



'Strategic Energy Investments'

4526 Research Forest Drive, Suite 200  
The Woodlands, Texas 77381  
281-875-6200

February 25, 2015

Heather Patterson  
Environmental Specialist  
NMOCD District II  
811 S. First St.  
Artesia, NM 88210

SUBJECT: Remediation of Beeson F Federal #29 release from 03 August 2014

Ms. Patterson,

EnergyQuest has completed the dirt work for remediation of the area impacted by the 03 August 2014 release from the Beeson F Federal #29 flow line. Photos of the completed work are attached. This impacted area was a natural depression prior to the release; as such, the site was contoured to re-establish, as closely as possible, the original appearance of the area.

We plan to re-seed the area using BLM-approved seed mixture when appropriate. To that end, we have asked for guidance from BLM regarding the best time to sow the seed.

Should you have any questions, do not hesitate to contact the undersigned.

Very Truly Yours,  
EnergyQuest II, LLC

A handwritten signature in blue ink, appearing to read "Larry D. Davis". The signature is fluid and cursive, with a large, stylized "L" and "D".

Larry D. Davis  
Environmental Quality and Safety Manager  
Telephone: 281-651-5201

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 Resources

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.

**Release Notification and Corrective Action**

<b>OPERATOR</b>		<input type="checkbox"/> Initial Report	<input checked="" type="checkbox"/> Final Report
Name of Company ENERGYQUEST II, LLC	Contact LARRY DAVIS		
Address 4526 RESEARCH FOREST DRIVE., SUITE 200, THE WOODLANDS, TX 77381	Telephone No. 281-875-6200		
Facility Name BEESON F FEDERAL #029	Facility Type OIL		
Surface Owner Bureau of Land Management	Mineral Owner	API No. 30-015-31164	

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	31	17S	30E	330	NORTH LINE	330	EAST LINE	EDDY

Latitude 32.7973913815622 Longitude -104.003815317332


**NATURE OF RELEASE**

Type of Release PRODUCED SALT WATER	Volume of Release 40 BBL	Volume Recovered 0
Source of Release BREAK IN WATER INJECTION LINE	Date and Hour of Occurrence 02 AUG 2014, 1530 HOURS	Date and Hour of Discovery 03 AUG 2014, 1026 HOURS
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? JIM AMOS, BUREAU OF LAND MANAGEMENT (575) 234-5972	
By Whom? GREG MCWILLIAMS (806) 445-1728	Date and Hour 03 AUG 2014, 1026 HOURS	
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.\*  
FAILURE OF WATER INJECTION LINE BELOW GROUND LEVEL. NO OIL OR OIL PRODUCTS WERE RELEASED. UPON DISCOVERY, FIELD WAS SHUT IN AND FLOW WAS STOPPED. DIGGING REVEALED FAILURE POINT IN FLOW LINE. ANALYSIS OF LOCATION INDICATES NO SUB-SURFACE WATER AND NO SURFACE WATERCOURSE IN VICINITY. CLEAN UP WILL REQUIRE REMOVAL AND REPLACEMENT OF IMPACTED SOILS. APPROVAL TO PROCEED WITH REPAIR AND CLEANUP GIVEN BY JIM AMOS, BLM. CLEAN UP TO BEGIN 06 AUGUST 2014.

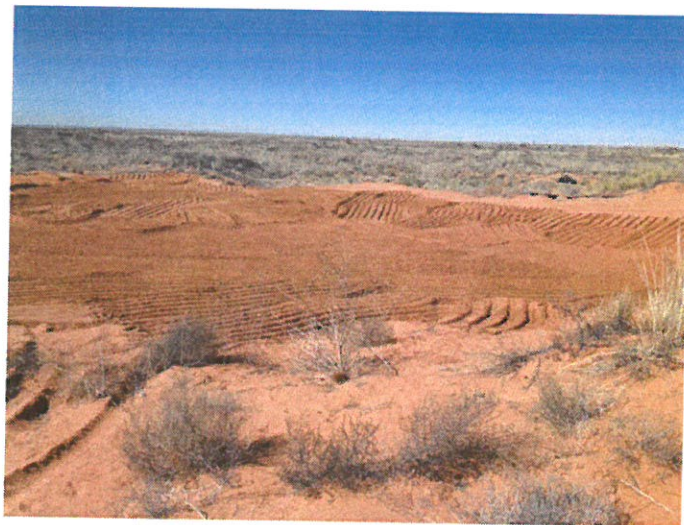
Describe Area Affected and Cleanup Action Taken.\*  
AREA IS IN A NATURAL DEPRESSION AMONG THE SAND DUNES. SITE WAS EXCAVATED AND SOIL SAMPLES TAKEN TO VERIFY CONTAMINANTS WERE BELOW SET LEVELS. IN ACCORDANCE WITH APPROVED PLANS, THE EXCAVATION WAS REFILLED WITH LOCAL SOIL TO THE NATURAL CALICHE LEVEL, THEN CAPPED WILL CLEAN CALICHE. THAT CAP WAS TOPPED WITH 1220 YARDS OF BLM APPROVED SOIL AND CONTOURED TO MATCH, AS CLOSELY AS POSSIBLE, THE ORIGINAL CONTOURS OF THE SITE. **SEE ATTACHED PHOTOS OF FINAL CONTOURING.** SITE TO BE RE-SEEDDED WITH BLM-APPROVED MIXTURE AS PER PLAN.

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: 		<b>OIL CONSERVATION DIVISION</b>	
Printed Name: LARRY DAVIS		Approved by Environmental Specialist:	
Title: MANAGER, ENVIRONMENTAL QUALITY AND SAFETY		Approval Date:	Expiration Date:
E-mail Address: larry.davis@energyquest.us		Conditions of Approval:	
Date: 25 FEBRUARY 2015	Phone: 281-651-5201	Attached <input type="checkbox"/>	



\* Attach Additional Sheets If Necessary



## Larry Davis

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**From:** Patterson, Heather, EMNRD <Heather.Patterson@state.nm.us>  
**Sent:** Tuesday, December 09, 2014 2:29 PM  
**To:** Larry Davis  
**Cc:** Jeff Teare; Greg McWilliams; Cliff Brunson; Hughes, Solomon; Bratcher, Mike, EMNRD  
**Subject:** RE: Remediation of release site Beeson F Federal #029

Larry,

Your proposed remediation is approved as written.

OCD approval does not relieve the operator of liability should their operations fail to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If you have any questions or concerns, and for notification, please contact me.

Heather Patterson  
Environmental Specialist  
NMOCD District II  
(575)748-1283 ext.101

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**From:** Larry Davis [mailto:Larry.Davis@energyquest.us]  
**Sent:** Monday, December 01, 2014 3:19 PM  
**To:** Patterson, Heather, EMNRD  
**Cc:** Jeff Teare; Greg McWilliams; Cliff Brunson  
**Subject:** Remediation of release site Beeson F Federal #029

Heather,

Regarding remediation of the Beeson F Federal #029 site resulting from a release on 03 August 2014, EnergyQuest has repaired all damaged lines and excavated the impacted area, removing contaminated soils and vegetation. Samples from that site were tested; initial analysis is attached. (See PDF's "Lab Analysis" and Lab Summary" dated 8-20-14). On 23 October 2014, EnergyQuest met and consulted with Sol Hughes and Jeffrey Robertson from the BLM. Following an on-site visit by both gentlemen, a remediation plan was developed and submitted to the BLM for approval. Below is the plan presented:

### Corrective Actions for Beeson F Federal #029 Release site

It has been determined that this area has no groundwater concerns. Excavation at the site has reached a depth of approximately thirteen feet. Included in the discussion was reduction of the pad site and using material from the pad both as backfill and potentially as the cap over the backfill.

The corrective actions we discussed included:

1. Extract one (1) core sample from the floor of the excavated site and test for chlorides.
2. Remove caliche from the outer skirt of the #029 pad and re-use it for backfill and as a cap over the backfill. Extract sample from this material to verify it is clean of contaminants before using it for a cap over the backfill.
3. Backfill the excavation to the exposed natural caliche layer.



4. Cap the backfill with at least 1 foot of clean caliche (intent is to use caliche from the #029 pad if sampling shows it to be clean – if not, clean caliche will be brought in).
5. Add an additional 2 feet of clean, viable soil to the caliche cap, and contour the entire site to imitate as best as possible the natural contours of the surrounding area.
6. Replace material removed from the #029 pad with enough clean, viable soil to allow for proper root growth and contouring of the area to imitate as best as possible the natural contours of the surrounding area.
7. When appropriate, re-seed both locations with mixture determined by the BLM as best suited for the area.

BLM accepted EnergyQuest's proposal for Corrective Actions on October 29, 2014, with the stipulation that additional samples demonstrated that contaminants were within acceptable limits. (See attached email "Re: EnergyQuest Proposed Actions – Grayburg Water Flood and Beeson #029".) Please be aware that this email also contains a proposal for remediation of the Grayburg Jackson Water Flood Tank Battery, which is not part of the Beeson #29 incident. That remediation is to correct historical damage that EnergyQuest inherited from previous operators.

As directed by the BLM, additional samples were taken from the Beeson #29 site and submitted for analysis; testing demonstrated that samples were within limits. (See attached email "Sampling Results – Beeson F Federal #29" and PDF's "Lab Analysis" and "Lab Summary" dated 11-14-14).

On December 1, 2014, Sol Hughes gave BLM's approval to proceed with remediation and outlined expectations. However, BLM stipulated that the proposal still requires approval from NMOCD. ("Re: Sampling Results – Beeson F Federal #29".)

In accordance with that requirement, EnergyQuest now submits our proposal and supporting documents for your review and approval.

Larry D. Davis  
Environmental Quality & Safety Manager

The logo for EnergyQuest, featuring the word "Energy" in a blue serif font and "Quest" in a blue sans-serif font, with a stylized blue wave or swoosh element above the "Q".

Telephone: 281-651-5201 (direct)

E-Fax: 281-651-5207