

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 April 3, 2017

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

Release Notification and Corrective Action

OPERATOR

☒ Subsequent Initial Report ☐ Final Report

Name of Company	Benson-Montin-Greer Drilling Corp.	Contact	Zach Stradling
Address	4900 College Blvd., Farmington, NM 87402	Telephone No.	505-325-8874
Facility Name	Homestead Ranch A #2	Facility Type	Producing Well
Surface Owner	Private	Mineral Owner	Private
		API No.	30-039-23586

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	34	25N	02W	990'	South	1850'	West	Rio Arriba, NM

Latitude N36.349903 Longitude W107.040127 NAD83

NATURE OF RELEASE

Type of Release	Condensate	Volume of Release	Unknown	Volume Recovered	None
Source of Release	Former drilling reserve pit	Date and Hour of Occurrence	Unknown	Date and Hour of Discovery	Nov 8, 2017
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required				
By Whom?	If YES, To Whom?				
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
If YES, Volume Impacting the Watercourse.					

OIL CONS. DIV DIST. 3
DEC 26 2017

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
On November 8th, 2017, BMG discovered evidence of historic contamination approximately 4 feet below ground surface. Other debris also found included surface trash, weeds and vegetation, timbers, and a crushed/cut drum containing soils saturated with product and paraffin. BMG continued to excavate to a depth of approximately 17 feet before deciding to evaluate other remediation options.

Describe Area Affected and Cleanup Action Taken.*
Previously drilled soil borings indicate contaminated soil down to 42 feet. BMG plans to remediate the remainder of the contaminated soil by means of soil shredding. BMG is currently scheduling removal of a power pole and other production equipment on location and engineering the excavation as is required for a depth greater than 20 feet.

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: Zach Stradling	Approved by Environmental Specialist:		
Title: Vice President	Approval Date: 12/26/2017	Expiration Date:	
E-mail Address: zstradling@bmgdrilling.com	Conditions of Approval:		Attached <input checked="" type="checkbox"/>
Date: 12/20/17	Phone: 505-325-8874		

* Attach Additional Sheets If Necessary

NSK1206030214
Provide notice to surface owner
TPH Sampling (GRU/ARO/MRO)₃

Benson-Montin-Greer Drilling Corp. Remediation Plan

To: Vanessa Fields, Cory Smith (NMOCD)
From: Zach Stradling (BMG)
Date: 12/20/2017
Re: Homestead Ranch A #2 - Ex-situ Soil Remediation – Soil
Shredding N-34, T25N, R02W; API #30-039-23586

OIL CONS. DIV DIST. 3

DEC 26 2017

Dear Mrs. Fields and Mr. Smith,

The Homestead Ranch A #2 site is an active natural gas production well location within the San Juan Basin Gas Field in Rio Arriba County, New Mexico. The site is located on land managed by a private landowner.

Background

Historical impacts were identified at the location on November 8, 2017 during excavation. The impacts are likely the result of earthen pits formerly used on the location. No historical documentation is available regarding this pit. Initial site investigation determined additional delineation was required to define the extents of impacts. Delineation of the site has been attempted but not fully completed. The well site is operated by Benson-Montin-Greer Drilling Corp.

Site Ranking

Following the NMOCD site ranking criteria, the site closure standard is 1,000 ppm TPH, 50 ppm BTEX and 10 ppm benzene:

- Depth to groundwater >100' (0 points)
- Nearest surface water source <1,000' (10 points)
- Distance to nearest water wells >1,000' (0 points)

Proposed Remediation – Soil Shredding

Soil shredding involves the excavation of the impacted soil which is then placed in processing equipment, such as a hammer mill or pug mill, to mechanically process and break-up the soil. The soil becomes more uniform and is aerated during the mechanical processing. The soil is then ejected from the processing equipment and a chemical oxidizer is applied, in this case, a 35% solution of hydrogen peroxide and water. The applied concentration of hydrogen peroxide typically ranges from 3-8%. The hydrogen peroxide quickly oxidizes the hydrocarbon impacts (reagents), resulting in soil, water and carbon dioxide (products). Once the soil is processed, it is stockpiled and allowed to sit for approximately 2-5 days of residence time. A composite soil sample is collected from each segregated stockpile and submitted for laboratory analysis to determine the effectiveness of the ex-situ remediation process. If the laboratory results are of acceptable levels, the soil will be used as backfill to the excavation; if results are unsatisfactory, the soil is passed through the process once more and a subsequent laboratory sample will be collected for laboratory confirmation as described before.

Typically, 24 hours of notice is provided to the regulatory agencies for the opportunity to observe and witness the stockpile sampling.

BMG proposes to perform the remediation of hydrocarbon impacts by the means of soil shredding. A conservative estimate of approximately 750 cubic yards of soil will be treated through the soil shredding process. BMG proposes to treat the impacted soil and segregate windrow stockpiles broken into 100 cubic yard increments. A single, five point composite, soil sample will be collected to represent each 100 cubic yard stockpile. Once a baseline of approximately 1,000 cubic yards of soil is consistently and successfully treated, BMG will propose to decrease the sampling frequency to 500 cubic yard stockpile segments. The 500 cubic yard sampling modification will be discussed with the NMOCD for approval and input prior to implementation. BMG would expect to have a sampling modification approval from the agencies within 48 working hours from the time of request. The remediation will then continue until complete and sampling will be based on the regulatory agencies approved sampling plan.

Excavation sampling will be in accordance with a typical dig and haul. The sidewalls and base of the excavation will be sampled in a frequency based on the size and progress of the excavation. Agency notification of excavation sampling will also be issued in advanced, 24-48 hours if possible.

It is understood, that if soil remediation is not successful via the soil shredding, an alternative method such as a dig and haul or soil vapor extraction will be necessary. BMG will be in close communications with the agencies in the event an alternative remediation method is required.

Site Closure and Reporting

Once the soil shredding process is complete, the excavated area will be fully backfilled and compacted, and surface equipment will be re-set. Any necessary interim reclamation will be performed. Final reclamation of the well pad will occur at a later date, once the natural gas production well is plugged and abandoned.

A final remediation report will be delivered to NMOCD for approval of final site closure regarding the excavation and soil shredding activities within 60 days of the end of remediation.