

SITE INFORMATION

Report Type: Closure Report 2RP-1386

General Site Information:

Site:	Parkway 35 Federal Com 4H					
Company:	SM Energy Company					
Section, Township and Range	Unit M	Sec 35	T 19S	R 29E		
Lease Number:	API No. 30-015-39839					
County:	Eddy County					
GPS:	32.61488° N			104.05279° W		
Surface Owner:	Federal					
Mineral Owner:						
Directions:	From the intersection of HWY 360 & Curry Comb Rd (235) in rural Eddy County, travel west on Curry Comb Rd for 4.7 mi, turn south for 1.3 mi, turn west for 1.2 mi to the location on the south side of the lease road.					

Release Data:

Date Released:	10/19/2012
Type Release:	Produced Water
Source of Contamination:	Polyline hit
Fluid Released:	15 bbls
Fluids Recovered:	15 bbls

Official Communication:

Name:	Zachary Luikens		Ike Tavaréz
Company:	SM Energy Company		Tetra Tech
Address:	6301 Holiday Hill Rd.		4000 N. Big Spring
	Bldg #1		Ste 401
City:	Midland Texas, 79707		Midland, Texas
Phone number:	(432) 688-3138		(432) 687-8110
Fax:			
Email:	zluikens@sm-energy.com		Ike.Tavaréz@tetrattech.com

Ranking Criteria

Depth to Groundwater:	Ranking Score	Site Data
<50 ft	20	
50-99 ft	10	
>100 ft.	0	
WellHead Protection:	Ranking Score	Site Data
Water Source <1,000 ft., Private <200 ft.	20	
Water Source >1,000 ft., Private >200 ft.	0	0
Surface Body of Water:	Ranking Score	Site Data
<200 ft.	20	
200 ft - 1,000 ft.	10	
>1,000 ft.	0	0
Total Ranking Score:		0

Acceptable Soil RRAL (mg/kg)		
Benzene	Total BTEX	TPH
10	50	5,000



TETRA TECH

August 16, 2016

Mr. Mike Bratcher
Environmental Engineer
Oil Conservation Division, District 2
1301 W. Grand Avenue
Artesia, New Mexico 88210

**Re: Closure Report for the SM Energy Company
Parkway 35 Federal Com 4H
Unit M, Section 35, Township 19 South, Range 29 East
Eddy County, New Mexico**

Mr. Bratcher:

Tetra Tech, Inc. (Tetra Tech) was contacted by SM Energy Company (SM Energy) to assess a produced water release at the Parkway 35 Federal Com 4H, Unit M, Section 35, Township 19 South, Range 29 East, Eddy County, New Mexico (Site). The spill site coordinates are N 32.61488°, W 104.05279°. The site location is shown on Figures 1 and 2.

Background

According to the State of New Mexico C-141 Initial Report, the leak was discovered on October 19, 2012. Approximately fifteen (15) barrels of produced water were released due to a poly line hit. Fifteen (15) barrels of produced water was recovered. The release impacted an area of approximately 30' x 30' on the lease road, and migrated into the pasture, impacted areas measuring approximately 10' x 75' and 5' x 30'. The initial C-141 is enclosed in Appendix A.

Hydrology

The New Mexico Office of the State Engineers (OSE) Website listed one water well in Section 35. This well (identified by the OSE as CP 00739) had reported depth to water at 110' below ground surface. The New Mexico Oil Conservation Division (OCD) regional groundwater gradient map for Eddy County shows the depth to groundwater in this section at approximately 100 feet.

Tetra Tech

1910 North Big Spring, Midland, TX 79705
Tel 432.682.4559 Fax 432.682.3946 www.tetrattech.com



TETRA TECH

Regulatory

A risk-based evaluation was performed for the Site in accordance with the OCD Guidelines for Remediation of Leaks, Spills and Releases, dated August 13, 1993. The guidelines require a risk-based evaluation of the site to determine recommended remedial action levels (RRAL) for benzene, toluene, ethylbenzene and xylene (collectively referred to as BTEX) and total petroleum hydrocarbons (TPH) in soil. The proposed RRAL for benzene was determined to be 10 parts per million (ppm) or milligrams per kilogram (mg/kg) and 50 ppm for total BTEX (sum of benzene, toluene, ethylbenzene, and xylene). Based upon the depth to groundwater, the proposed RRAL for TPH is 5,000 mg/kg.

Soil Assessment and Results

On October 31, 2012, Tetra Tech personnel collected soils samples up to 2.5 feet bgs, utilizing a hand auger at two locations within the spill area (identified as AH-1 and AH-2). Deeper samples were not collected due to dense caliche formations. Soil samples were submitted for laboratory analysis of TPH by EPA method 8015 modified, BTEX by EPA Method 8021B and chloride by SM method 4500. The results of the sampling are summarized in Table 1. Copies of laboratory analysis and chain-of-custody documentation are included in Appendix C.

Referring to Table 1, none of the samples collected showed TPH, BTEX or chloride concentrations above the laboratory reporting limits.

Conclusion

Based on the results of the assessment, SM Energy requests closure of the site. The final C-141 is included in Appendix A. If you have any questions or comments concerning the assessment performed at the site, please call me at (432) 682-4559.

Respectfully submitted,
TETRA TECH, INC.

Ike Tavarez,
Senior Project Manager

cc: Zach Luikens – SM Energy Company

Figures

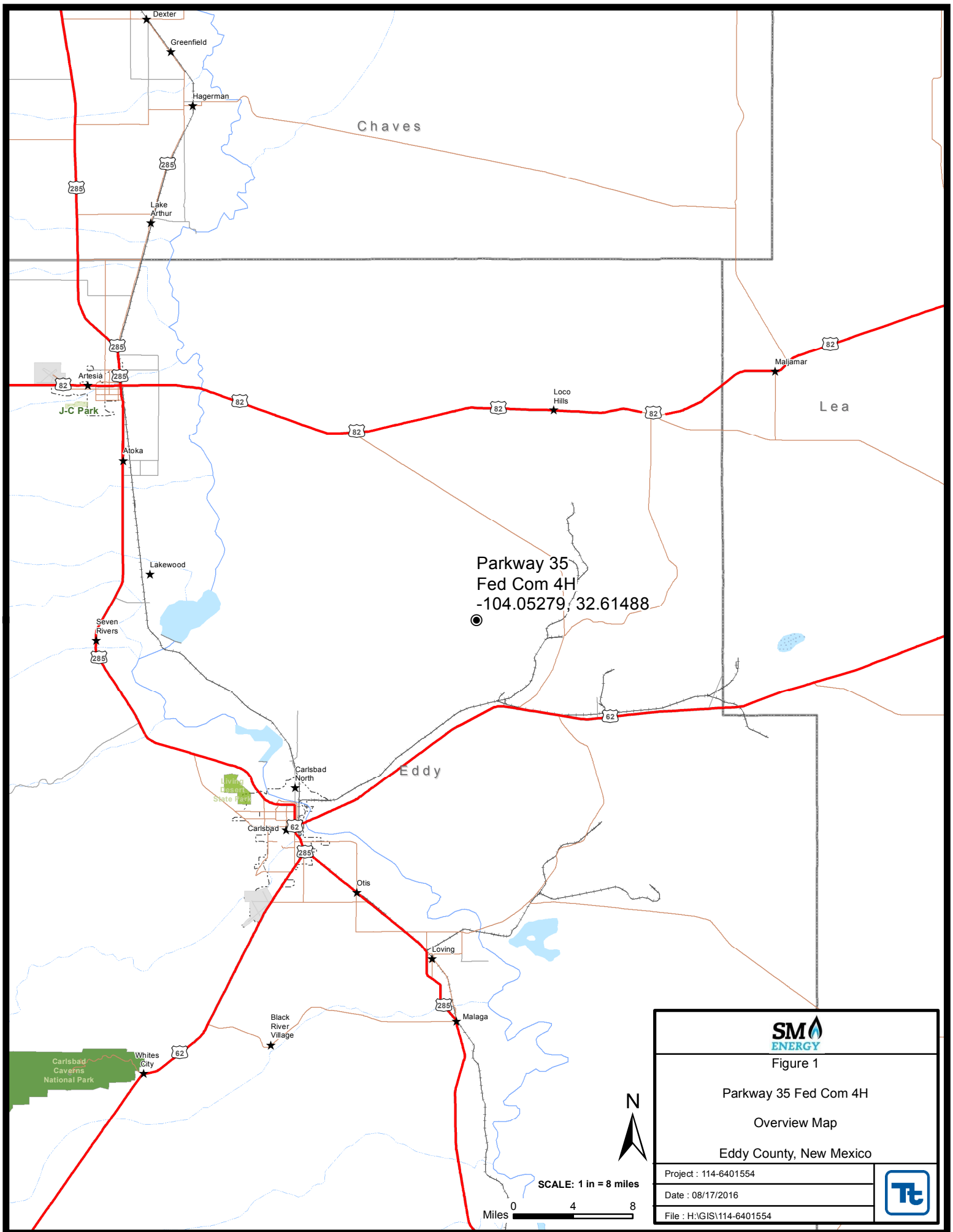


Figure 1

Parkway 35 Fed Com 4H

Overview Map

Eddy County, New Mexico

Project : 114-6401554

Date : 08/17/2016

File : H:\GIS\114-6401554



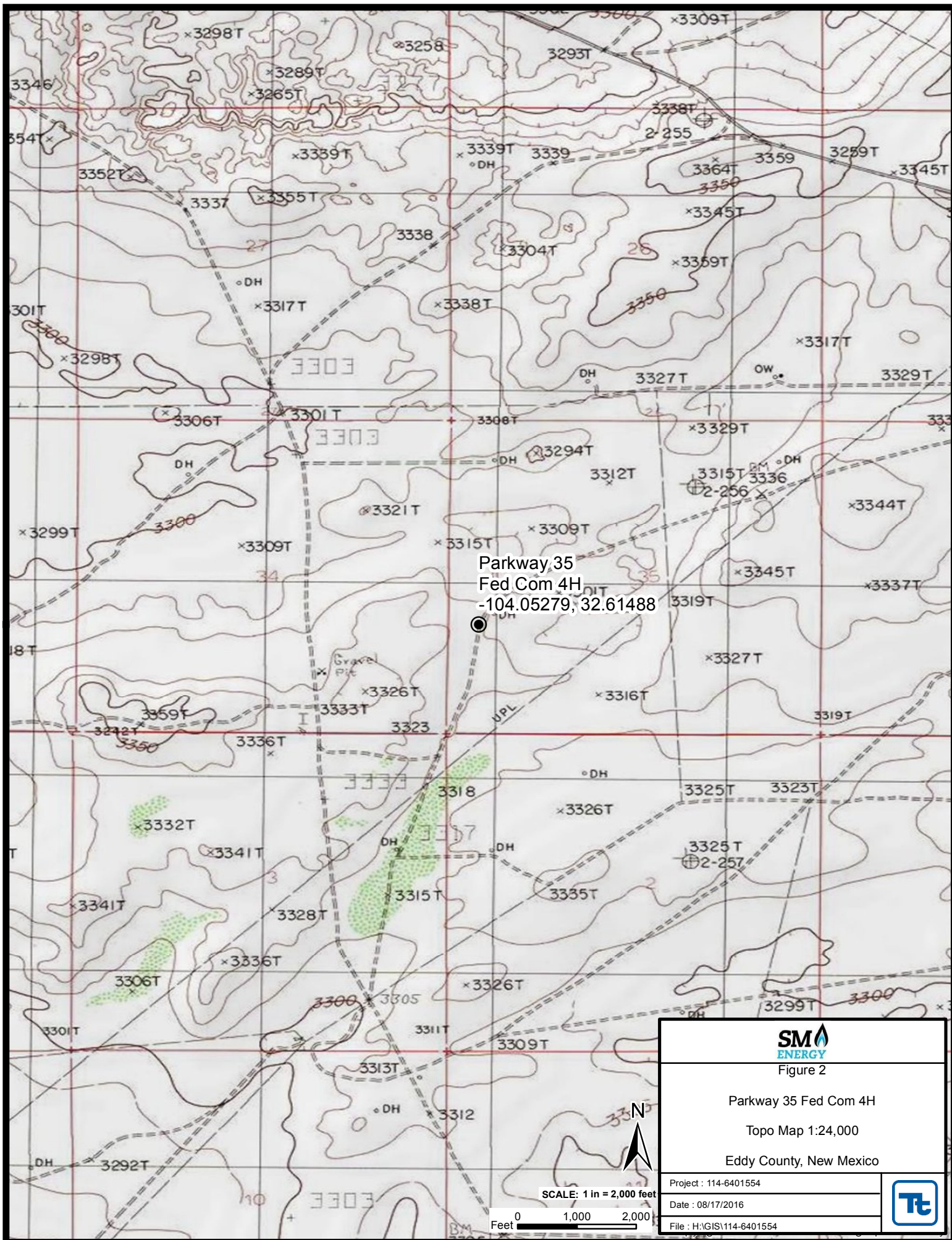


Figure 2

Parkway 35 Fed Com 4H

Topo Map 1:24,000

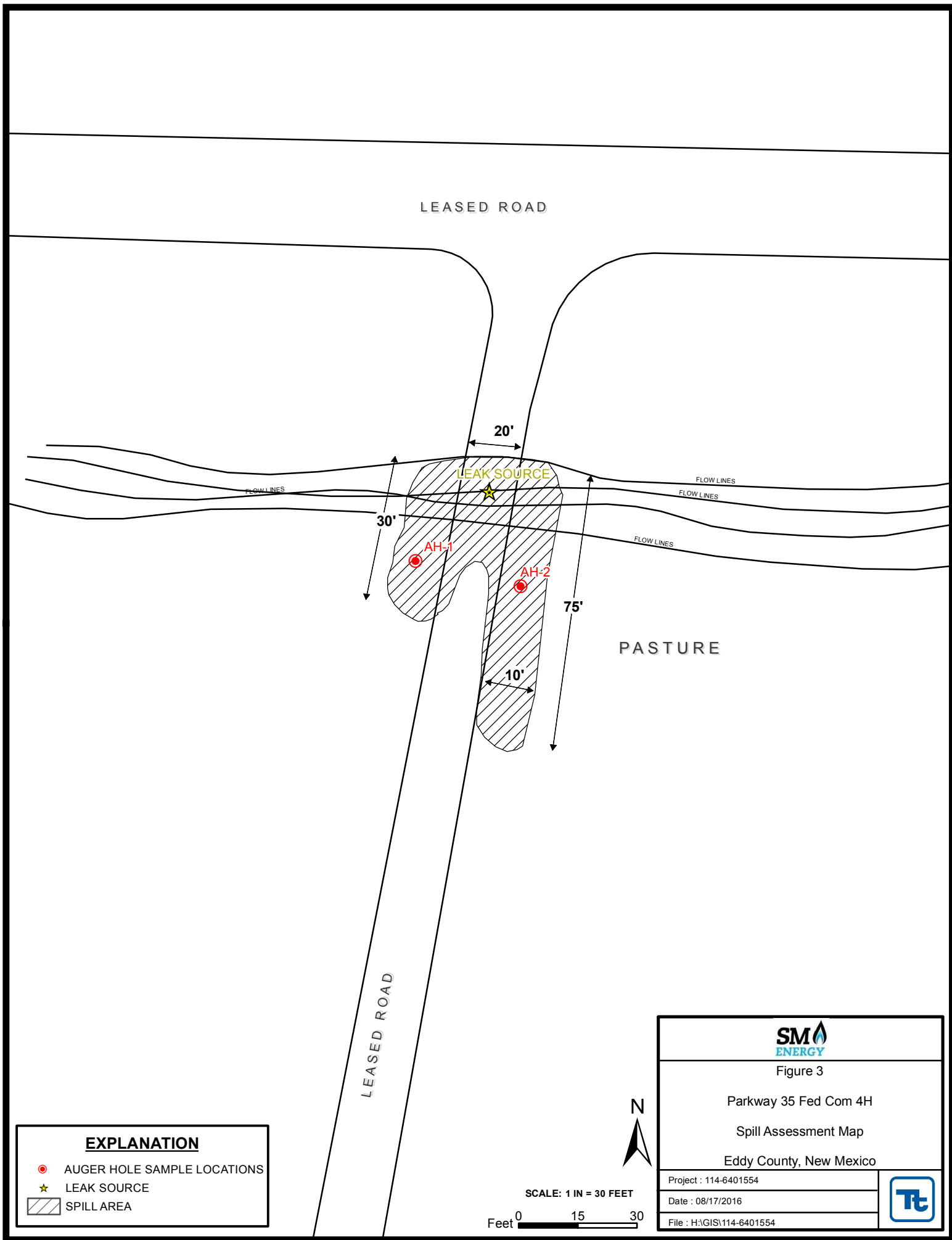
Eddy County, New Mexico

Project : 114-6401554

Date : 08/17/2016

File : H:\GIS\114-6401554





Tables

Table 1
SM Energy
Parkway 35 Federal Commingle #44
Eddy County, New Mexico

Sample ID	Sample Date	Sample Depth (ft)	Soil Status		TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethlybenzene (mg/kg)	Xylene (mg/kg)	Total BTEX (mg/kg)	Chloride (mg/kg)
			In-Situ	Removed	GRO	DRO	Total						
AH-1	10/31/2012	0-1	X		<4.00	<50.0	<50.0	<0.0200	<0.0200	<0.0200	<0.0200	<0.0200	<20.0
	"	1-1.5	X		-	-	-	-	-	-	-	-	<20.0
	"	2-2.5	X		-	-	-	-	-	-	-	-	<20.0
AH-2	10/31/2012	0-1	X		<4.00	<50.0	<50.0	<0.0200	<0.0200	<0.0200	<0.0200	<0.0200	<20.0
	"	1-1.5	X		-	-	-	-	-	-	-	-	<20.0
	"	2-2.5	X		-	-	-	-	-	-	-	-	<20.0
	"	3-3.5	X		-	-	-	-	-	-	-	-	<20.0

(--) Not Analyzed

Photos

SM Energy Company
Parkway 35 Federal Com 4H
Eddy County, New Mexico



TETRA TECH



View Northwest – Area of AH-1



View Northeast – Area of AH-2

Appendix A

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

Form C-141
Revised August 8, 2011

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

Submit 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	SM ENERGY COMPANY	Contact	VICKIE MARTINEZ
Address	3300 N "A" ST BLDG 7-200 MIDLAND, TX 79705	Telephone No.	(432)688-1709
Facility Name	PARKWAY 35 FEDERAL COM 4H 30-015-3983	Facility Type	WELL
Surface Owner	BUREAU OF LAND MANAGEMENT	Mineral Owner	BUREAU OF LAND MANAGEMENT
		API No.	NMNM24160&NM67102

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	35	19S	29E	450	SOUTH	330	WEST	EDDY

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	PRODUCED WATER	Volume of Release	15 BBLS	Volume Recovered	15 BBLS
Source of Release	3" POLYETHYLENE LINE	Date and Hour of Occurrence	10/19/12 4:00 PM	Date and Hour of Discovery	SAME
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	JIM AMOS WITH BLM AND NMOCD VOICEMAIL		
By Whom?	BILL HEARNE	Date and Hour	10/19/12 4:00 PM		
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.*

N/A


Describe Cause of Problem and Remedial Action Taken.*

TALON LPE WSA WORKING ON ACCESS ROAD LOWERING POLYETHYLENE LINES BEFORE PUTTING DOWN CALICHE. LINES WERE VISIBLE BUT ACCIDENTALLY HIT. TWO SPOTTERS WERE ON LOCATION AT TIME OF INCIDENT. ALL STANDING FLUID WAS PICKED UP AND POLYETHYLENE LINE WAS REPAIRED.

Describe Area Affected and Cleanup Action Taken.*

SPILL AREA: 15'X15' = 225 SQ FT

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: VICKIE MARTINEZ	Approved by Environmental Specialist:		
Title: ENGINEER TECH II	Approval Date:	Expiration Date:	
E-mail Address: VMARTINEZ@SM-ENERGY.COM	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 10/22/2012	Phone: (432)688-1709		

* Attach Additional Sheets If Necessary

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

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 ☒ Final Report

Name of Company SM Energy Company	Contact Zach Luikens
Address 6301 Holiday Hill Rd, Bldg 1, Midland, TX 79707	Telephone No. (432) 688-3138
Facility Name Parkway 35 Federal Com 4H	Facility Type Well

Surface Owner: Federal	Mineral Owner	Lease No. API No. 30-015-39839
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LOCATION OF RELEASE

Unit Letter M	Section 35	Township 19S	Range 29E	Feet from the 450	North/South Line SOUTH	Feet from the 330	East/West Line WEST	County EDDY
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Latitude N 32.61488° Longitude W 104.05279°

NATURE OF RELEASE

Type of Release: Produced Water	Volume of Release 15 bbls	Volume Recovered 15 bbls
Source of Release: 3" Polyethylene Line	Date and Hour of Occurrence 10/19/12 2:00 PM	Date and Hour of Discovery 10/19/12 2:00 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Jim Amos & NMOCD voicemail	
By Whom? Bill Hearne	Date and Hour 10/19/12 4:00 PM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*

N/A


Describe Cause of Problem and Remedial Action Taken.*

Talon LPE was working on an access road, lowering poly lines when the hit occurred. All standing fluid was recovered and the poly line was repaired.

Describe Area Affected and Cleanup Action Taken.*

Tetra Tech inspected site and collected samples to define spills extent. All samples collected were below laboratory reporting limits. Tetra Tech prepared closure report and submitted to NMOCD for review.

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: 	<u>OIL CONSERVATION DIVISION</u>		
Printed Name: Ike Tavarez	Approved by District Supervisor:		
Title: Project Manager	Approval Date:	Expiration Date:	
E-mail Address: Ike.Tavarez@TetraTech.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 08/16/16 Phone: (432) 682-4559			

* Attach Additional Sheets If Necessary

Appendix B

Water Well Data
Average Depth to Groundwater (ft)
SM Energy - Parkway 35 Federal Com 4H

18 South			28 East		
6	5	4	3	2	1
		108		55	
7	8	81	9	10	11
49	69				12
18	17	16	15	80	14
					13
19	20	21	22	23	24
		226			
30	137	29	28	27	26
					25
31	32	33	34	35	36
				65	

18 South			29 East		
6	5	4	3	2	1
7	8	9	10	95	11
					12
18	17	16	15	14	13
19	20	21	22	23	24
					158
30	29	28	27	26	25
31	32	33	34	35	36

18 South			30 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	44
					24
30	29	28	27	26	25
31	32	33	34	35	36

19 South			28 East		
6	5	4	3	2	1
7	8	9	246	10	11
		265			12
18	17	16	15	14	13
91					
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36
					75

19 South			29 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
					123
19	20	21	22	23	24
					101
30	29	28	27	26	25
31	32	33	34	62.9	35
			60	121	36
				110	115

19 South			30 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36
90					
115					

20 South			28 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	25	34	35
115		29			19

20 South			29 East		
6	5	4	3	2	1
			91		
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36
52					

20 South			30 East		
6	5	3.5	4	3	2
				6	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
		29			
30	29	28	150	27	26
					25
31	32	33	34	35	36
170		191			

88 New Mexico State Engineers Well Reports

105 USGS Well Reports

90 Geology and Groundwater Conditions in Southern Lea, County, NM (Report 6)
 Geology and Groundwater Resources of Eddy County, NM (Report 3)

34 NMOCD - Groundwater Data



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
CP 00626 POD1	CP	ED	ED	2	3	1	03	19S	29E	587360	3617575*	286	247	39
CP 00626 POD2	CP	ED	ED	3	2	1	03	19S	29E	587559	3617779*	240	195	45
CP 00646		ED	ED	1	1	4	07	19S	29E	583155	3615551	199	150	49
CP 00681		ED	ED	1	1	3	34	19S	29E	587230	3609127*			
CP 00703		ED		4	1	36		19S	29E	590945	3609441	225	115	110
CP 00739		ED		3	4	4	35	19S	29E	590068	3608622	200	110	90
CP 00741		ED		1	3	2	34	19S	29E	588030	3609533*	230	60	170
CP 00820		LE		2	4	13		19S	29E	591713	3613870*	120		
CP 00821		LE		4	4	25		19S	29E	591743	3610248*	120		

Average Depth to Water: **146 feet**

Minimum Depth: **60 feet**

Maximum Depth: **247 feet**

Record Count: 9

PLSS Search:

Township: 19S

Range: 29E

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

Appendix C

Summary Report

Aaron Hale
Tetra Tech
1910 N. Big Spring Street
Midland, TX 79705

Report Date: November 8, 2012

Work Order: 12110207



Project Location: Eddy Co., NM
Project Name: SME/Parkway 35 Fed. Com. #44
Project Number: 114-6401556

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
313223	AH 1 (0-1')	soil	2012-10-31	00:00	2012-11-02
313224	AH 1 (1-1.5')	soil	2012-10-31	00:00	2012-11-02
313225	AH 1 (2-2.5')	soil	2012-10-31	00:00	2012-11-02
313226	AH 2 (0-1')	soil	2012-10-31	00:00	2012-11-02
313227	AH 2 (1-1.5')	soil	2012-10-31	00:00	2012-11-02
313228	AH 2 (2-2.5')	soil	2012-10-31	00:00	2012-11-02
313229	AH 2 (3-3.5')	soil	2012-10-31	00:00	2012-11-02

Sample - Field Code	BTEX				TPH DRO - NEW	TPH GRO
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)	DRO (mg/Kg)	GRO (mg/Kg)
313223 - AH 1 (0-1')	<0.0200	<0.0200	<0.0200	<0.0200	<50.0	<4.00
313226 - AH 2 (0-1')	<0.0200	<0.0200	<0.0200	<0.0200	<50.0	<4.00

Sample: 313223 - AH 1 (0-1')

Param	Flag	Result	Units	RL
Chloride		<20.0	mg/Kg	4

Sample: 313224 - AH 1 (1-1.5')

Param	Flag	Result	Units	RL
Chloride		<20.0	mg/Kg	4

Sample: 313225 - AH 1 (2-2.5')

Param	Flag	Result	Units	RL
Chloride		<20.0	mg/Kg	4

Sample: 313226 - AH 2 (0-1')

Param	Flag	Result	Units	RL
Chloride		<20.0	mg/Kg	4

Sample: 313227 - AH 2 (1-1.5')

Param	Flag	Result	Units	RL
Chloride		<20.0	mg/Kg	4

Sample: 313228 - AH 2 (2-2.5')

Param	Flag	Result	Units	RL
Chloride		<20.0	mg/Kg	4

Sample: 313229 - AH 2 (3-3.5')

Param	Flag	Result	Units	RL
Chloride		<20.0	mg/Kg	4

Analysis Request of Chain of Custody Record

ANALYSIS REQUEST
(Circle or Specify Method)

**1910 N. Big Spring St.
Midland, Texas 79705
(432) 682-4559 • Fax (432) 682-4560**

Agrocybe

ST NO. SM Energy

Sm Energy/Parkway 35 Fed Com 4/4H

SAMPLE IDENTIFICATION

CLIENT NAME:		PROJECT NAME:		SITE MANAGER:	
SM Energy 114-640-5586		SM Energy / Parkway 35 Pad Conn #4/H Bldg 60' NM		Agron Hale	
LAB I.D. NUMBER	DATE	TIME	PROJECT NO.:		
			MATRIX	COMP	GRAB
B13223	10/31		S	R	AH 1 (0-1')
224			S	X	AH 1 (1-1.5')
225			S	X	AH 1 (2-2.5')
226			S	X	AH 2 (0-1')
227			S	X	AH 2 (1-1.5')
228			S	X	AH 2 (2-2.5')
229			S	X	AH 2 (3-3.5')

RELINQUISHED BY: (Signature) <u>[Signature]</u>	Date: <u>11-2-12</u>	RECEIVED BY: (Signature) <u>[Signature]</u>	Date: <u>11-2-12</u>	SAMPLED BY: (Print & Initial) <u>Karen Reich</u>	Date: _____
RELINQUISHED BY: (Signature) <u>[Signature]</u>	Date: _____	RECEIVED BY: (Signature) <u>[Signature]</u>	Date: _____	AIRBILL # _____	Time: _____
RELINQUISHED BY: (Signature) _____	Date: _____	RECEIVED BY: (Signature) _____	Date: _____	FEDEX _____	Time: _____
RELINQUISHED BY: (Signature) _____	Date: _____	RECEIVED BY: (Signature) _____	Date: _____	BUS _____	Time: _____
RELINQUISHED BY: (Signature) _____	Date: _____	RECEIVED BY: (Signature) _____	Date: _____	UPS _____	Time: _____
RECEIVING LABORATORY: <u>Trace</u>	TETRA TECH CONTACT PERSON: _____				
ADDRESS: _____	Results by: _____				
CITY: <u>Midland</u>	STATE: _____	ZIP: _____	DATE: _____	TIME: _____	_____
CONTACT: _____	PHONE: _____	RUSH Charges Authorized: _____			Yes _____ No _____

SAMPLE CONDITION WHEN RECEIVED:

REMARKS: Run deeper samples if BTEX exceeds
TPH exceeds 1,000 mg/kg.

des 50mg/kg, benzene exceeds 10mg/kg and

Please fill out all copies - Laboratory retains Yellow copy - Return Original copy to Tetra Tech - Project Manager retains Pink copy - Accounting receives Gold copy.