

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

HOBBS OCD

State of New Mexico
Energy Minerals and Natural Resources

MAY 01 2014

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

Form C-141
Revised August 8, 2011

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

RECEIVED

Release Notification and Corrective Action

OPERATOR

SR 5/2/14

☒ Initial Report ☐ Final Report

| | | |
|-----------------------------------|---------------------------------------|----------------------|
| Name of Company - Legacy Reserves | Contact - Manuel Soriano | |
| Address | Telephone No. - 432-269-8806 | |
| Facility Name - LJU #25 | Facility Type | |
| Surface Owner - State | Mineral Owner - Legacy Reserves STATE | API No. 30-025-11307 |

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|
| Unit Letter N | Section 32 | Township 24S | Range 37E | Feet from the | North/South Line | Feet from the | East/West Line | County Lea |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|

Latitude 32.168522 Longitude -103.184959

NATURE OF RELEASE

| | | |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------|
| Type of Release - Produced Water | Volume of Release - 50bbl | Volume Recovered - 2bbl |
| Source of Release - Injection Line | Occurrence - 4/19/14 0800 | Discovery - 4/19/14 0800 |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? | Date and Hour | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.*

DTW = 110' SR 5/2/14

Describe Cause of Problem and Remedial Action Taken.*
Nipple corroded and failed. Replaced with new nipple.

Describe Area Affected and Cleanup Action Taken.*

The area affected is generally flat terrain with little slope. Consists of native plants and moderately shallow soil. Fluid infiltration into the soil was light to moderate. Contaminated soil will be removed and replaced.

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: <i>Manuel Soriano</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Manuel Soriano | Approved by Environmental Specialist <i>Jeffrey Serino</i> Environmental Specialist | |
| Title: Production Foreman | Approval Date: 5/02/14 | Expiration Date: 7/02/14 |
| E-mail Address: jsoriano@legacylp.com | Conditions of Approval: DELINEATE AND REMEDIATE HORIZONTALLY AND VERTICALLY PER NMOCD | Attached <input type="checkbox"/> |
| Date: 5-1-14 | Phone: 432-269-8806 | IRP - 05-14-3032 |

* Attach Additional Sheets If Necessary

GUIDELINES, SUBMIT FINAL
C-141 BY 7/02/14

MAY 05 2014