section 25 | Township 17s | Range 27e | Feet from the 330' | North/South Line FSL | Feet from the 990' | East/West Line FEL | County EDDY |
|------------------|---------------|-----------------|--------------|-----------------------|-------------------------|-----------------------|-----------------------|----------------|

Latitude 32.79886 Longitude 104.22687

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Produced Water | Volume of Release 80 bbls | Volume Recovered 1 bbl |
| Source of Release Water Transfer line | Date and Hour of Occurrence 04/26/2010 7:00am | Date and Hour of Discovery 04/26/2010 7:00am |
| Was Immediate Notice Given? X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? NMOCD/Sherry Bonham | |
| By Whom? Michael Barrett | Date and Hour 04/26/2010 2:00pm | |
| 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.*

The flow path for the release did extend into a drainage area that leads ultimately to Logan's Draw.

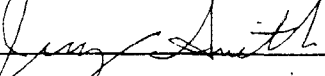

Describe Cause of Problem and Remedial Action Taken.*

The poly flow line used to transfer produced water ruptured. The line was taken out of service and repaired. A vacuum truck was immediately brought to the site, free waters were recovered, and water recovered was disposed at an appropriate disposal facility. An emergency one call was made on 04/27/2010 to the New Mexico One Call. Berms were then constructed upgrade of the drainage area to prevent the run off of any rain that might occur. April 28, excavation of the impacted soil began; the excavated soil was transported to Lea Land LLC. and NMOCD approved facility for disposal.

Describe Area Affected and Cleanup Action Taken.*

The release occurred near the lease road south of the Resler State #1. The release area was measured to be 50 yds x 40 yds. Produced waters flowed downgrade to a road used to maintain an anode bed, the release followed the maintenance road for 100 yds in a narrow flow path est. to be 2' in width. The release entered into a drainage area and then flowed north, the impacted area located in the drainage area was measured to be 70 yds x 7 yds Depth to Ground Water: >100' (approx. 240'), Wellhead Protection Area: 0, Distance to Surface Water Body: >1000'. Site Ranking: 0.

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:  | OIL CONSERVATION DIVISION | |
| Printed Name: Jerry Smith | Approved by:  District Supervisor | |
| Title: Operations Foreman | Approval Date: MAY 27 2010 | Expiration Date: |
| E-mail: jsmith@lime.rock.resources.com | Conditions of Approval: REMEDATION per OCD Rules and Guidelines. SUBMIT REMEDIATION PROPOSAL BY: Remediation in progress 5/17/10 | Attached <input type="checkbox"/> |
| Date: 4-30-10 Phone: (505)-918-0556 | | |

* Attach Additional Sheets If Necessary

PMLB 1014728256

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