11451 Katy Freeway, Suite 400 Houston, Texas 77079 United States www.ghd.com



Our ref: 12571917-NWOCD-1

January 28, 2022

New Mexico Oil Conservation Division District 1 1625 N. French Drive Hobbs, New Mexico 88240

Site Characterization Work Plan Saunders Salt Water Disposal #002 Release Site Sabinal Energy Operating LLC Incident ID: nSAP0230839785, nSAP0230537114, nSAP0232539443, nSAP0335031519, nSAP0335640026 N 03 15S 33E, Lea County, New Mexico

To Whom It May Concern:

1. Introduction

GHD Services Inc. (GHD), on behalf of Sabinal Energy Operating LLC (Sabinal), submits this Site Characterization Work Plan (Work Plan) to the New Mexico Oil Conservation Division (NMOCD) District 1 Office. This Work Plan proposes site characterization activities associated with Incident ID: nSAP0230839785, nSAP0230537114, nSAP0232539443, nSAP0335031519, nSAP0335640026 at the Saunders Salt Water #002 release site (Site). According to publicly available information via the New Mexico Oil Conservation Division's (NMOCD) website, there are (5) historical releases that were identified during operations by Energen Resources Corporation. Although they were identified by Energen Resources Corporation, no record of site characterization or remediation were able to be identified. Sabinal acquired the assets in 2019 and has prepared this workplan to characterize potential impacts associated with these historical releases.

The Site is located in the Unit Letter N Section 3 of Township 15 South and Range 33 East in Lea County, New Mexico. The GPS coordinates for the Site are 33.0407677 N latitude and -103.6044464 W longitude.

2. Background Information

The release falls under the jurisdiction of the NMOCD District 1 Office in Artesia, New Mexico. The table below summarizes incidents: nSAP0230839785, nSAP0230537114, nSAP0232539443, nSAP0335031519, nSAP0335640026.

The Power of Commitment

Incident ID #	Date Of Occurrence	Material Released	Amount Released (bbl)	Amount Recovered (bbl)	Incident Details
nSAP0230839785	9/18/2002	Produced Water	1235	1210	Electrician Working on PMP After Repairs Made Did Not Turn SWD PMP Back on Causing Storage Tanks To Fill And Overflow. Trks Called to Pick-Up Free Liquid and Return To Storage Tnks. Re-Start SWD PMP. Spill In Firewall Area.
nSAP0230537114	10/25/2002	Produced Water	80	123	Flowline Clamp Failed Due to External Corrosion From A Buried SWD Transfer Line On The Saunders Lease. Shut Down PMP And Began Picking Up Liquid Enamanting from Flowline. Line Was Repaired and Put Back in Service. All Free Liquid Including Some Rainwater Was Removed from Area.
nSAP0232539443	11/11/2002	Produced Water	50	70	Clamp used to repair previous spill failed. Area affected was in low spot, line was shut in and free liquids in area were removed.
nSAP0335031519	1/27/2003	Produced Water	112	110	Packing Gland on PMP Failed. Area Inside the Secondary Containment of The Battery.
nSAP0335640026	1/27/2003	Produced Water	110	112	Packing Gland Failed. Area Inside Secondary Containment of The Battery Is Where Produced Water Collected

Based upon the incident details and dates, incidents nSAP0335031519 and nSAP0335640026 appear to be the same release. A C-141, Release Notification, was identified for incidents nSAP0335031519 and nSAP0335640026 is provided in Attachment 1. A C-141 Release Notification was prepared for nSAP0230839785 and is provided in Attachment 2, a C-141 Release Notification was prepared for nSAP0230537114 and is provided in Attachment 3, and a C-141 Release Notification was prepared for nSAP0230537114 and is provided in Attachment 4.

3. Groundwater and Site Characterization

GHD characterized the Site according to Table 1, Closure Criteria for Soil Impacted by a Release, from New Mexico Administrative Code (NMAC) Title 19, Chapter 15, Part 29, Section 12 (NMAC 19.15.29.12).

According to the Site characterization evaluation and 19.15.29.12.C(4)(a)(i), the Site is located within an area of low karst potential. No groundwater data could be located within one-half mile of the Site. No receptors (water wells, playas, wetlands, waterways, lakebeds or ordinance boundaries) were located within each specific boundaries or distance from the Site. The Site characterization documentation (Karst Potential, Federal Emergency Management Agency [FEMA], Points of Diversion and Wetlands maps) are provided in Attachment D. The data used to acquire this information is listed below:

- Points of Diversion (and depth to groundwater) https://gis.ose.state.nm.us/gisapps/ose_pod_locations/;
- Significant Watercourse https://ngmdb.usgs.gov/topoview/viewer/#4/40.01/-100.06;
- Wetlands https://www.fws.gov/wetlands/data/mapper.html; and
- FEMA Flood Map https://msc.fema.gov/portal/home.

2

No groundwater data could be located within $\frac{1}{2}$ mile from the Site; therefore, the most stringent Closure Criteria (depth to water \leq 50 feet) will be utilized to evaluate soil analytical data. The soil and closure criteria are listed below:

General Site Characterization and Groundwater:

Site Characterization	Average Groundwater Depth (ft.)
No Receptors Found	Unknown Within A Half Mile

Closure Criteria for Soils Impacted by a Release (NMAC 19.15.29.12)

Constituent	Limits
Chloride	600 mg/kg
TPH (GRO+DRO+MRO)	100 mg/kg
TPH (GRO+DRO)	Not Applicable
Benzene	10 mg/kg
BTEX	50 mg/kg

Following receipt of soil analytical results, the installation of a temporary groundwater monitoring well may be considered to determine if less stringent Closure Criteria (depth to water 51 feet - 100 feet or >100 feet) are suitable for use at this Site. If installed, the groundwater determination soil boring would be drilled to 105 feet below ground surface (bgs) and will be left open for 72 hours to determine the presence or absence of groundwater by utilization of a water level meter. If groundwater is detected at fifty-one (51) feet or greater the closure criteria for this site will change accordingly with NMAC 19.15.29.12 Table 1.

4. Proposed Work Plan

Three borings are proposed to assess historical releases associated with incidents nSAP0230839785, nSAP0230537114, nSAP0232539443, nSAP0335031519, and nSAP0335640026. Refer to Figure 2 for proposed boring locations. Borings will be advanced via hand auger to 4 ft bgs, if refusal is not met. Two soil samples will be collected per boring - one from approximately 1 ft bgs and one from the bottom of the boring. All soil samples will be analyzed for BTEX by Environmental Protection Agency (EPA) Method 8021B, TPH by Method 8015B Modified, and chloride by EPA Method 300.

Field work will be conducted within 15 days following Work Plan approval. Once analytical results are obtained from the laboratory, the results will be evaluated and submitted in a Site Characterization Report, along with recommendations for further actions (if needed), to the NMOCD within 30 days following receipt of the data.

If you have any questions or comments concerning this Site Characterization Work Plan, please do not hesitate to contact me.

Regards

VP/kdn/1

Vie pri

Valerie Phipps Senior Project Manager

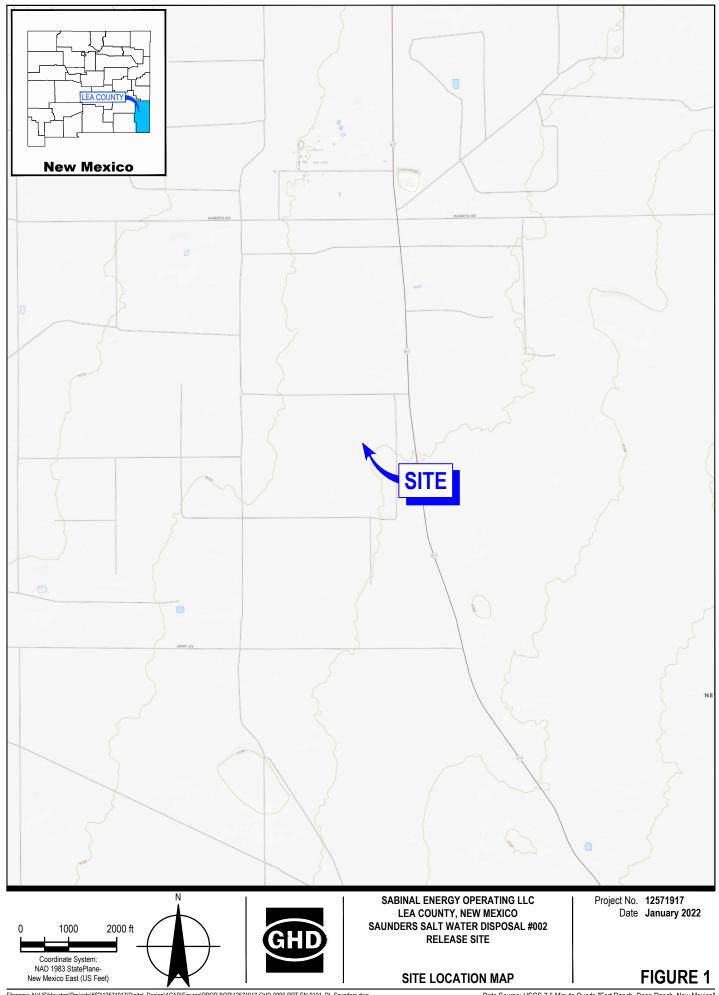
+1 832 380-7665 Valerie.Phipps@GHD.com

1p Cole

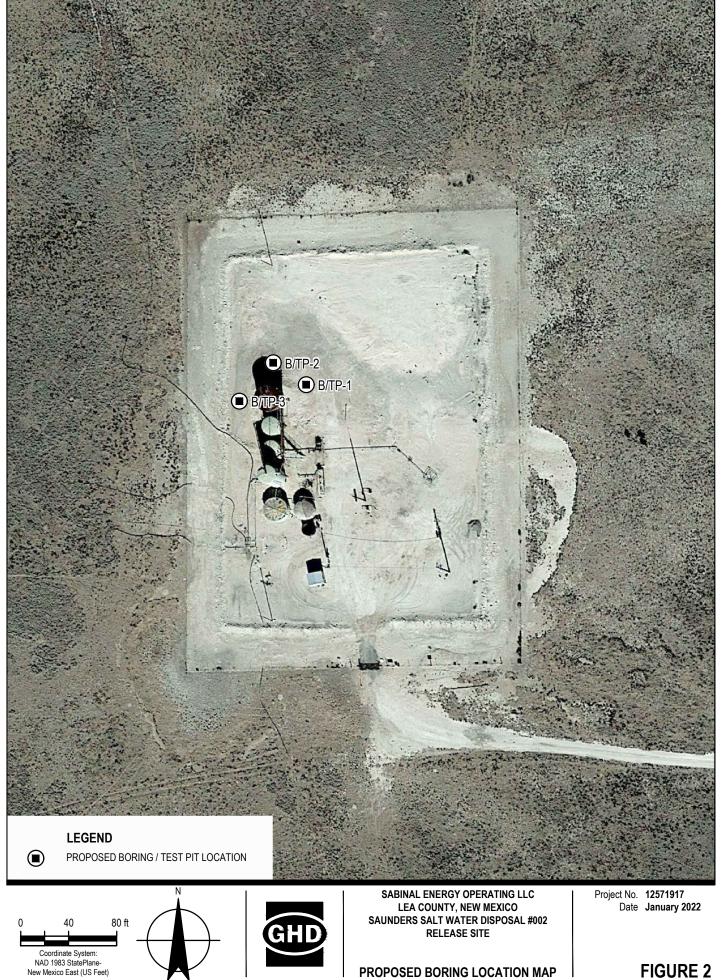
Phillip Čole Environmental Scientist

+1 409 548-3479 Phillip.Cole@GHD.com

- Encl. Figure 1 Site Location Map
 Figure 2 Proposed Boring Location Map
 Attachment 1 C-141 (nSAP0335031519 and nSAP0335640026)
 Attachment 2 C-141 nSAP0230839785
 Attachment 3 C-141 nSAP0230537114
 Attachment 4 C-141 nSAP0232539443
 - Attachment 5 Site Characterization Documentation
 - Copy to: Kyle Sanders, Sabinal Energy Operating LLC Ari Biernoff, New Mexico State Land Office



Filename: NUSIHoustoniProjects162/12571917/Digital Design/ACADIFigures/PROP-BOR(12571917-GHD-0000-RPT-EN-0101_DL-Saunders.dwg Released to Imaging: 5/10/2022 10:06:36 AM Data Source: USGS 7.5 Minute Quads "Fort Ranch, Dean Ranch, New Mexico" Lat/Long: 33.0407° North, 103.6044° West Received by OCD: 2/1/2022 2:43:39 PM



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FIGURE 2

Data Source: Google Aerial Image dated January 2018 Lat/Long: 33.0407° North, 103.6044° West

Attachment 1

C 141 (nSAP0335031519 and nSAP0335640026)

State of New Mexico Energy Minerals and Natural Resources

Form C-141 Revised March 17, 1999

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<u>I</u> 1 I	1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 Sout			ervation Division th St. Francis Dr. Fe. NM 87505				Submit 2 C District (wi	Copies t Office i ith Rule	o appropriate in accordance e 116 on back side of form				
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				Rele	ease	Notific	atio		rrective A	ction			_	
-	T					OPERAT			🗌 Initia	l Report		Final Report		
	Name of Co	mpany: E	nergen Reso	ources Co	orp.			Contact: An	ay Cobb					
	79705					-	No. (915) 687-1							
	Facility Nar	ne: Saund	ers #2-N SV	VD		u.		Facility Typ	e: SWD permi	t # H-2	1396		•	
Ī	Surface Ow	ner: State	of New Mex	rico		Mineral ()wner:	State of New	w Mexico		Lease N	lo. SWD-1	14	
L						LOC	ATIO	N OF REI	LEASE					
	Unit Letter	Section: 3	Township: 1 5-S	Range 33-E	Fee 810	t from the		h/South Line	Feet from the 1980'	East/V FWL	West Line	County: I	LEA	
L	L,K,M,N			L			1					I		- 100 - 100
ſ	Type of Rele	agai Bradu	and Water	<u></u>		NAJ	URI	Volume of	EASE Release: 110 ba	rrels	Volume I	Recovered:	112 ba	rrels
											Doto and	Hour of Di	covera	7-
	Source of Re	lease: Lost	packing glan	id on SW.	D pu	mp		01/27/03 (Hour of Occurren			10:30 AN		
	Was Immedi	ate Notice	Given?	Yes [] No	Not R	equire	If YES, To Whom? Hobbs OCD office voice mail						
	By Whom?							Date and Hour 1/27/03 @ 4:10 PM						
	Andy Cobb; Energen Resources Was a Watercourse Reached?				If YES, V	olume Impacting	the Wat	ercourse.						
	If a Watercourse was Impacted, Describe Fully.*													
	II a Watereo		ipuotod, 2 obe											
	Describe Cause of Problem and Remedial Action Taken.* A packing gland on the Salt-water disposal pump failed causing water to be released from the pump rather than into the disposal well. A vacuum													
	truck was dispatched to pick-up the spilled liquids.													
	Describe Ar	ea Affected	and Cleanup	Action Ta	aken.'	k				2	- 11 - <i>i</i> - 1	II free lign	id was	removed by
	An area ins vacuum tru	ide the sec	ondary conta	inment of	f the	battery app	rox. 30)' x 30' is whe	re the produced	water c	offected. P	ui iree iiqu	nu was	Temoved by
	vacuum tru	icn.												
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									y knowledge and and perform corr					
	I hereby certify that the information given above is the and complete one of any information and perform corrective actions for releases which may endanger 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 or ground water, surface water, human health													
should their operations have failed to adequately investigate and reinculate contamination and post of responsibility for compliance with any of or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any of federal, state, or local laws and/or regulations. OIL CONSERVATION DIVISION														
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	Signature:	ofar	en U	JUD				 Approved b	N/					
	Printed Nar	ne: A	ndrew		obt	>		District Sup						
	Title: H	SF.	Coord	unicate	20			Approval D	ate:		Expiration	n Date:		
		-27-0		8		915	2	Conditions	of Approval:			Attach	ed 🗌	
	Date: 1-27-03 Phone: 687-11SS Conditions of Approval: * Attach Additional Sheets If Necessary													

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STATE	ТХ	(NM)
COUNTY	hea	(
FIELD	SULD	Rem
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Attachment 2 C 141 nSAP0230839785

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	NSAP0230839785
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party: Energen Resources Group	OGRID: 162928		
Contact Name:	Contact Telephone:		
Contact email:	Incident # nSAP0230839785		
Contact mailing address:			

Location of Release Source

Latitude <u>33.0407677</u>

Longitude <u>-103.6044464</u>

(NAD 83 in decimal degrees to 5 decimal places)

Site Name: SAUNDERS SALT WATER DISPOSAL #002	Site Type: Produced Water Release
Date Release Discovered: 9/18/2002	API# 30-025-01218

Unit Letter	Section	Township	Range	County
Ν	03	15S	33E	Lea

Surface Owner: State Federal Tribal Private (Name: State of New Mexico

Nature and Volume of Release

Crude Oil	(s) Released (Select all that apply and attach calculations or specific Volume Released (bbls)	Volume Recovered (bbls)
Produced Water	Volume Released (bbls) 1235	Volume Recovered (bbls) 1210
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	Yes No
Condensate	Volume Released (bbls)	Volume Recovered (bbls)
Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)
Cause of Release: ELEC	TRICIAN WORKING ON PMP AFTER REPAIRS MA	ADE DID NOT TURN SWD PMP BACK ON
CAUSING STORAGE T	ANKS TO FILL AND OVERFLOW. TRKS CALLED	TO PICK-UP FREE LIOUID AND RETURN TO
	TART SWD PMP. SPILL IN FIREWALL AREA.	

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Oil Conservation Division

Incident ID	NSAP0230839785
District RP	
Facility ID	
Application ID	

Was this a major release as defined by	If YES, for what reason(s) does the responsible party consider this a major release?		
19.15.29.7(A) NMAC?	It is considered a major release because of the 1235 (bbls) released of produced water.		
Xes No			
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?			
Yes, by Industry Rep, when and means unknown.			

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

 \square The source of the release has been stopped.

The impacted area has been secured to protect human health and the environment.

Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.

All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have <u>not</u> been undertaken, explain why:

The initial response was completed by Energen Resources Group, who was the operator at the time of the release. Sabinal Energy Operating LLC acquired the asset in July 2019.

Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.

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:	_Kyle Sanders_
--	---------------	----------------

Signature: <u>Kyle Sanders</u>

email: <u>kyles@sabinalenergy.com</u>

Date: 02/01/2022

Telephone: <u>346-224-9343</u>

Title: Manager – Environmental, Health, and Safety

OCD Only

Received by: Ramona Marcus

Date: 02/09/2022

Received by OCD: 2/1/2022 2:43:39 PM Form C-141 State of New Mexico

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Oil Conservation Division

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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>Unknown</u> (ft bgs)
Did this release impact groundwater or surface water?	🗌 Yes 🛛 No
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?	🗌 Yes 🛛 No
Are the lateral extents of the release overlying a subsurface mine?	🗌 Yes 🛛 No
Are the lateral extents of the release overlying an unstable area such as karst geology?	🗌 Yes 🛛 No
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?	🗌 Yes 🔀 No

Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soil 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 ¹ / ₂ -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.

Received by OCD: 2/1/202	22 2:43:39 PM State of New Mexico	Aaviaa	Page 13 of 37	
Form C-141			Incident ID	
Page 4 Oil Conservation Div		on	District RP	
			Facility ID	
			Application ID	
regulations all operators are public health or the environ failed to adequately investi addition, OCD acceptance and/or regulations.	ormation given above is true and complete to the e required to report and/or file certain release not ment. The acceptance of a C-141 report by the gate and remediate contamination that pose a thr of a C-141 report does not relieve the operator of	ifications and perform co OCD does not relieve the eat to groundwater, surfa responsibility for comp	prrective actions for rele e operator of liability sho ice water, human health liance with any other feo	ases which may endanger ould their operations have or the environment. In
Signature:		Date:		
email:		Telephone:		
OCD Only				
Received by:		Date:		

Received by OCD: 2/1/2022 2:43:39 PM Form C-141 State of New Mexico

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Oil Conservation Division

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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 co	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	h, the environment, or groundwater.	
L hereby certify that the information given above is true and comple	ete to the best of my knowledge and understand that pursuant to OCD	
	certain release notifications and perform corrective actions for releases ance of a C-141 report by the OCD does not relieve the operator of e and remediate contamination that pose a threat to groundwater, acceptance of a C-141 report does not relieve the operator of	
Printed Name:	Title:	
Signature:	Date:	
email:	Telephone:	
<u>OCD Only</u>		
Received by:	Date:	
Approved Approved with Attached Conditions of	Approval Denied Deferral Approved	
Signature:	Date:	

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Oil Conservation Division

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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 th	ne following items 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 back must be notified 2 days prior to liner inspection)	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: app	propriate ODC District office must be notified 2 days prior to final sampling)		
Description of remediation activities			
and regulations all operators are required to report and may endanger public health or the environment. The a should their operations have failed to adequately inves human health or the environment. In addition, OCD a compliance with any other federal, state, or local laws restore, reclaim, and re-vegetate the impacted surface a	te and complete to the best of my knowledge and understand that pursuant to OCD rules l/or file certain release notifications and perform corrective actions for releases which acceptance of a C-141 report by the OCD does not relieve the operator of liability stigate and remediate contamination that pose a threat to groundwater, surface water, cceptance of a C-141 report does not relieve the operator of responsibility for and/or regulations. The responsible party acknowledges they must substantially area to the conditions that existed prior to the release or their final land use in ation to the OCD when reclamation and re-vegetation are complete.		
Printed Name:	Title:		
Signature:	Date:		
email:	Telephone:		
OCD Only			
Received by:	Date:		
Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.			
Closure Approved by:	Date:		

Title: _____

Printed Name: _____

Attachment 3 C 141 nSAP0230537114

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 Page 17 of 37

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Incident ID	
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Release Notification

Responsible Party

Responsible Party: Energen Resources Group	OGRID: 162928
Contact Name:	Contact Telephone:
Contact email:	Incident # nSAP0230537114
Contact mailing address	

Location of Release Source

Latitude: <u>33.0407677</u>

Longitude: -103.6044464 (NAD 83 in decimal degrees to 5 decimal places)

Site Name: SAUNDERS SALT WATER DISPOSAL #002	Site Type: Salt Water Disposal
Date Release Discovered: 10/25/2002	API# 30-025-01218

Unit Letter	Section	Township	Range	County
Ν	03	15S	33E	Lea

Surface Owner: State Federal Tribal Private (Name: State of New Mexico

Nature and Volume of Release

Mater	ial(s) Released (Select all that apply and attach calculations or specific	: justification for the volumes provided below)
Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
Produced Water	Volume Released (bbls) 80	Volume Recovered (bbls) 123
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	Yes No
Condensate	Volume Released (bbls)	Volume Recovered (bbls)
Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)
Cause of Release:		

Cause of Release:

FLOWLINE CLAMP FAILED DUE TO EXTERNAL CORROSION FROM A BURIED SWD TRANSFER LINE ON THE SAUNDERS LEASE. SHUT DOWN PMP AND BEGAN PICKING UP LIQUID ENAMANTING FROM FLOWLINE. LINE WAS REPAIRED AND PUT BACK IN SERVICE. ALL FREE LIQUID INCLUDING SOME RAINWATER WAS REMOVED FROM AREA.

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Oil Conservation Division

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Application ID	

Was this a major release as defined by	If YES, for what reason(s) does the responsible party consider this a major release?	
19.15.29.7(A) NMAC?	Equipment Failure from the fuel line injection	
Yes 🗌 No		
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?		
Yes, by Industry Rep, when and by what means is not known.		

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

 \square The source of the release has been stopped.

The impacted area has been secured to protect human health and the environment.

Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.

All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have <u>not</u> been undertaken, explain why:

The initial response was completed by Energen Resources Group, who was the operator at the time of the release. Sabinal Energy Operating LLC acquired the asset in July 2019.

Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.

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:	_Kyle Sanders_	

Signature: <u>Kyle Sanders</u> Date: <u>02/01/2022</u>

email: <u>kyles@sabinalenergy.com</u>

Telephone: <u>346-224-9343</u>

Title: Manager – Environmental, Health, and Safety

OCD Only

Received by: _____

Date: _____

Received by OCD: 2/1/2022 2:43:39 PM Form C-141 State of New Mexico

Page 3

Oil Conservation Division

Incident ID	
District RP	
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.

	Unknown (ft bgs)
What is the shallowest depth to groundwater beneath the area affected by the release?	🗌 Yes 🛛 No
Did this release impact groundwater or surface water?	
	🗌 Yes 🖾 No
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?	
Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used	🗌 Yes 🛛 No
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?	
Are the lateral extents of the release within 300 feet of a wetland?	🗌 Yes 🛛 No
	🗌 Yes 🛛 No
Are the lateral extents of the release overlying a subsurface mine?	🗌 Yes 🛛 No
Are the lateral extents of the release overlying an unstable area such as karst geology?	
	🗌 Yes 🖾 No
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 soil 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 ¹ / ₂ -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.

Received by OCD: 2/1/202	22 2:43:39 PM State of New Mexico			Page 20 of 37
Form C-141			Incident ID	
Page 4	Oil Conservation Division		District RP	
			Facility ID	
			Application ID	
regulations all operators are public health or the environ failed to adequately investi addition, OCD acceptance and/or regulations.	ormation given above is true and complete to the e required to report and/or file certain release not mment. The acceptance of a C-141 report by the gate and remediate contamination that pose a thr of a C-141 report does not relieve the operator of	ifications and perform co OCD does not relieve the eat to groundwater, surfa responsibility for comp	prective actions for rele e operator of liability sho ice water, human health liance with any other feo	eases which may endanger ould their operations have or the environment. In deral, state, or local laws
Printed Name:		_ Title:		
Signature:		Date:		
email:		Telephone:		
OCD Only				
Received by:		Date:		

Received by OCD: 2/1/2022 2:43:39 PM Form (-14) State of New Mexico

Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

Remediation Plan

<u>Remediation Plan Checklist</u>: 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 confirmed 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 health, 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: _____ Title: _____ Signature: _____ Date: Telephone: _____ email: OCD Only Received by: Date: Approved Approved with Attached Conditions of Approval Denied Deferral Approved Signature: Date:

Page 5

Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

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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.

<u>Closure Report Attachment Checklist</u>: Each of the following it	items must be included in the closure report.
A scaled site and sampling diagram as described in 19.15.29.1	11 NMAC
Photographs of the remediated site prior to backfill or photos must be notified 2 days prior to liner inspection)	of the liner integrity if applicable (Note: appropriate OCD District office
Laboratory analyses of final sampling (Note: appropriate ODC	C District office must be notified 2 days prior to final sampling)
Description of remediation activities	
and regulations all operators are required to report and/or file certai may endanger public health or the environment. The acceptance of	ations. The responsible party acknowledges they must substantially onditions that existed prior to the release or their final land use in OCD when reclamation and re-vegetation are complete.
Signature:	
email:	Telephone:
OCD Only	
Received by:	Date:
	of liability should their operations have failed to adequately investigate and water, human health, or the environment nor does not relieve the responsible for regulations.

 Closure Approved by:
 Date:

 Printed Name:
 Title:

Attachment 4 C 141 nSAP0232539443

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 Page 24 of 37

Form C-141 Revised August 24, 2018 Submit to appropriate OCD District office

)

Incident ID	
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party: Energen Resource Group	OGRID: 162928
Contact Name:	Contact Telephone:
Contact email:	Incident # nSAP0232539443
Contact mailing address	

Location of Release Source

Latitude: 33.0407677

Longitude: -103.6044464

(NAD 83 in decimal degrees to 5 decimal places)

Site Name: Saunders Salt Water Disposal #002	Site Type: Salt Water Disposal
Date Release Discovered: 11/11/2002	API# 30-025-01218

Unit Letter	Section	Township	Range	County
Ν	03	15S	33E	Lea

Surface Owner: State Federal Tribal Private (Name: State of New Mexico

Nature and Volume of Release

Mater	ial(s) Released (Select all that apply and attach calculations or specifi	ic justification for the volumes provided below)
Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
Produced Water	Volume Released (bbls) 50	Volume Recovered (bbls) 70
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	Yes No
Condensate	Volume Released (bbls)	Volume Recovered (bbls)
Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)
Cause of Release:		

clamp used to repair previous spill failed. Area affected was in low spot, line was shut in and free liquids in area were removed.

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Oil Conservation Division

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Was this a major release as defined by	If YES, for what reason(s) does the responsible party consider this a major release?
19.15.29.7(A) NMAC?	Yes 50 (bbl) of salt water released
Yes 🗌 No	
If YES, was immediate n	otice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?
	en and by what means is not known.

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

 \boxtimes The source of the release has been stopped.

The impacted area has been secured to protect human health and the environment.

Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.

 \boxtimes All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have not been undertaken, explain why:

The initial response was completed by Energen Resources Group, who was the operator at the time of the release. Sabinal Energy Operating LLC acquired the asset in July 2019.

Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.

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:	_Kyle Sanders

email: <u>kyles@sabinalenergy.com</u>

Title: Manager – Environmental, Health, and Safety

Signature: <u>Kyle Sanders</u> Date: <u>02/01/2022</u>

Telephone: <u>346-224-9343</u>

OCD Only

Received by:

Date:

Received by OCD: 2/1/2022 2:43:39 PM Form C-141 State of New Mexico

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Oil Conservation Division

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District RP	
Facility 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.

	Unknown (ft bgs)
What is the shallowest depth to groundwater beneath the area affected by the release?	Yes 🛛 No
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?	\square Yes \square 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,	☐ Yes ⊠ No
or church? Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used	□ Yes 🛛 No
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?	\Box Yes \boxtimes No
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	
Are the lateral extents of the release within 300 feet of a wetland?	Yes 🛛 No
Are the lateral extents of the release overlying a subsurface mine?	\Box Yes \boxtimes No
Are the lateral extents of the release overlying an unstable area such as karst geology?	\square Yes \square No
Are the lateral extents of the release within a 100-year floodplain?	\Box Yes \boxtimes No
Did the release impact areas not on an exploration, development, production, or storage site?	\Box Yes \boxtimes No

Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soil 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 ¹ / ₂ -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.

Received by OCD: 2/1/20.	22 2:43:39 PM State of New Mexico			Page 27 of 37
Form C-141			Incident ID	
Page 4	Oil Conservation Division		District RP	
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			Application ID	
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Printed Name:		_ Title:		
Signature:		Date:		
email:		Telephone:		
OCD Only				
Received by:		Date:		

Received by OCD: 2/1/2022 2:43:39 PM Form C-121 State of New Mexico

Oil Conservation Division

<u>Remediation Plan Checklist</u>: Each of the following items must be included in the plan.

Incident ID	
District RP	
Facility ID	
Application ID	

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Remediation 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 confirmed 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 health, 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: _____ Title: _____ Signature: _____ Date: Telephone: _____ email: OCD Only Received by: Date: Approved Approved with Attached Conditions of Approval Denied Deferral Approved Signature: Date:

Page 5

Page 6

Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

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 it	ems must be included in the closure report.
A scaled site and sampling diagram as described in 19.15.29.1	1 NMAC
Photographs of the remediated site prior to backfill or photos must be notified 2 days prior to liner inspection)	of the liner integrity if applicable (Note: appropriate OCD District office
Laboratory analyses of final sampling (Note: appropriate ODC	2 District office must be notified 2 days prior to final sampling)
Description of remediation activities	
and regulations all operators are required to report and/or file certair may endanger public health or the environment. The acceptance of	nediate contamination that pose a threat to groundwater, surface water, a C-141 report does not relieve the operator of responsibility for tions. The responsible party acknowledges they must substantially inditions that existed prior to the release or their final land use in
Printed Name:	_ Title:
Signature:	Date:
email:	Telephone:
OCD Only	
Received by:	Date:
	of liability should their operations have failed to adequately investigate and water, human health, or the environment nor does not relieve the responsible or regulations.
Closure Approved by:	Date:
Printed Name:	Title:

Attachment 5

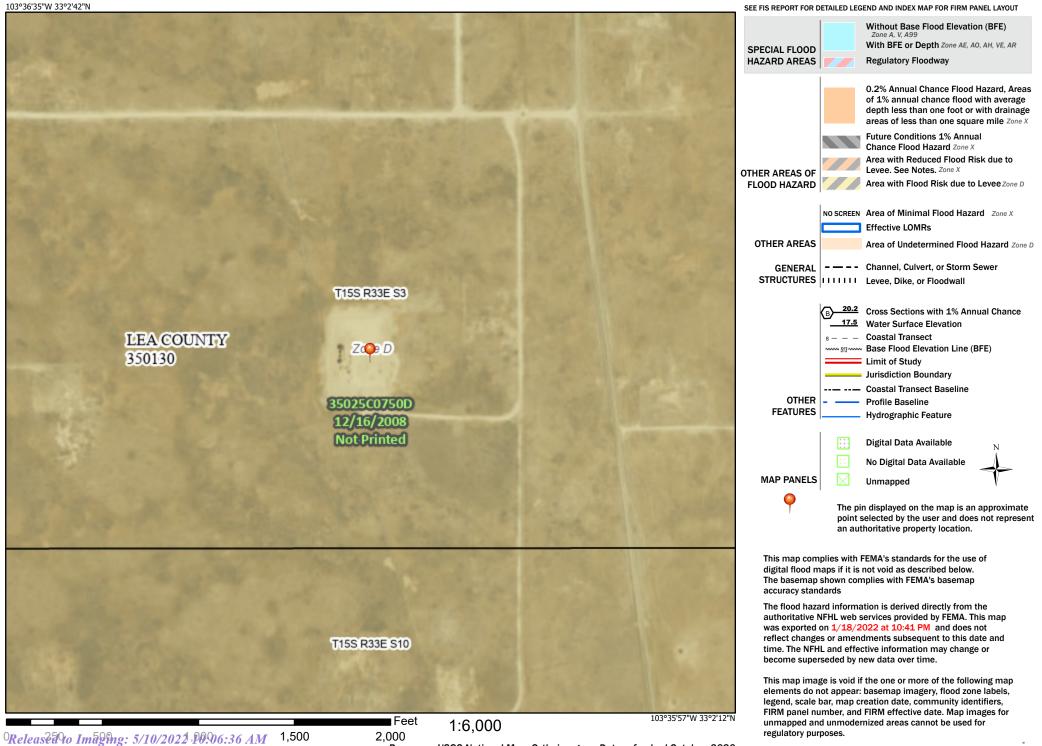
Site Characterization Documentation

Received by OCD: 2(1/2022 2:43:39 PM National Flood Hazard Layer FIRMette

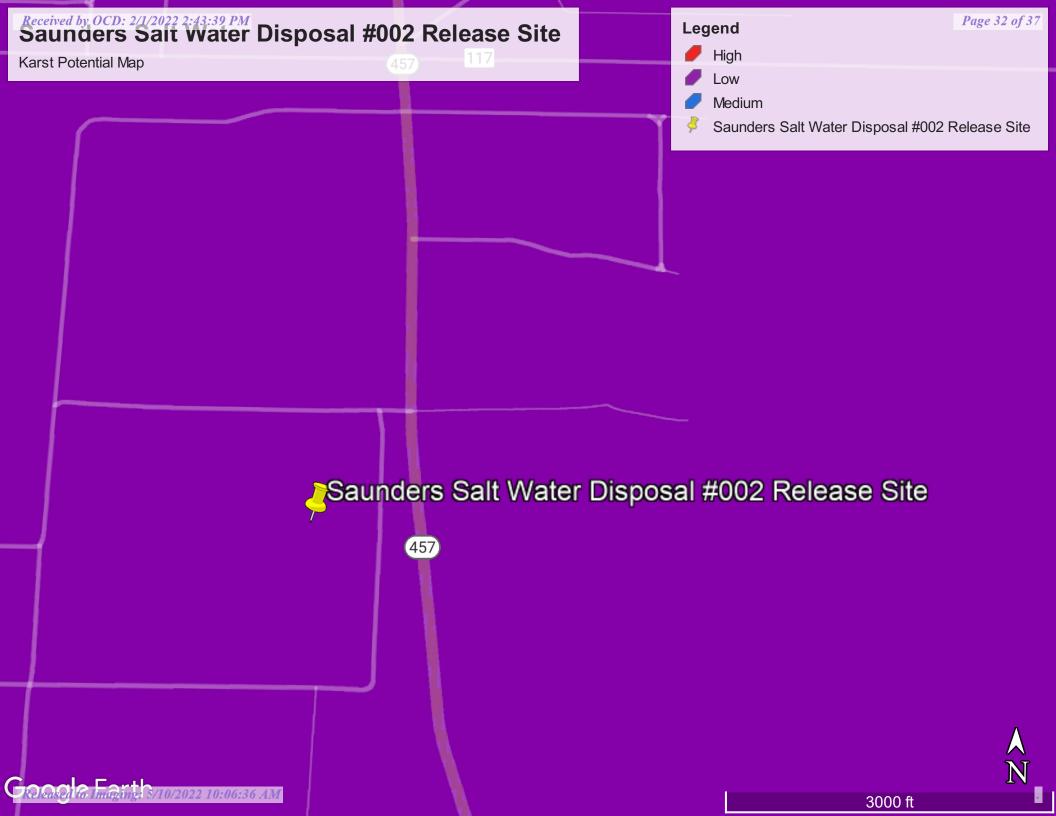


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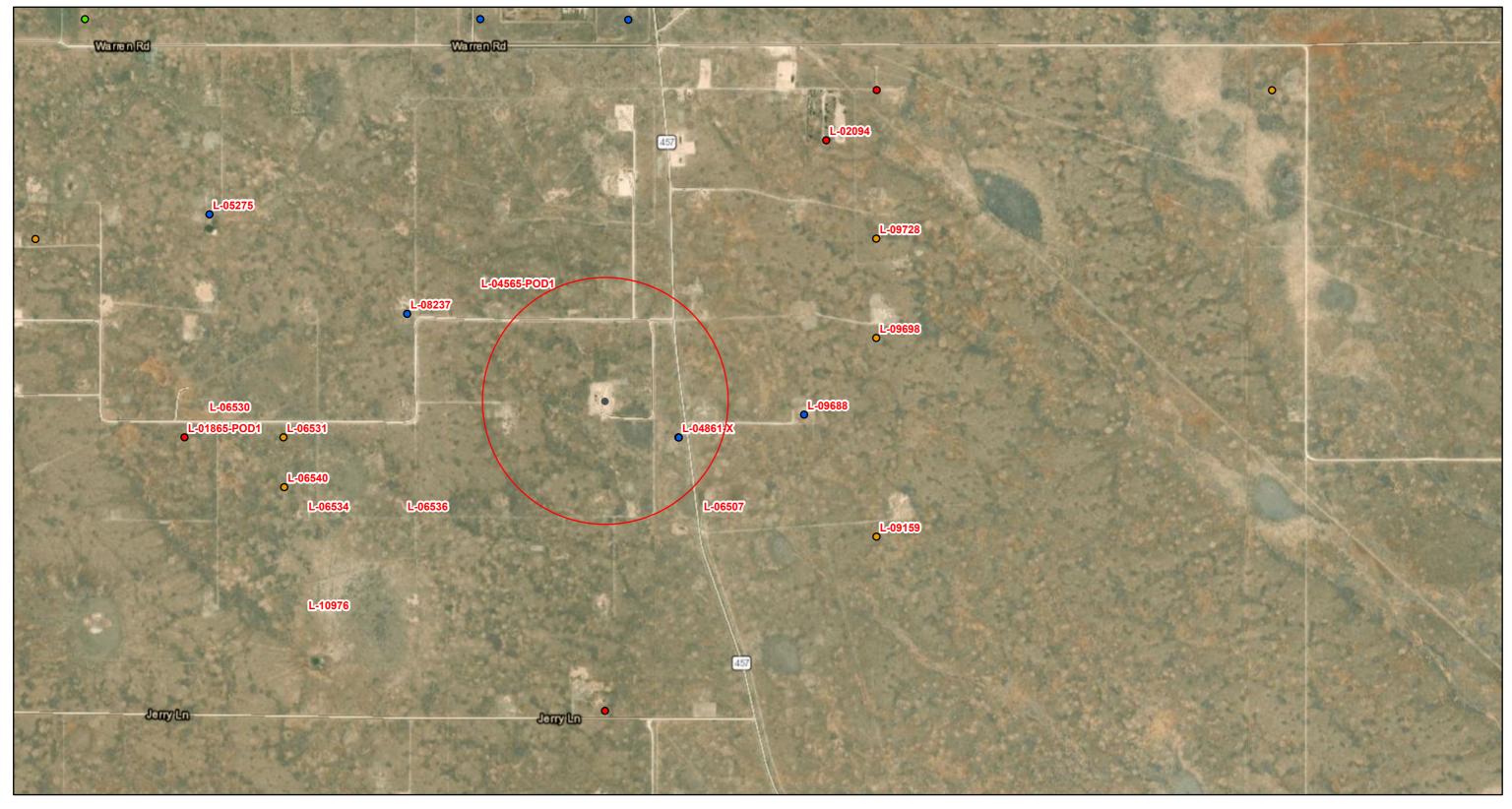
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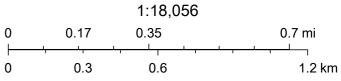
Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020



Saunders Salt Water Disposal #002 Site Release

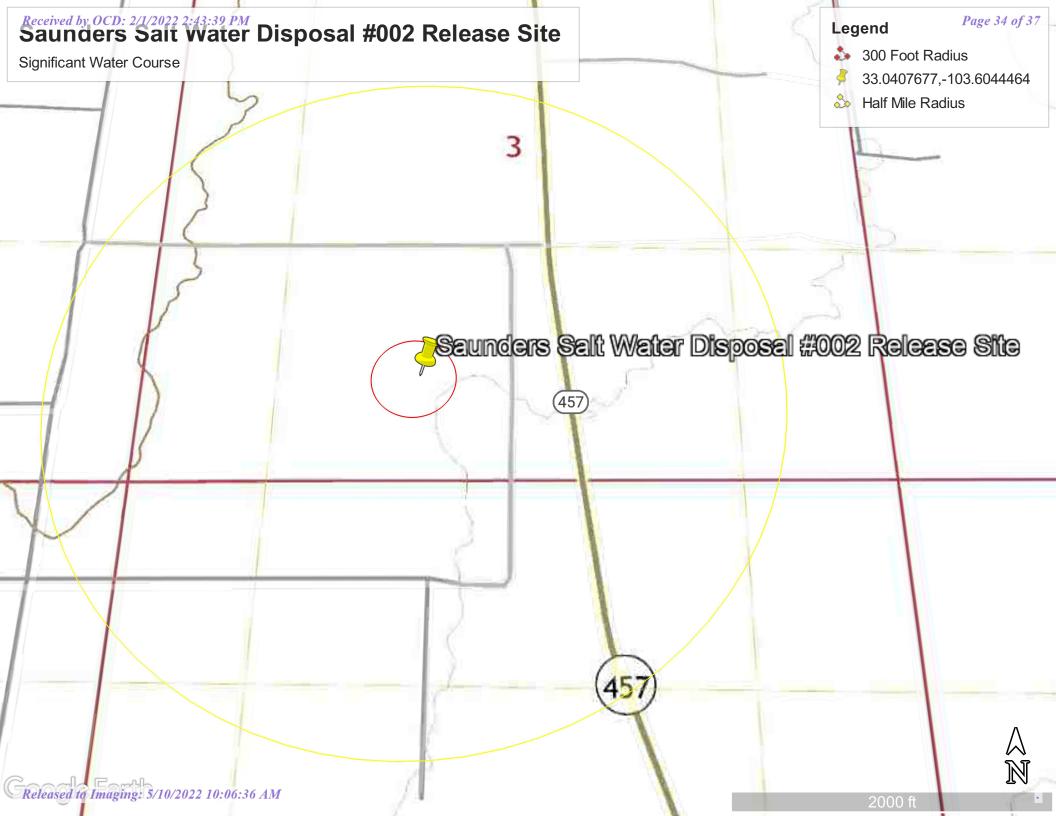


1/18/2022, 9:12:55 PM
GIS WATERS PODs
Pending
Plugged
Active
Capped
SiteBoundaries



Esri, HERE, iPC, U.S. Department of Energy Office of Legacy Management, Esri, HERE, Garmin, iPC, Maxar

•



Received by OCD: 2/1/2022 2.43.30 PM

National Wetlands Inventory

Saunders Salt Water Disposal #002 Release Site



Released to Imaging: 5/10/2022 10:06:36 AM

National Wetlands Inventory (NWI) This page was produced by the NWI mapper

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

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

District IV 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

COMMENTS

Operator:	OGRID:
Sabinal Energy Operating, LLC	328992
1780 HUGHES LANDING BLVD, STE	Action Number:
THE WOODLANDS, TX 77380	77245
	Action Type:
	[C-141] Release Corrective Action (C-141)
COMMENTS	

Created By	Comment	Comment Date	
jharimon	Initial C-141 submission approval only	5/10/2022	

COMMENTS

Action 77245

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

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

District IV

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

Operator:	OGRID:
Sabinal Energy Operating, LLC	328992
1780 HUGHES LANDING BLVD, STE	Action Number:
THE WOODLANDS, TX 77380	77245
	Action Type:
	[C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
jharimon	When submitting future reports regarding this release, please submit the calculations used or specific justification for the volumes reported on the initial C- 141	5/10/2022