

Pima Environmental Services, LLC 1601 N. Turner Ste 500 Hobbs, NM 88240 575-964-7740

Request For Incident Closure

March 20, 2021

Re: Liner Inspection and Closure Report

Pere Marquette 18 Federal #1

API No. 30-015-38951

GPS: Latitude 32.8410149

Longitude -104.1203232

UL "D", Sec. 18, T17S, R29E

Eddy County, NM

NMOCD Incident ID NAPP2106961705

Pima Environmental Services, LLC (Pima) has conducted a Liner Inspection and has prepared this Closure Report on behalf of Spur Energy Partners (Spur) for the Pere Marquette 18 Federal #1 (Pere). This incident has been assigned an Incident ID NAPP2106961705, by the New Mexico Oil Conservation Division (NMOCD).

Site Information and Site Characterization

The Pere is located approximately sixteen (16) miles east of Artesia, NM. This spill site is in Unit D, Section 18, Township 17S, Range 29E, Latitude 32.8410149, Longitude -104.1203232, Eddy County, NM.

Based upon New Mexico Office of the State Engineer well water data, depth to the nearest groundwater in this area is 58-feet below grade surface (BGS). See Appendix A for referenced water survey. This well is located in a low Karst area.

Table 1 NMAC and Closure Criteria 19.15.29						
Depth to Groundwater Constituent & Limits						
(Appendix A)	Chlorides	Total TPH	GRO+DRO	BTEX	Benzene	
51-100	10,000 mg/kg	2,500 mg/kg	1,000 mg/kg	50 mg/kg	10mg/kg	
If the release occurred within any of the following areas, the responsible party would treat the release as if the groundwater was less than 50 feet per Rule 19.15.29						
	Water Iss	ues		Yes	No	
Within 300 feet of any continuously flowing watercourse or any other significant watercourse					Х	
Within 200 feet of any lakebed	Within 200 feet of any lakebed, sinkhole or playa lake (measures from the ordinary high-water mark					
Within 300 feet from an occup	Within 300 feet from an occupied permanent residence, school, hospital, institution or church					
Within <u>500</u> feet of a spring or a stock water purposes	Within <u>500</u> feet of a spring or a private, domestic freshwater well used by less than five households for domestic or stock water purposes					
Within 1000 feet of any freshw	vater well or spring				X	
Within incorporated municipal boundaries or within a defined municipal freshwater well field x					Х	
Within 300 feet of a wetlands						
Within the area overlying a sub		Х				
Within an unstable area (Karst)						
Within a 100-year floodplain						

Release Information

On March 8, 2021, the lease operator turned into a different oil tank at the battery, he came back at the end of the day and found the tank leaking from an apparent crack. The fluid all stayed inside the engineered steel and poly lined containment. The lost fluids were calculated to be approximately 6.7 barrels (bbls) of oil. The lease operator isolated the vessel and dispatched a vac truck that was able to recover 6.7 bbls.

Site Assessment and Liner Inspection Results

On March 15, 2021, Pima Environmental conducted a liner inspection. The liners integrity showed no evidence of being compromised and appeared to have contained all released fluids. The liner Inspection Form with photographs is attached with our findings in Appendix C along with a 48-hour email notification.

Closure Request

After careful review, Pima requests that incident NAPP2106961705, be closed. Spur Energy has complied with the applicable closure requirements.

Should you have any questions or need additional information, please feel free to contact Chris Jones at 575-964-7740 or chris@pimaoil.com.

Respectfully,

Chris Jones

Environmental Professional

Pima Environmental Services, LLC

Attachments

Figures:

1- Site Map

Appendices:

Appendix A- Referenced Water Survey

Appendix B- C-141

Appendix C- Liner Inspection & Notification



Figures:

1-Site Map





Appendix A Water Surveys:

OSE



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,

closed)

C=the file is (quarters are 1=NV

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

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

(In feet)

	I	POD												
	S	Sub-		Q	Q								V	Vater
POD Number	Code b	oasin	County	64 10	6 4	Sec	Tws	Rng	X	Y	DistanceDe	epthWellDept	thWater Co	olumn
RA 12307 POD1		RA	ED	4 2	2 2	14	17S	28E	580495	3633981	1836	140	58	82

Average Depth to Water:

58 feet

Minimum Depth:

58 feet

Maximum Depth:

58 feet

Record Count: 1

UTMNAD83 Radius Search (in meters):

Easting (X): 582331.676

Northing (Y): 3633996.764

Radius: 3000

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.

3/22/21 4:35 PM

WATER COLUMN/ AVERAGE DEPTH TO WATER

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New Mexico Office of the State Engineer

Point of Diversion Summary

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

(quarters are smallest to largest)

(NAD83 UTM in meters)

Well Tag **POD Number** RA 12307 POD1 Q64 Q16 Q4 Sec Tws Rng 4 2 2 14 17S 28E

 \mathbf{X}

580495 3633981

Plug Date:

Source:

Driller License: 1058

Log File Date:

Pump Type:

Casing Size:

Driller Company:

KEY'S DRILLING & PUMP SERVICE

CLINTON KEY Driller Name:

09/28/2015 **Drill Start Date:**

10/07/2015

4.50 Depth Well:

PCW Rcv Date:

Pipe Discharge Size:

Drill Finish Date:

140 feet

09/30/2015

Estimated Yield: 30 GPM Depth Water:

58 feet

Shallow

Water Bearing Stratifications: Bottom Description

100 Shale/Mudstone/Siltstone

110 120 Sandstone/Gravel/Conglomerate 120 140 Other/Unknown

Casing Perforations: Top Bottom

120

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.

3/22/21 4:35 PM

POINT OF DIVERSION SUMMARY

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Appendix B:

Initial &Final C-141

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 Department

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-141
Revised August 24, 2018
Submit to appropriate OCD District office

Incident ID	NAPP2106961705
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party Spur Energy Partners				OGRID 328947				
Contact Name Braidy Moulder				Contact Telephone 713-264-2517				
Contact emai	Contact email bmoulder@spurepllc.com				Incident # (assigned by OCD)			
	Contact mailing address 919 Milam St. Suite 2475 Houston, TX 77002				l			
			Location	n of R	elease So	ource		
Latitude								
Site Name Per	re Marquett	e 18 Fed #1			Site Type I	Production Facility		
Date Release	Discovered	3-8-21			API# 30-0	15-38951		
Unit Letter	Section	Township	Range		Cour	nty		
D	18	17S	29E	Eddy	·			
						justification for the volumes provided below)		
Crude Oil		Volume Release	ed (bbls)			Volume Recovered (bbls)		
Non-	Water	Volume Release	ed (bbls) 6.7			Volume Recovered (bbls) 6.7		
		Is the concentra produced water	tion of dissolved >10,000 mg/l?	l chloride	in the	☐ Yes ☐ No		
Condensat	te	Volume Release				Volume Recovered (bbls)		
☐ Natural G	as	Volume Release	ed (Mcf)			Volume Recovered (Mcf)		
Other (describe) Volume/Weight Released (provide units			ide units)	ts) Volume/Weight Recovered (provide units)				
Cause of Rele	ease	1						
						c had a crack in it and was leaking. All fluids stayed when and was able to recover all standing fluids.		

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District RP	
Facility ID	
Application ID	

*** .1 .	Terror c 1 · · · · · · · · · · ·	
Was this a major	If YES, for what reason(s) does the respo	nsible party consider this a major release?
release as defined by		
19.15.29.7(A) NMAC?		
☐ Yes ⊠ No		
If YES, was immediate no	otice given to the OCD? By whom? To w	hom? When and by what means (phone, email, etc)?
	Initial D	osnonso
	Initial R	esponse
The responsible	party must undertake the following actions immediate	ly unless they could create a safety hazard that would result in injury
The source of the rele	ease has been stopped.	
The impacted area ha	as been secured to protect human health and	the environment.
Released materials ha	ave been contained via the use of berms or	dikes, absorbent pads, or other containment devices.
		· · · · · · · · · · · · · · · · · · ·
All free liquids and re	ecoverable materials have been removed an	d managed appropriately.
If all the actions described	d above have <u>not</u> been undertaken, explain	why:
Per 19 15 29 8 B (4) NM	IAC the responsible party may commence t	remediation immediately after discovery of a release. If remediation
		efforts have been successfully completed or if the release occurred
		blease attach all information needed for closure evaluation.
		best of my knowledge and understand that pursuant to OCD rules and iffications and perform corrective actions for releases which may endanger
		OCD does not relieve the operator of liability should their operations have
		eat to groundwater, surface water, human health or the environment. In
addition, OCD acceptance o and/or regulations.	f a C-141 report does not relieve the operator of	responsibility for compliance with any other federal, state, or local laws
and/or regulations.		
Printed Name: Braidy Mo	oulder	Title: HES Coordinator
Signature: Braidy Mou	ald on	Date: 3-22-21
Signature. Oracay mod	mei	Date. 3-22-21
email: bmoulder@spurep	alle com	Telephone: 713-264-2517
cman. omourder(w,spurep	<u>ne.com</u>	Telephone. 713-204-2317
OCD Only		
Pagainad by:		Datas
Received by:		Date:

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District RP
Facility ID
Application ID

Releasea	to i	Imagin	g:	5/5/	<i>'2021</i>	9:3.	3:32	AM
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te of New Mexico Incident ID NAPP21069

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Facility ID	
Application ID	

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Site Assessment/Characterization

This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

What is the shallowest depth to groundwater beneath the area affected by the release?	<u>58 (</u> ft bgs)			
Did this release impact groundwater or surface water?				
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	☐ Yes ⊠ No			
Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)?	☐ Yes ⊠ No			
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	☐ Yes ⊠ No			
Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes?	☐ Yes ⊠ No			
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	☐ Yes ⊠ No			
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	☐ Yes ⊠ No			
Are the lateral extents of the release within 300 feet of a wetland?				
Are the lateral extents of the release overlying a subsurface mine?				
Are the lateral extents of the release overlying an unstable area such as karst geology?				
Are the lateral extents of the release within a 100-year floodplain?	☐ Yes ⊠ No			
Did the release impact areas not on an exploration, development, production, or storage site?				
Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soi contamination associated with the release have been determined. Refer to 19.15.29.11 NMAC for specifics.				
Characterization Report Checklist: Each of the following items must be included in the report.				
Scaled site map showing impacted area, surface features, subsurface features, delineation points, and monitoring wells. Field data Data table of soil contaminant concentration data Depth to water determination Determination of water sources and significant watercourses within ½-mile of the lateral extents of the release Boring or excavation logs Photographs including date and GIS information Topographic/Aerial maps Laboratory data including chain of custody				

If the site characterization report does not include completed efforts at remediation of the release, the report must include a proposed remediation plan. That plan must include the estimated volume of material to be remediated, the proposed remediation technique, proposed sampling plan and methods, anticipated timelines for beginning and completing the remediation. The closure criteria for a release are contained in Table 1 of 19.15.29.12 NMAC, however, use of the table is modified by site- and release-specific parameters.

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I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD 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 OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD 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.				
Printed Name: Braidy Moulder	Title: HES Coordinator			
Signature: : Braidy Moulder	Date: 3-22-21			
email: <u>bmoulder@spurepllc.com</u>	Telephone: 713-264-2517			
OCD Only				
Received by:	Date:			

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Remediation Plan

Remediation Plan Checklist: Each of the following items must be included in the plan.				
Detailed description of proposed remediation technique Scaled sitemap with GPS coordinates showing delineation points Estimated volume of material to be remediated Closure criteria is to Table 1 specifications subject to 19.15.29.12(C)(4) NMAC Proposed schedule for remediation (note if remediation plan timeline is more than 90 days OCD approval is required)				
Deferral Requests Only: Each of the following items must be con-	nfirmed as part of any request for deferral of remediation			
Contamination must be in areas immediately under or around production equipment where remediation could cause a major facility deconstruction.				
☐ Extents of contamination must be fully delineated.				
Contamination does not cause an imminent risk to human healt	n, the environment, or groundwater.			
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD 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 OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD 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.				
Printed Name: Braidy Moulder	Title: HES Coordinator			
Signature: : Braidy Moulder	Date: 3-22-21			
email: bmoulder@spurepllc.com	Telephone: 713-264-2517			
OCD Only				
Received by:	Date:			
☐ Approved ☐ Approved with Attached Conditions of	Approval			
Signature:	Date:			

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Closure

The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

Closure Report Attachment Checklist: Each of the following item	ems must be included in the closure report.				
A scaled site and sampling diagram as described in 19.15.29.11	NMAC				
Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)					
Laboratory analyses of final sampling (Note: appropriate ODC l	District office must be notified 2 days prior to final sampling)				
Description of remediation activities					
	ediate contamination that pose a threat to groundwater, surface water, C-141 report does not relieve the operator of responsibility for ions. The responsible party acknowledges they must substantially ditions that existed prior to the release or their final land use in				
Printed Name: Braidy Moulder	Title: HES Coordinator				
Signature: : Braidy Moulder	Date: 3-22-21				
email: bmoulder@spurepllc.com	Telephone: 713-264-2517				
OCD Only					
Received by: Chad Hensley	Date:				
	of liability should their operations have failed to adequately investigate and ater, human health, or the environment nor does not relieve the responsible regulations.				
Closure Approved by:	Date: 05/05/2021				
Printed Name: Chad Hensley	Title: Environmental Specialist Advanced				



Appendix C:

Liner Inspection
Photographs
48-hour Email Notification



Liner Inspection Form

Company Name: Spur Energy

Site: Pere Marquette Federal 18 #1

Lat/Long: 32.8410149,-104.1203232

NMOCD Incident ID

& Incident Date: Incident ID Not Assigned Yet; Incident occurred 3-8-21

2-Day Notification

Sent: Notification was sent 3-10-21; see attached email

Inspection Date: 3-15-21

Liner Type: Earthen w/liner Earthen no liner Polystar

Steel w/spray epoxy No Liner

Other:

Visualization	Yes	No	Comments
Is there a tear in the liner?		X	
Are there holes in the liner?		X	
Is the liner retaining any fluids?		х	Some oil staining from the leak
Does the liner have integrity to contain a leak?	Х		

Comments: No visible tears or leaks in the liner.

Inspector Name: Robert Carper

Inspector Signature: Robert Carper



SITE PHOTOGRAPHS SPUR ENERGY PARTNERS PERE MARQUETTE 18 Federal #1 BATTERY

Site Photos



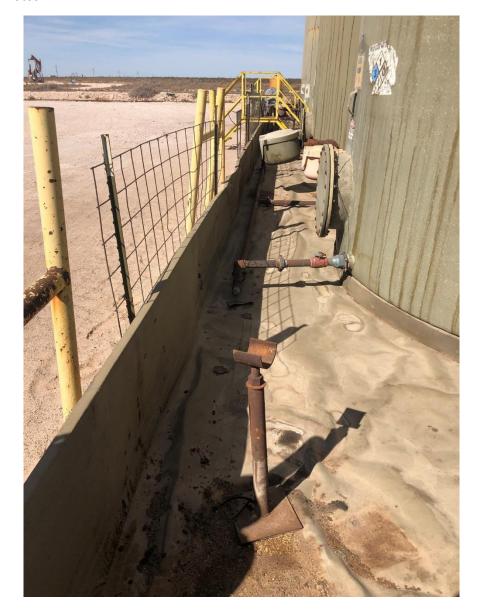




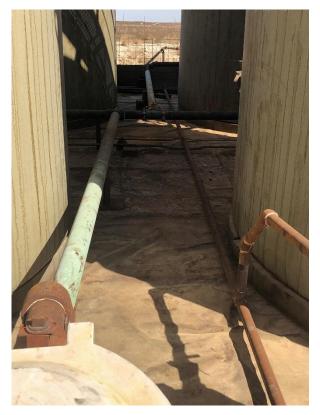


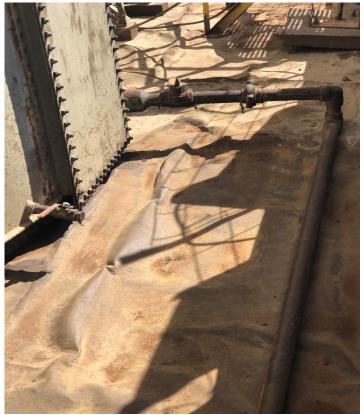


Lined Containment Photos

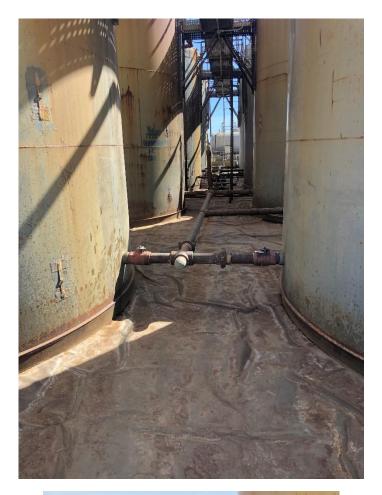






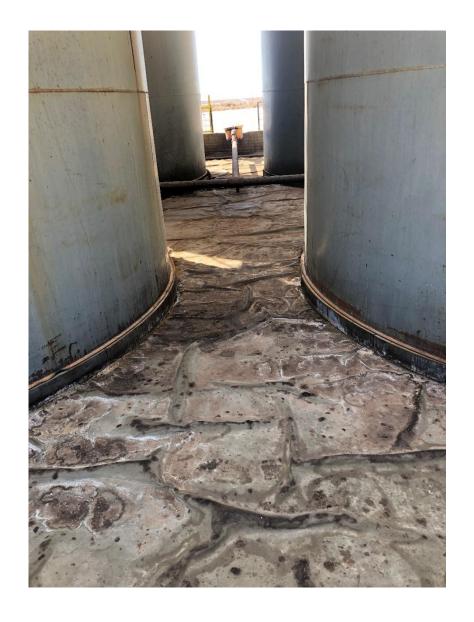








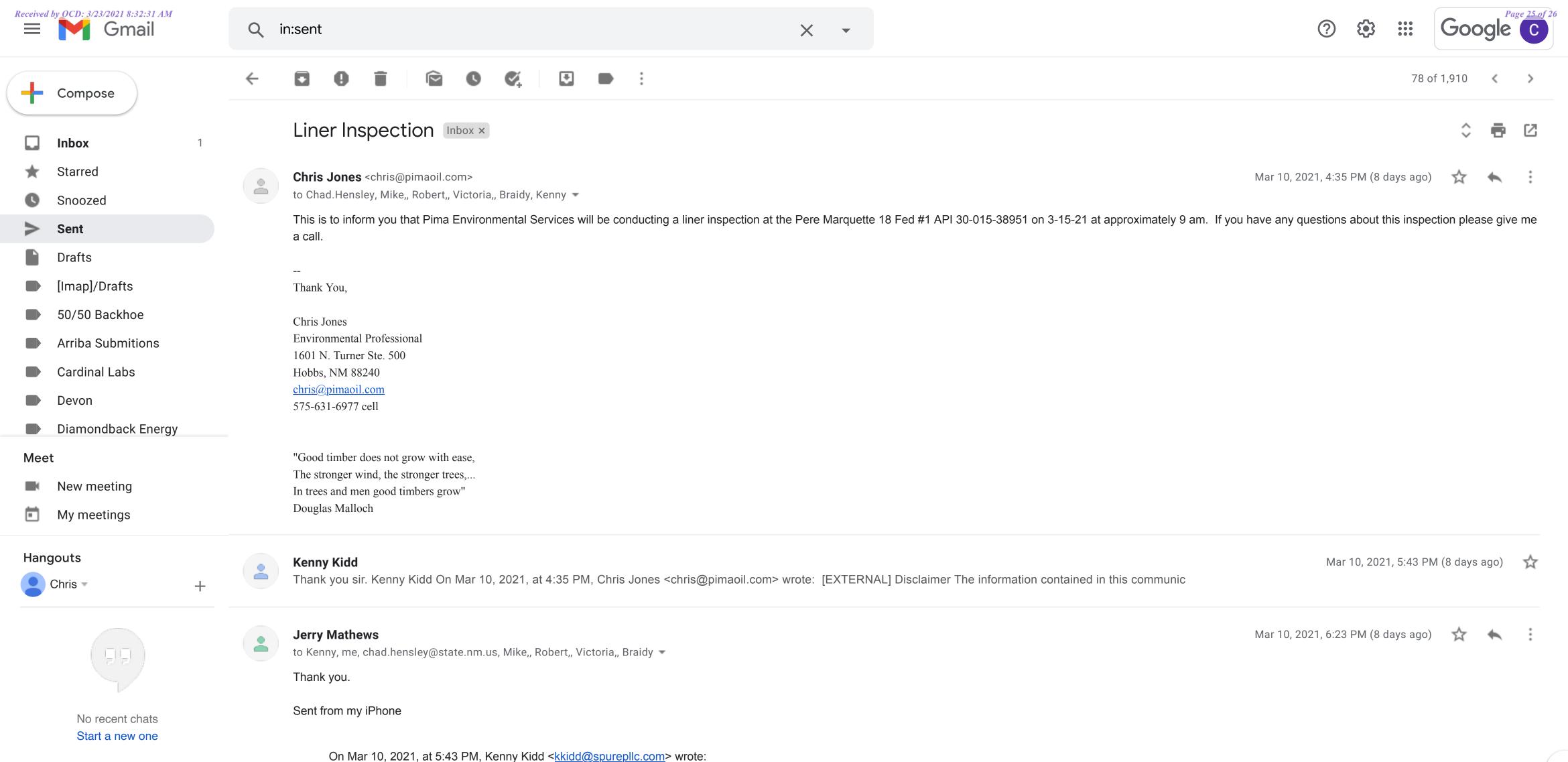












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<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

CONDITIONS

Action 21630

CONDITIONS OF APPROVAL

Operator:			OGRID:	Action Number:	Action Type:
PIMA EN	VIRONMENTAL SERVICES, L 1601	N. Turner	329999	21630	C-141
Suite 500	Hobbs, NM88240				

OCD Reviewer	Condition
chensley	None