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 REVIEWED

By OCD District 1 at 12:17 pm, May 14, 2015

State of New Mexico Energy Minerals and Natural Resources

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

Form C-141 Revised October 10, 2003

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

Release Notification and Corrective Action OPERATOR Initial Report \times Final Report Name of Company **Rice Operating** Contact Hack Conder 122 W. Taylor St., Hobbs, NM 88240 Address Telephone No. (575) 393-9174 Facility Name Pipeline Facility Type Salt Water Gathering System Surface Owner Doom Ranch Mineral Owner API No. 30-025-24761 LOCATION OF RELEASE Unit Letter Township Section Range Feet from the North/South Line Feet from the East/West Line County E 23 24S 37E Lea Latitude 32°12'12.49" Longitude_103°8'26.667" NATURE OF RELEASE Type of Release Produced Water Volume of Release 70 Volume Recovered 45 Source of Release Pipeline Date and Hour of Occurrence Date and Hour of Discovery 6/17/10 6/17/10 9:26 AM Was Immediate Notice Given? If YES, To Whom? Yes I No I Not Required Larry Johnson, NMOCD By Whom? Hack Conder Date and Hour 6/17/10 3:30 PM Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. Yes No APPROVED If a Watercourse was Impacted, Describe Fully.* By OCD District 1 at 12:17 pm, May 14, 2015 Describe Cause of Problem and Remedial Action Taken.* A 3 inch PVC pipeline cracked. The damaged section of pipe was replaced as a permanent repair. Describe Area Affected and Cleanup Action Taken.* A total of 10,666 sq ft was affected, 6,480 sq ft of which was in the pasture. A vacuum truck was immediately dispatched to the site to collect and properly dispose of all standing water. The impacted pasture was scraped to a depth of 8-12 inches and approximately 144 yds of soil were hauled to a NMOCD approved facility. Five verticals were installed and based on the data, three soil bores were advanced at the site on July 29th, 2010. To inhibit the downward migration of chlorides to water, ROC installed a 20-mil reinforced poly liner measuring 20 ft x 67 ft at a depth of 4-5 ft bgs. NMOCD Central Office agreed with the liner dimensions on June 20th, 2012, and NMOCD District 1 office approved the valoes zone remedy on June 27^{th} , 2012. On July 2^{rd} , 2012, the site was excavated for liner installation. The site was excavated to 20 ft x 67 ft x 4-5 ft deep and a total of 600 yards of excavated soil was taken to a NMOCD approved facility for disposal. A 20-mil reinforced poly liner was installed and properly seated into the base of the excavation. A six inch sand pad was placed both above and below the liner to protect the liner from punctures. 600 yards of clean soil was imported to the site to serve as padding and backfill. Two additional soil bores were installed on July 10th, 2012 as requested by NMOCD Central Office. On July 20th, 2012, ROC submitted two Multimed files that were run for the site. The Multimed model demonstration was approved by NMOCD Central Office on September 4th, 2012. The site was prepared with soil amendments and seeded on September 13th and 14th, 2012. 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: Printed Name: Hack Conder Title: Environmental Manager Approval Date: 05/14/2015 **Expiration Date:** E-mail Address: Hconder@riceswd.com Conditions of Approval: Attached Date: 9/24/2012 Phone: (575) 393-9174 1RP -2565

* Attach Additional Sheets If Necessary