

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 April 3, 2017

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 Hallador Petroleum LLP	Contact Tim Lovseth
Address 16660 Lincoln St. Ste 2700	Telephone No. 303 839- 5504 x 317
Facility Name Horton #3B	Facility Type gas well
Surface Owner BLM	Mineral Owner BLM
API No. 30-045-31703	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	13	32N	12W	1000	North	725	East	San Juan

Latitude 36.98962 Longitude 108.04072 NAD83

NATURE OF RELEASE

Type of Release oil spill	Volume of Release unknown	Volume Recovered NA
Source of Release BGT	Date and Hour of Occurrence ukn	Date and Hour of Discovery 2/16/18
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? OCD - Cory Smith	
By Whom? Lovseth	Date and Hour 2/16/18 11:58 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.*
BGT sample analysis attached, closure approved under alternative standards

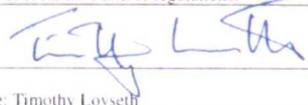
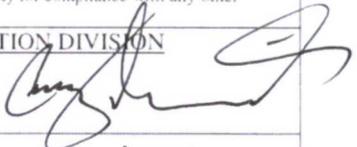
NMOCD

JUN 11 2018

Describe Area Affected and Cleanup Action Taken *

DISTRICT III

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: Timothy Lovseth	Approved by Environmental Specialist 	
Title: Manager	Approval Date: 6/4/18	Expiration Date: _____
E-mail Address: tlovseth@halladorenergy.com	Conditions of Approval: _____	Attached <input type="checkbox"/> _____
Date: 4-9-18	Phone: 303 839-5504	

* Attach Additional Sheets If Necessary

#ACS 18173528 24

19

Tim Lovseth

From: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Sent: Thursday, February 15, 2018 11:02 AM
To: Tim Lovseth
Cc: Fields, Vanessa, EMNRD
Subject: RE: BGT soil analyses for Horton 3, Horton 3B, Horton 10

Tim,

OCD approves backfill and no further action on the Horton 10. Please complete form C-144 and include all necessary attachments for closure.

For the Horton 3B Hallador needs to indicate that a release did occur, and can either remediate the release or request the OCD for alternative closure standards. If the latter is chosen Hallador needs to justify why leaving contaminants in place is not a threat to human health and the environment.

For the Horton 3, additional remediation is required. After reviewing the site ranking the site is within 200' of a surface body water (Intermittent Arroyo) as is ranked a 20. Setting the closure standards for 100 mg/kg TPH, 50mg/kg BTEX and 10 mg/kg Benzene.

If you have any additional questions please give me a call.

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

From: Tim Lovseth [mailto:tlovseth@halladorenergy.com]
Sent: Thursday, February 15, 2018 9:53 AM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Subject: BGT soil analyses for Horton 3, Horton 3B, Horton 10

The sampling reports should be completed by EnviroTech by early next week.



February 22, 2018

Project Number 18010-0003

Mr. Timothy Lovseth
Hallador Energy
1660 Lincoln Street, Suite 2700
Denver, Colorado 80264

Email: tlovseth@halladorenergy.com
Phone: (303) 550-3226

**RE: BELOW-GRADE TANK CLOSURE DOCUMENTATION FOR THE HORTON #3B WELL SITE
LOCATED AT SECTION 13, TOWNSHIP 32 NORTH, RANGE 12 WEST, SAN JUAN
COUNTY, NEW MEXICO**

Dear Mr. Lovseth:

Enclosed please find the *Vicinity map*, *Site Map*, *Field Notes* and *Analytical Results* for below-grade tank (BGT) closure activities conducted at the Horton #3B well site located in Section 13, Township 32 North, Range 12 West, San Juan County, New Mexico (site).

Upon Envirotech personnel's arrival on February 2, 2018, a brief site assessment and Job Safety Analysis (JSA) was conducted. The BGT closure standard for the site was determined to be 100 parts per million (ppm) total petroleum hydrocarbons (TPH), 0.2 ppm benzene, and 50 ppm total benzene, toluene, ethylbenzene, and xylene (total BTEX), and 250 ppm chlorides in accordance with the New Mexico Oil and Gas Conservation Division (NMOCD) regulatory standards.

The BGT was removed and staged on-site with Envirotech representative Brittany Hall and New Mexico Oil and Gas Conservation Division (NMOCD) representative Cory Smith as witnesses. One (1) five (5)-point composite sample was collected from directly beneath the former BGT; see enclosed *Field Notes*. The sample was analyzed in the field for organic vapors using a photoionization detector (PID) and returned a result of 0.0 mg/Kg; see enclosed *Field Notes*. Additionally, the sample was placed into a four (4)-ounce glass jar, capped headspace free, and transported on ice, under chain of custody, to Envirotech's Analytical Laboratory to be analyzed for TPH using USEPA Method 8015B (GRO, DRO, and ORO), for benzene and total BTEX using USEPA Method 8021B and for chlorides using USEPA Method 300.0. The sample returned results below the regulatory limits for all constituents analyzed except TPH, which returned results above the BGT closure standard of 100 parts per million (ppm) TPH using USEPA Method 8015B; therefore, confirming a release had occurred.

A brief site assessment was conducted and the cleanup standards for the site were determined to be 1,000 ppm TPH and 100 ppm organic vapors or 10 ppm benzene and 50 ppm total BTEX due to a horizontal distance to surface water between 200 and 1000 feet from the site, depth to groundwater greater than 100 feet, and the well site was not located within a wellhead protection

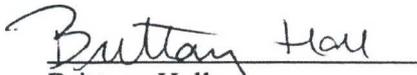


Hallador Energy
BGT Closure Documentation
Horton #3B Well Site
Project Number 18010-0003
February 2018
Page 2

area, pursuant to the NMOCD Guidelines for Remediation of Spills, Leaks, and Releases. The sample from beneath the former BGT returned results below the regulatory standard for all constituents analyzed; see enclosed *Analytical Results*. Envirotech, Inc. recommends *No Further Action* in regards to this incident.

We appreciate the opportunity to be of service. If you have any questions or require additional information, please contact our office at (505) 632-0615.

Respectfully submitted,
ENVIROTECH, INC.


Brittany Hall
Environmental Field Technician
bhall@envirotech-inc.com

Enclosure(s): Vicinity Map
Site Map
Field Notes
Analytical Results

Cc: Client File Number 18010



Source: 7.5 Minute, Adobe Downs Ranch, New Mexico U.S.G.S. Topographic Quadrangle Map
 Scale: 1:24,000 1" = 2,000

Hallador Energy
 Horton #3B Well Site
 Section 13, Township 32N, Range 12W,
 San Juan County, New Mexico



5796 U.S. HIGHWAY 64
 Farmington, New Mexico 87401
 505.632.0615

Vicinity Map

Figure #1

Project Number: 18010-0003

Date Drawn: 2/15/18

DRAWN BY:
 Brittany Hall

PROJECT MANAGER:
 Felipe Aragon



LEGEND	
X	BGT Sample Location
⊕	Well Head

SITE MAP					
Hallador Energy					
Horton #3B Well Site					
SECTION 13, TWP 32 NORTH, RANGE 12 WEST					
SAN JUAN COUNTY, NEW MEXICO					
SCALE:	NTS	FIGURE NO.	2	REV	
PROJECT NO18010-0003					
REVISIONS					
NO.	DATE	BY	DESCRIPTION		
MAP DRWN	BH	2/15/18	BASE DRWN	IG	11/7/17
 envirotech					
5796 U.S. HIGHWAY 64, FARMINGTON, NM 87401 505-632-0615					

CLIENT: Hallador
 CLIENT/JOB # 18010-0003
 START DATE: 2/2/13
 FINISH DATE: _____



Environmental Specialist: B/raai
 LAT: 36 9497881
 LONG: -103 0406799

Page # _____ of _____

FIELD REPORT: BELOW GROUND TANK VERIFICATION

LOCATION NAME Horton WELL # 3B Temp Pit _____ PERM Pit _____
 QUAD/UNIT A SEC 13 TWP 32 N RNG 12 W PM _____
 QTR/FOOTAGE _____ CNTY: San Juan ST: Nm

Excavation Approx _____ Feet X 15 Feet X 15 Feet Deep 3 Cubic Yardage _____

Disposal Facility: _____ Remediation Method _____

Land Owner: Federal API 30-045-31703 # Volume 95 bbl

Construction Material: Single wall steel Double Walled, With Leak Detection

Temporary Pit Closure NMAC 19 15 17 Table II (Permitted after 6/28/2013)
 BGT Closure NMAC 19 15 17 Table I (Permitted after 6/28/2013)
 BGT Closure BENZENE ≤ 0.2 mg/kg, BTEX ≤ 50 mg/kg, TPH (418.1) ≤ 100 mg/kg, CHLORIDES ≤ 250 mg/kg (Permitted before 6/28/2013)

FIELD 418.1 ANALYSIS

SAMPLE DESCRIPTION	TIME	SAMPLE ID	LAB #	WEIGHT	mL FREON	DILUTION	READING	CALC. (mg/kg)

PID RESULTS

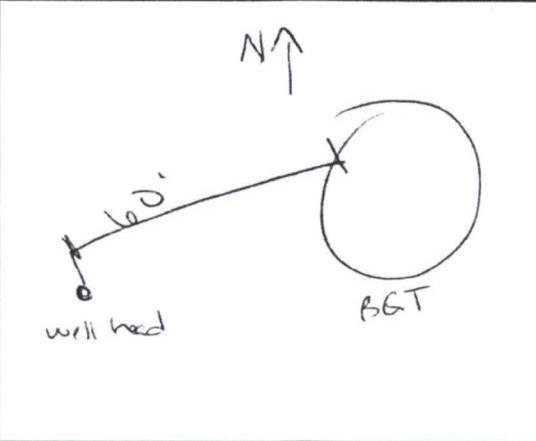
SAMPLE ID	RESULTS (mg/kg)
<u>BGT comp</u>	<u>0-0</u>

FIELD CHLORIDES RESULTS

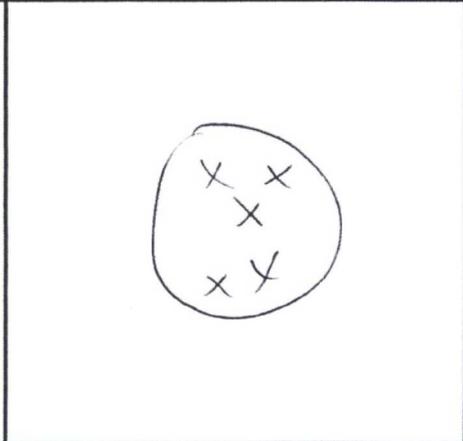
SAMPLE ID	READING	CALC (mg/kg)

SAMPLE ID	ANALYSIS	US EPA
<u>BGT comp</u>	BENZENE	8021B/8015
<u>BGT comp</u>	BTEX	8021B/80260B
<u>BGT comp</u>	GRO & DRO	8015
<u>BGT comp</u>	CHLORIDES	EPA300
	TPH	418.1

SITE PERIMETER



SAMPLE PROFILE



Brittany Han
 Analyst Signature
Brittany Han
 Printed Name

NOTES:
 WO # _____ Who ordered/Site Rep. _____



Analytical Report

Report Summary

Client: Hallador

Chain Of Custody Number:

Samples Received: 2/2/2018 1:50:00PM

Job Number: 18010-0003

Work Order: P802007

Project Name/Location: BGT Sample

Report Reviewed By:

Date: 2/13/18

Walter Hinchman, Laboratory Director

Date: 2/13/18

Tim Cain, Quality Assurance Officer

The results in this report apply to the samples submitted to Envirotech's Analytical Laboratory and were analyzed in accordance with the chain of custody document supplied by you, the client, and as such are for your exclusive use only. The results in this report are based on the sample as received unless otherwise noted. Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc. If you have any questions regarding this analytical report, please don't hesitate to contact Envirotech's Laboratory Staff.



Hallador 1660 Lincoln St Suite 2700 Colorado NM, 87401	Project Name: BGT Sample Project Number: 18010-0003 Project Manager: F.Aragon	Reported: 13-Feb-18 16:22
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Analytical Report for Samples

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
Horton 3B API 3004531703	P802007-01A	Soil	02/02/18	02/02/18	Glass Jar, 4 oz.
	P802007-01B	Soil	02/02/18	02/02/18	Glass Jar, 4 oz.

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Hallador 1660 Lincoln St Suite 2700 Colorado NM, 87401	Project Name: BGT Sample Project Number: 18010-0003 Project Manager: F.Aragon	Reported: 13-Feb-18 16:22
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**Horton 3B API 3004531703
P802007-01 (Solid)**

Reporting									
Analyte	Result	Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes

Volatile Organics by EPA 8021

Benzene	ND	100	ug/kg	1	1806002	02/05/18	02/08/18	EPA 8021B	
Toluene	ND	100	ug/kg	1	1806002	02/05/18	02/08/18	EPA 8021B	
Ethylbenzene	ND	100	ug/kg	1	1806002	02/05/18	02/08/18	EPA 8021B	
p,m-Xylene	ND	200	ug/kg	1	1806002	02/05/18	02/08/18	EPA 8021B	
o-Xylene	ND	100	ug/kg	1	1806002	02/05/18	02/08/18	EPA 8021B	
Total Xylenes	ND	100	ug/kg	1	1806002	02/05/18	02/08/18	EPA 8021B	
Total BTEX	ND	100	ug/kg	1	1806002	02/05/18	02/08/18	EPA 8021B	
<i>Surrogate: 4-Bromochlorobenzene-PID</i>		97.5 %		50-150	1806002	02/05/18	02/08/18	EPA 8021B	

Nonhalogenated Organics by 8015

Gasoline Range Organics (C6-C10)	ND	20.0	mg/kg	1	1806002	02/05/18	02/08/18	EPA 8015D	
Diesel Range Organics (C10-C28)	ND	25.0	mg/kg	1	1805024	02/05/18	02/06/18	EPA 8015D	
Oil Range Organics (C28-C40+)	328	50.0	mg/kg	1	1805024	02/05/18	02/06/18	EPA 8015D	
<i>Surrogate: 1-Chloro-4-fluorobenzene-FID</i>		101 %		50-150	1806002	02/05/18	02/08/18	EPA 8015D	
<i>Surrogate: n-Nonane</i>		75.2 %		50-200	1805024	02/05/18	02/06/18	EPA 8015D	

Anions by 300.0

Chloride	ND	20.0	mg/kg	1	1807003	02/12/18	02/12/18	EPA 300.0	
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Hallador 1660 Lincoln St Suite 2700 Colorado NM, 87401	Project Name: BGT Sample Project Number: 18010-0003 Project Manager: F.Aragon	Reported: 13-Feb-18 16:22
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Volatile Organics by EPA 8021 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch 1806002 - Purge and Trap EPA 5030A

Blank (1806002-BLK1)			Prepared: 05-Feb-18 Analyzed: 08-Feb-18							
Benzene	ND	100	ug/kg							
Toluene	ND	100	"							
Ethylbenzene	ND	100	"							
p,m-Xylene	ND	200	"							
o-Xylene	ND	100	"							
Total Xylenes	ND	100	"							
Total BTEX	ND	100	"							
<i>Surrogate: 4-Bromochlorobenzene-PID</i>	7720		"	8000		96.5	50-150			

LCS (1806002-BS1)			Prepared: 05-Feb-18 Analyzed: 08-Feb-18							
Benzene	4980	100	ug/kg	5000		99.7	70-130			
Toluene	4900	100	"	5000		98.0	70-130			
Ethylbenzene	4910	100	"	5000		98.3	70-130			
p,m-Xylene	9820	200	"	10000		98.2	70-130			
o-Xylene	4830	100	"	5000		96.6	70-130			
Total Xylenes	14600	100	"	15000		97.7	70-130			
<i>Surrogate: 4-Bromochlorobenzene-PID</i>	7850		"	8000		98.1	50-150			

Matrix Spike (1806002-MS1)			Source: P802007-01		Prepared: 05-Feb-18 Analyzed: 08-Feb-18					
Benzene	4960	100	ug/kg	5000	ND	99.2	54.3-133			
Toluene	4880	100	"	5000	ND	97.7	61.4-130			
Ethylbenzene	4890	100	"	5000	ND	97.9	61.4-133			
p,m-Xylene	9770	200	"	10000	ND	97.7	63.3-131			
o-Xylene	4800	100	"	5000	ND	96.0	63.3-131			
Total Xylenes	14600	100	"	15000	ND	97.2	63.3-131			
<i>Surrogate: 4-Bromochlorobenzene-PID</i>	7790		"	8000		97.3	50-150			

Matrix Spike Dup (1806002-MSD1)			Source: P802007-01		Prepared: 05-Feb-18 Analyzed: 08-Feb-18					
Benzene	4950	100	ug/kg	5000	ND	99.1	54.3-133	0.177	20	
Toluene	4860	100	"	5000	ND	97.3	61.4-130	0.354	20	
Ethylbenzene	4880	100	"	5000	ND	97.7	61.4-133	0.168	20	
p,m-Xylene	9750	200	"	10000	ND	97.5	63.3-131	0.195	20	
o-Xylene	4790	100	"	5000	ND	95.9	63.3-131	0.0834	20	
Total Xylenes	14500	100	"	15000	ND	97.0	63.3-131	0.158	20	
<i>Surrogate: 4-Bromochlorobenzene-PID</i>	7800		"	8000		97.5	50-150			

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Hallador 1660 Lincoln St Suite 2700 Colorado NM, 87401	Project Name: BGT Sample Project Number: 18010-0003 Project Manager: E.Aragon	Reported: 13-Feb-18 16:22
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Nonhalogenated Organics by 8015 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1805024 - DRO Extraction EPA 3570										
Blank (1805024-BL.K1) Prepared & Analyzed: 05-Feb-18										
Diesel Range Organics (C10-C28)	ND	25.0	mg/kg							
Oil Range Organics (C28-C40+)	ND	50.0	"							
Surrogate: n-Nonane	58.5		"	50.0		117	50-200			
I.CS (1805024-BS1) Prepared & Analyzed: 05-Feb-18										
Diesel Range Organics (C10-C28)	491	25.0	mg/kg	500	4300	98.2	38-132			
Surrogate: n-Nonane	40.7		"	50.0		81.4	50-200			
Matrix Spike (1805024-MS1) Source: P801048-01 Prepared & Analyzed: 05-Feb-18										
Diesel Range Organics (C10-C28)	4780	250	mg/kg	500	4300	95.7	38-132			
Surrogate: n-Nonane	78.9		"	50.0		158	50-200			
Matrix Spike Dup (1805024-MSD1) Source: P801048-01 Prepared & Analyzed: 05-Feb-18										
Diesel Range Organics (C10-C28)	5210	250	mg/kg	500	4300	181	38-132	8.51	20	SPK2
Surrogate: n-Nonane	74.6		"	50.0		149	50-200			

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Hallador 1660 Lincoln St Suite 2700 Colorado NM, 87401	Project Name: BGT Sample Project Number: 18010-0003 Project Manager: F.Aragon	Reported: 13-Feb-18 16:22
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Nonhalogenated Organics by 8015 - Quality Control
Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC %REC	Limit	RPD	RPD Limit	Notes
Batch 1806002 - Purge and Trap EPA 5030A										
Blank (1806002-BLK1)					Prepared: 05-Feb-18 Analyzed: 08-Feb-18					
Gasoline Range Organics (C6-C10)	ND	20.0	mg/kg							
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.75		"	8.00		96.9	50-150			
LCS (1806002-BS2)					Prepared: 05-Feb-18 Analyzed: 08-Feb-18					
Gasoline Range Organics (C6-C10)	46.7	20.0	mg/kg	50.0		93.4	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	8.00		"	8.00		99.9	50-150			
Matrix Spike (1806002-MS2)					Source: P802007-01 Prepared: 05-Feb-18 Analyzed: 08-Feb-18					
Gasoline Range Organics (C6-C10)	46.9	20.0	mg/kg	50.0	ND	93.7	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	8.11		"	8.00		101	50-150			
Matrix Spike Dup (1806002-MSD2)					Source: P802007-01 Prepared: 05-Feb-18 Analyzed: 08-Feb-18					
Gasoline Range Organics (C6-C10)	47.6	20.0	mg/kg	50.0	ND	95.3	70-130	1.63	20	
Surrogate: 1-Chloro-4-fluorobenzene-FID	8.22		"	8.00		103	50-150			

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Hallador 1660 Lincoln St Suite 2700 Colorado NM, 87401	Project Name: BGT Sample Project Number: 18010-0003 Project Manager: F.Aragon	Reported: 13-Feb-18 16:22
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Anions by 300.0 - Quality Control
Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch 1807003 - Anion Extraction EPA 300.0/9056A

Blank (1807003-BLK1)				Prepared & Analyzed: 12-Feb-18						
Chloride	ND	20.0	mg/kg							
LCS (1807003-BS1)				Prepared & Analyzed: 12-Feb-18						
Chloride	246	20.0	mg/kg	250		98.6	90-110			
Matrix Spike (1807003-MS1)				Source: P802010-01		Prepared & Analyzed: 12-Feb-18				
Chloride	400	20.0	mg/kg	250	115	114	80-120			
Matrix Spike Dup (1807003-MSD1)				Source: P802010-01		Prepared & Analyzed: 12-Feb-18				
Chloride	379	20.0	mg/kg	250	115	106	80-120	5.30	20	

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Hallador 1660 Lincoln St Suite 2700 Colorado NM, 87401	Project Name: BGT Sample Project Number: 18010-0003 Project Manager: F.Aragon	Reported: 13-Feb-18 16:22
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Notes and Definitions

- SPK2 The spike recovery was outside of QC acceptance limits for the MS and/or MSD due to native analyte concentration at 4 times or greater than the spike concentration.
- DET Analyte DETECTED
- ND Analyte NOT DETECTED at or above the reporting limit
- NR Not Reported
- RPD Relative Percent Difference

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envirotech-inc.com
laboratory@envirotech-inc.com

Project Information

Chain of Custody

Client: <u>Hallador</u> Project: <u>BGT Sample</u> Project Manager: <u>F.Aragon</u> Address: _____ City, State, Zip _____ Phone: _____ Email: <u>Gcrabtree Admin Bhall Faragon</u>	Report Attention Report due by: _____ Email: _____ Address: _____ City, State, Zip _____ Phone: _____	Lab Use Only Lab WO# <u>P807007-01</u> Job Number <u>187010-0003</u>	TAT 1D 3D	EPA Program RCRA CWA SDWA State NM CO UT AZ
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Page 9 of 9

Time Sampled	Date Sampled	Matrix	No Containers	Sample ID	Lab Number	DRO/DRO by 8015	GRO/DRO by 8015	BTEX by 8021	VOC by 8260	RCRA Metals	8270	418.1	Chlorides	State				Remarks
														NM	CO	UT	AZ	
<u>1222</u>	<u>2/2/2018</u>	<u>S</u>	<u>2</u>	<u>Horton 3B APT 3004531703</u>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<u>34</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>					<u>2-4029 ESS</u>

Additional Instructions: Via ice in cooler

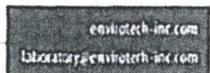
I, (field sampler), attest to the validity and authenticity of this sample. I am aware that tampering with or intentionally mislabelling the sample location, date or time of collection is considered fraud and may be grounds for legal action. Sampled by: Burton Hall

Samples requiring thermal preservation must be received on ice the day they are sampled or received packed in ice at an avg temp above 0 but less than 6 °C on subsequent days

Relinquished by: (Signature) <u>Burton Hall</u>	Date <u>2/2/18</u>	Time <u>1350</u>	Received by: (Signature) <u>[Signature]</u>	Date <u>2/2/18</u>	Time <u>1350</u>	Lab Use Only Received on ice: <u>DI N</u>
Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time	T1 _____ T2 _____ T3 _____ AVG Temp °C <u>4.5</u>

Sample Matrix: S - Soil, Sd - Solid, Sg - Sludge, A - Aqueous, O - Other _____ Container Type: g - glass, p - poly/plastic, ag - amber glass, v - VOA

Note: Samples are discarded 30 days after results are reported unless other arrangements are made. Hazardous samples will be returned to client or disposed of at the client expense. The report for the analysis of the above samples is applicable only to those samples received by the laboratory with this COC. The liability of the laboratory is limited to the amount paid for on the report.



From: **Tim Lovseth** tlovseth@halladoreenergy.com
Subject: Fw: Below-Grade Tank Closure Documentation
Date: February 23, 2018 at 3:21 PM
To: Smith, Cory, EMNRD Cory.Smith@state.nm.us
Cc: brian@permitswest.com



Cory

Based on the attached Envirotech risk assessment and report we are requesting permission to backfill the pit at the Horton #3B site. We are still waiting on report and risk assessment for the Horton #3 site from Envirotech. Once we receive the Horton #3 report we will schedule excavation and disposal operations.

Tim Lovseth

From: enviro admin <enviroadmin@envirotech-inc.com>
Sent: Friday, February 23, 2018 9:08 AM
To: Tim Lovseth
Cc: Felipe Aragon; Brittany Hall
Subject: Below-Grade Tank Closure Documentation

Good Morning,

Please find attached the Below Grade Tank Closure Documentation for the Horton #3B well site and the Horton #10 well site.

We appreciate the opportunity to be of service. If you have any questions or require additional information, please contact our office at (505) 632-0615.

Sincerely,
Tamara

Environmental Administrator
Envirotech, Inc. | 5796 US Highway 64 | Farmington, NM 87401
505.632.0615 Office | 505.632.1865 Fax | 505.947.8326 Cell



<http://envirotech-inc.com/>

Envirotech, Inc - Call Us for Environmental Remediation

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Environmental remediation ensures that our planet stays clean. Call on the experts at Envirotech, Inc. in Farmington, NM for immediate action.



Below Grade
Tank Cl...3B.pdf



Below Grade
Tank Cl...10.pdf

Tim Lovseth

From: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Sent: Tuesday, February 27, 2018 2:15 PM
To: Tim Lovseth
Cc: Fields, Vanessa, EMNRD
Subject: RE: Horton #3B BGT Request

Tim,

OCD approves Hallador's request for alternative closure standards. Please include this email in your Final C-141.

Thank you,

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

From: Tim Lovseth [mailto:tlovseth@halladorenergy.com]
Sent: Tuesday, February 27, 2018 11:15 AM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Subject: Horton #3B BGT Request

Cory

Hallador is requesting permission to backfill and close the BGT at the Horton #3B location under the State of New Mexico alternative standard. The TPH concentration from the confirmation sample was 328 mg/kg with no BTEX constituents detected. This suggests the presence of heavy immovable oil. In addition, the site is not located in a wellhead protection area, depth to groundwater is greater than 100 feet and distance to surface water is between 200 and 1000 feet. These site conditions suggest little to no risk to the environment and that no remedial action is warranted.

Tim