

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

☒ Initial Report ☐ Final Report

Name of Company	AMTEX Energy, Inc.	Contact	William Savage
Address	PO Box 3418, Midland, TX 79702	Telephone No.	(432) 686-0847
Facility Name	Tomahawk SWD Facility	Facility Type	SWD Injection Well #1
Surface Owner	Merchant Livestock Co.	Mineral Owner	State of New Mexico
		API No.	30-025-33069

### LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	31	T21S	R33E	2011	South	660	West	Lea

Latitude 32.4336791944° Longitude -103.6179688099° NAD83

### NATURE OF RELEASE

Type of Release	Brine	Volume of Release	Unknown	Volume Recovered	0 bbls
Source of Release	Valve tree gauge on wellhead	Date and Hour of Occurrence	Date and Hour of Discovery		
		Less than 14 hours of discovery		July 17, 2017 at 6:30 am	
Was Immediate Notice Given?		If YES, To Whom?			
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required					
By Whom?		Date and Hour			
Was a Watercourse Reached?		If YES, Volume Impacting the Watercourse.			
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					

If a Watercourse was Impacted, Describe Fully.\*

**RECEIVED**

By Olivia Yu at 4:16 pm, Aug 07, 2017

Describe Cause of Problem and Remedial Action Taken.\*

The injection pump partially failed, causing a vibration at the wellhead, which resulted in a pressure gauge on the valve tree to be broken off. The release was from the gauge needle valve. The pump was repaired and the gauge replaced. .

Describe Area Affected and Cleanup Action Taken.\*

Because the ground was rain-saturated, brine from the release covered the west side of the well pad and flowed into the adjacent areas to the west and south, then along the edge of two lease roads. The brine killed some of the vegetation located in the deep soil on the west side of the well pad. Once the flow entered the roadway no additional vegetation was affected.

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: <i>William D. Savage</i>		OIL CONSERVATION DIVISION	
Printed Name: William Savage		Approved by Environmental Specialist: <i>[Signature]</i>	
Title: President, AMTEX Energy, Inc.		Approval Date: 8/7/2017	Expiration Date:
E-mail Address: bsavage@amtenergy.com		Conditions of Approval: see attached directive	Attached <input checked="" type="checkbox"/>
Date: August 3, 2017		Phone: (432) 686-0847	

\* Attach Additional Sheets If Necessary

1RP-4778

nOY1721958769

pOY1721959089

Operator/Responsible Party,

The OCD has received the form C-141 you provided on 8/3/2017 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number 1RP-4778 has been assigned. **Please refer to this case number in all future correspondence.**

It is the Division's obligation under both the Oil & Gas Act and Water Quality Act to provide for the protection of public health and the environment. Our regulations (19.15.29.11 NMAC) state the following,

*The responsible person shall complete division-approved corrective action for releases that endanger public health or the environment. The responsible person shall address releases in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with 19.15.30 NMAC. [emphasis added]*

Release characterization is the first phase of corrective action unless the release is ongoing or is of limited volume and all impacts can be immediately addressed. Proper and cost-effective remediation typically cannot occur without adequate characterization of the impacts of any release. Furthermore, the Division has the ability to impose reasonable conditions upon the efforts it oversees. **As such, the Division is requiring a workplan for the characterization of impacts associated with this release be submitted to the OCD District 1 office in Hobbs on or before 9/7/2017. If and when the release characterization workplan is approved, there will be an associated deadline for submittal of the resultant investigation report. Modest extensions of time to these deadlines may be granted, but only with acceptable justification.**

The goals of a characterization effort are: 1) determination of the lateral and vertical extents along with the magnitude of soil contamination. 2) determine if groundwater or surface waters have been impacted. 3) If groundwater or surface waters have been impacted, what are the extents and magnitude of that impact. 4) The characterization of any other adverse impacts that may have occurred (examples: impacts on vegetation, impacts on wildlife, air quality, loss of use of property, etc.). To meet these goals as quickly as possible, the following items must, at a minimum, be addressed in the release characterization workplan and subsequent reporting:

- Horizontal delineation of soil impacts in each of the four cardinal compass directions. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C<sub>6</sub> thru C<sub>36</sub>), and for chloride by Method 300. This is not an exclusive list of potential contaminants. Analyzed parameters should be modified based on the nature of the released substance(s). Soil sampling must be both within the impacted area and beyond.
- Vertical delineation of soil impacts. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C<sub>6</sub> thru C<sub>36</sub>), and for chloride by Method 300. As above, this is not an exclusive list of potential contaminants and can be modified. Vertical characterization samples should be taken at depth intervals no greater than five feet apart. Lithologic description of encountered soils must also be provided. At least ten vertical feet of soils with contaminant concentrations at or below these values must be demonstrated as existing above the water table.
- Nominal detection limits for field and laboratory analyses must be provided.
- Composite sampling is not generally allowed.
- Field screening and assessment techniques are acceptable (headspace, titration, EC [include algorithm for validation purposes], EM, etc.), but the sampling and assay procedures must be clearly defined. Copies of field notes are highly desirable. A statistically significant set of split samples must be submitted for confirmatory laboratory analysis, including the laterally farthest and vertically deepest sets of soil samples. Make sure there are at least two soil samples submitted

for laboratory analysis from each borehole or test pit (highest observed contamination and deepest depth investigated). Copies of the actual laboratory results must be provided including chain of custody documentation.

- Probable depth to shallowest protectable groundwater and lateral distance to nearest surface water. If there is an estimate of groundwater depth, the information used to arrive at that estimate must be provided. If there is a reasonable assumption that the depth to protectable water is 50 feet or less, the responsible party should anticipate the need for at least one groundwater monitoring well to be installed in the area of likely maximum contamination.

- If groundwater contamination is encountered, an additional investigation workplan may be required to determine the extents of that contamination. Groundwater and/or surface water samples, if any, must be analyzed by a competent laboratory for volatile organic hydrocarbons (typically Method 8260 full list), total dissolved solids, pH, major anions and cations including chloride and sulfate, dissolved iron, and dissolved manganese. The investigation workplan must provide the groundwater sampling method(s) and sample handling protocols. To the fullest extent possible, aqueous analyses must be undertaken using nominal method detection limits. As with the soil analyses, copies of the actual laboratory results must be provided including chain of custody documentation.

- Accurately scaled and well-drafted site maps must be provided providing the location of borings, test pits, monitoring wells, potentially impacted areas, and significant surface features including roads and site infrastructure that might limit either the release characterization or remedial efforts. Field sketches may be included in subsequent reporting, but should not be considered stand-alone documentation of the site's layout. Digital photographic documentation of the location and fieldwork is recommended, especially if unusual circumstances are encountered.

**Nothing herein should be interpreted to preclude emergency response actions or to imply immediate remediation by removal cannot proceed as warranted. Nonetheless, characterization of impacts and confirmation of the effectiveness of remedial efforts must still be provided to the OCD before any release incident will be closed.**

**Jim Griswold**

OCD Environmental Bureau Chief  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505  
505-476-3465  
jim.griswold@state.nm.us

**From:** Pair, Randal  
**To:** [Yu, Olivia, EMNRD](#)  
**Cc:** [Yolanda Jordan](#)  
**Subject:** Re: FW: Tomahawk SWD  
**Date:** Friday, August 25, 2017 1:03:53 PM

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Ms Yu - BLM records also show Lot 3 of Sec 31, T21S R33E, to be fee land (privately owned). The whole section has been either private or state for a long time. None of the minerals in that section are federally owned.

Might you perhaps have been looking at Sec 31 of T21S R32E ?? It is easy when working on maps, and you are near the dividing line between townships, to look-up stuff in the wrong township. Sec 31 in R32E is federal surface and all minerals are federal.

Randal "Randy" Pair  
Envir. Protection Specialist - Realty Compliance  
office: 575.234.6240  
cell: 575.361.0062  
email: [rpair@blm.gov](mailto:rpair@blm.gov)

On Fri, Aug 25, 2017 at 9:02 AM, Yu, Olivia, EMNRD <[Olivia.Yu@state.nm.us](mailto:Olivia.Yu@state.nm.us)> wrote:

Good morning Mr. Pair:

Could you please assist? According to NMOCD database for the PLSS, BLM is shown as the surface owner. I have attached the C-141 in question.

For future questions such as this, please direct me to the appropriate person and/or website for verification.

Thanks much,

Olivia

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**From:** Jennie Mastin [mailto:[jenniemastin@amtexenergy.com](mailto:jenniemastin@amtexenergy.com)]  
**Sent:** Wednesday, August 23, 2017 1:46 PM  
**To:** Yu, Olivia, EMNRD <[Olivia.Yu@state.nm.us](mailto:Olivia.Yu@state.nm.us)>  
**Subject:** Tomahawk SWD

Olivia,

Please find attached the Lea Co. Tax Office records. This should help clear up the “surface owner” on the C-141. Can you please send me a copy of the new C-141 that shows Merchant as the “surface” owner?

Thank you,

*Jennie J. Mastin, CPL*

Jennie J. Mastin, CPL

Amtex Energy, Inc.

P.O. Box 93983

Southlake, TX 76092

(817) 996-3738

**From:** [Yu, Olivia, EMNRD](#)  
**To:** ["Jennie Mastin"](#)  
**Cc:** ["Pair, Randal"](#)  
**Subject:** RE: Tomahawk SWD  
**Date:** Friday, August 25, 2017 1:22:00 PM  
**Attachments:** revised\_surface1RP4778.pdf

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Ms. Mastin:

BLM has confirmed that the surface ownership is Fee. Please see the attachment for your records. All information remained the same except for the removal of the BLM annotation.

Olivia

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**From:** Jennie Mastin [mailto:jenniemastin@amtexenergy.com]  
**Sent:** Wednesday, August 23, 2017 1:46 PM  
**To:** Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>  
**Subject:** Tomahawk SWD

Olivia,

Please find attached the Lea Co. Tax Office records. This should help clear up the "surface owner" on the C-141. Can you please send me a copy of the new C-141 that shows Merchant as the "surface" owner?

Thank you,

*Jennie J. Mastin, CPL*

Jennie J. Mastin, CPL  
Amtex Energy, Inc.  
P.O. Box 93983  
Southlake, TX 76092  
(817) 996-3738

**From:** [Yu, Olivia, EMNRD](#)  
**To:** "Patrick"  
**Cc:** "Clabe Pearson"; [Herrmann, Keith, EMNRD](#)  
**Subject:** RE: 1RP-4778  
**Date:** Friday, August 25, 2017 1:24:00 PM  
**Attachments:** Amtex\_OCD Permitting.pdf

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Mr. McMahon:

NMOCD is not contesting surface ownership. NMOCD's database indicates BLM surface ownership, hence the notation. Please see the attachment as a record.

Regardless, I have inquired with BLM, and they have confirmed that this C-141 is indeed on Fee surface. Ms. Mastin with Amtex has the revised 1RP-4778.

Olivia

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**From:** Patrick [mailto:hsncpbm@leaco.net]  
**Sent:** Friday, August 25, 2017 11:28 AM  
**To:** Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>  
**Cc:** 'Clabe Pearson' <cjpj@leaco.net>; Herrmann, Keith, EMNRD <Keith.Herrmann@state.nm.us>  
**Subject:** 1RP-4778

Dear Ms. Yu:

This firm represents Merchant Livestock Company, Inc. in regard to the above referenced matter. A copy of the Form C-141 is attached hereto for your review as well as a copy of a USGS map covering Township 21S, Range 33E, N.M.P.M.

My understanding of the NMOCD unit designations is that Unit L would be the NW/4 of the SW/4. A review of my client's property records and the USGS map shows that Unit L is located on deeded lands. Those deeded lands are owned by Merchant.

Would you please advise as to why the C-141 shows this surface as BLM and not Merchant? If you agree with my position that Unit L is deeded land owned by Merchant, would you please make the necessary corrections. I look forward to hearing from you.

Patrick B. McMahon  
Heidel, Samberson, Cox & McMahon  
311 North First  
P.O. Drawer 1599  
Lovington, New Mexico 88260

# OCD Permitting

Home

Land Searches

Land Details

## Section : 31-21S-33E

Type:

Normal

Total Acres:

625.08

County:

Lea (25)

Wells

Operator Data

OCD Review

OCD Only

Administration

<div>D (1) R *</div> <div>State <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 36.17</div>	<div>C (C) R *</div> <div>State <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 40</div>	<div>B (B) R *</div> <div>State <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 40</div>	<div>A (A) R *</div> <div>State <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 40</div>
<div>E (2) R *</div> <div>State <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 36.24</div>	<div>F (F) R *</div> <div>State <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 40</div>	<div>G (G) R *</div> <div>State <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 40</div>	<div>H (H) R *</div> <div>State <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 40</div>
<div>L (3) R *</div> <div>Federal <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 36.3</div>	<div>K (K) R *</div> <div>Fee <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 40</div>	<div>J (J) R *</div> <div>Fee <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 40</div>	<div>I (I) R *</div> <div>Fee <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 40</div>
<div>M (4) R *</div> <div>State <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 36.37</div>	<div>N (N) R *</div> <div>State <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 40</div>	<div>O (O) R *</div> <div>State <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 40</div>	<div>P (P)</div> <div>State <sup>1</sup></div> <div>State <sup>2</sup></div> <div>(25) 40</div>

Note \* = Restriction Code(s)

Note <sup>1</sup> = Surface Owner Rights

Note <sup>2</sup> = Sub-Surface Mineral Rights

### Land Restrictions

31-21S-33E A (A)

POT - Drilling Restricted Due to Potash

31-21S-33E B (B)

POT - Drilling Restricted Due to Potash

31-21S-33E C (C)

POT - Drilling Restricted Due to Potash

31-21S-33E D (1)

POT - Drilling Restricted Due to Potash

31-21S-33E E (2)

POT - Drilling Restricted Due to Potash

31-21S-33E F (F)

POT - Drilling Restricted Due to Potash

31-21S-33E G (G)

POT - Drilling Restricted Due to Potash

31-21S-33E H (H)

POT - Drilling Restricted Due to Potash

31-21S-33E I (I)

POT - Drilling Restricted Due to Potash

31-21S-33E J (J)

POT - Drilling Restricted Due to Potash

31-21S-33E K (K)

POT - Drilling Restricted Due to Potash

31-21S-33E L (3)

POT - Drilling Restricted Due to Potash





# Lea County

## GIS INTERNET REPORT

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### Assessment Information

OWNER NUMBER: 50189

UPC CODE: 4000501890011

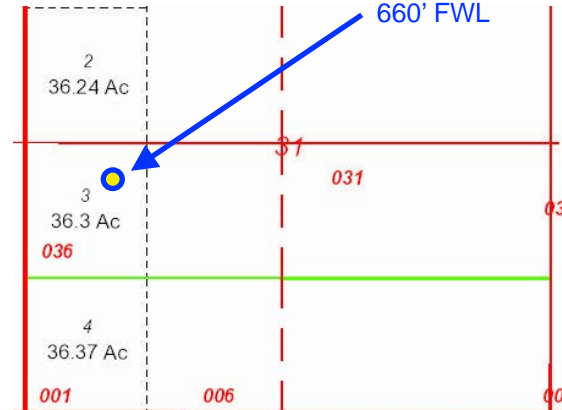
SWD Well  
2011' FSL  
660' FWL

PARCEL NUMBER: 4000501890011

Owner Information	
Owner:	MERCHANT LIVESTOCK
Mailing Address:	PO BOX 1105 EUNICE NM 88231
Property Address:	

Subdivision Information	
Name:	
Unit:	
Block	
Lot:	

Legal Information
156.30 AC LOC N2S2



#### Lea County, New Mexico Disclaimer

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MAP TO BE USED FOR TAX PURPOSES ONLY. NOT TO BE USED FOR CONVEYANCE.



# Lea County

## GIS INTERNET REPORT



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Other Information			
Taxable Value:	\$5,571.00	Deed Book:	
Exempt Value:	\$0.00	Deed Page:	0
Net Value	\$5,571.00	District:	080
Livestock Value:	\$0.00	Section:	31
Manufactured Home Value:	\$0.00	Township:	21
Personal Property:	\$0.00	Range:	33
Land Value:	\$16,083.00	Date Filed:	
Improvement Value:	\$630.00	Most Current Tax:	\$188.56
Full Value:	\$16,713.00	Year Recorded:	

Square Foot and Year Built listed only to be used for comparative purposes, NOT to be used for commerce.

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# Lea County

## GIS INTERNET REPORT

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