

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 ResourcesOil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505Form C-141
Revised August 8, 2011Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

| | |
|---|----------------------------|
| Name of Company LRE Operating, LLC | Contact Michael Barrett |
| Address 1111 Bagby St. Ste. 4600, Houston, TX 77002 | Telephone No. 575-623-8424 |
| Facility Name Kersey St. # 8 | Facility Type Flowline |

| | | |
|----------------------|---------------------|----------------------|
| Surface Owner Concho | Mineral Owner State | API No. 30-015-42163 |
|----------------------|---------------------|----------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|-------------------------|----------------------|-----------------------|----------------|
| Unit Letter I | Section 32 | Township 17S | Range 28E | Feet from the 1650 | North/South Line FSL | Feet from the 330 | East/West Line FEL | County Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|-------------------------|----------------------|-----------------------|----------------|

Latitude 32.786646 Longitude -104.190679

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release Produced Water | Volume of Release 32bbls | Volume Recovered 15bbls |
| Source of Release 3" Polyline Split | Date and Hour of Occurrence A/M 11-9-14 | Date and Hour of Discovery 11/9/2014 8:00 A/M |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | If YES, To Whom? Mike Bratcher & Heather Patterson NMOCD | |
| By Whom? Sheldon Hitchcock Talon/LPE | Date and Hour 11/11/14 @ 9:44 am | |
| 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.*


A flowline leak caused the release of 32bbls of produced water. The flowline was repaired and put back into service. Talon/LPE mobilized personnel to conduct an initial site assessment and to perform soil sampling within the impacted area. A backhoe was utilized to vertically delineate chloride concentrations to below 250 mg/kg. Upon receipt of analytical data from the initial sampling event and vertical delineation a remediation work plan was generated and subsequently approved by NMOCD.

Describe Area Affected and Cleanup Action Taken.*

A vacuum truck was immediately dispatched to begin recovering fluid. 15bbls of fluid were recovered. The fluid flowed from the release point south across the pasture for approximately 339'. Upon NMOCD approval of the work plan the impacted area was excavated to depths ranging from 2-feet to 4-feet below ground surface (per the work plan). Once all of the impacted soil was excavated it was hauled to an NMOCD approved solid waste disposal facility and the excavation was backfilled with top soil.

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 Environmental Specialist: | | |
| Printed Name: Michael Barrett | | | |
| Title: Production Supervisor | Approval Date: 3/16/2015 | Expiration Date: N/A | |
| E-mail Address: mbarrett@limerockresources.com | Conditions of Approval: | | Attached <input type="checkbox"/> |
| Date: 3/6/2015 | Phone: 575-628-424 | | FINAL |

* Attach Additional Sheets If Necessary

2RP-2594