



Charles Beauvais
Environmental Engineer
15 W London Rd
Loving, NM 88256
Telephone: 575/988-2043
Charles.R.Beauvais@ConocoPhillips.com

INFORMATION ONLY

October 8th, 2021

Mr. Bradford Billings
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
5200 Oakland Ave NE
Albuquerque, NM 87113

Re: Electra Federal #030
nKMW1106134361
Heritage Concho Agreed Compliance Order-Releases

Dear Mr. Billings:

Please find attached documentation for an open remediation site, Electra Federal #030 (Incident ID nKMW1106134361). This reported incident is included in the Agreed Compliance Order-Releases (ACO-R) between the New Mexico Oil Conservation Division (NMOCD) and Concho Resources (COG) dated November 20, 2018. COG was acquired by ConocoPhillips Company (COP) in January 2021.

According to NMOCD records, this release occurred when Cimarex Energy Company of Colorado (Cimarex) was fracking their Poseidon 3 Federal #19 well and frac water communicated through the paddock to the Electra Federal #30 COG well. According to the NMOCD initial C-141 form and related email correspondence, Cimarex accepted fault and financial responsibility for assessment and site restoration (Attachment A). Additionally, the Electra Federal #030 well was sold to Spur Energy Partners LLC (Spur Energy) in November 2019.

This site is not under COP control, and therefore it is not possible to conduct inspections nor remediation activities at the site. Furthermore, the conditions of the operator change form included the following agreement on the part of Spur Energy: "I am responsible for reporting and remediating releases as defined by 19.15.29 NMAC. I understand the OCD will look to me as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became the operator of record. I am responsible for conducting my own due diligence for any releases that have occurred prior to becoming operator of my wells and related facilities and am responsible for any open releases or unreported releases." Therefore, COP respectfully requests that NMOCD disassociates this release from COP, and remove it from the November 20, 2018 ACO-R.

Please contact me if you require any additional information or if you have any questions or comments.

Sincerely,

Charles R. Beauvais II

Charles Beauvais

Enclosures – Attachment A

ATTACHMENT A

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	COG OPERATING LLC	Contact	Pat Ellis
Address	550 W. Texas, Suite 100, Midland, TX 79701	Telephone No.	432-230-0077
Facility Name	Electra Federal #30	Facility Type	Well
Surface Owner	Federal	Mineral Owner	
		Lease No. NMNM-0467931	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	10	17S	30E	130	NORTH	2460	WEST	Eddy

Latitude 32.8559 Longitude 103.9604

NATURE OF RELEASE

Type of Release	Produced water / Frac water	Volume of Release	460bbls	Volume Recovered	210bbls
Source of Release	Well head	Date and Hour of Occurrence	07/07/2010	Date and Hour of Discovery	07/07/2010 11:00 a.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Terry Gregston—BLM		
By Whom?	Zeno Farris	Date and Hour	07/07/2010 3:30 p.m.		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

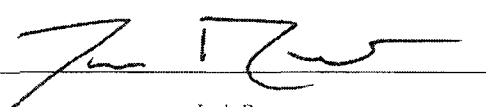
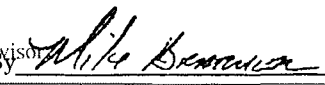
Describe Cause of Problem and Remedial Action Taken.*

While Cimarex Energy Co. of Colorado was frac-ing their Poseidon 3 Federal #19 well, frac water communicated through the Paddock to the Electra Federal #30 Concho Resources well. The frac water was released through the casing valve at the wellhead on and off of the Concho Resources well pad location.

Describe Area Affected and Cleanup Action Taken.*

Initially an estimated 460bbls of frac water and produced water was released at the Electra Federal #30 well location. Cimarex Energy Co. of Colorado was able to recover 210bbls off of the COG well pad with a vacuum truck. Samples of the spill area have been acquired and delivered to Trace Analysis in Lubbock Texas to delineate any possible contamination from the release and Cimarex Energy Co. of Colorado will be the responsible party for any additional remediation work and site closure in accordance with the standards set by the NMOCD and BLM. (Contact: Cimarex Energy Co. of Colorado, Zeno Farris at 432-620-1938).

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature:				OIL CONSERVATION DIVISION	
Printed Name:	Josh Russo			Approved by District Supervisor	Signed By 
Title:	HSE Coordinator			Approval Date:	3/3/11
E-mail Address:	jrusso@conchoresources.com			Expiration Date:	
Date:	08/17/2010			Phone:	432-212-2399

* Attach Additional Sheets If Necessary

Conditions of Approval:

Remediation per OCD Rules &
Guidelines. **SUBMIT REMEDIATION
PROPOSAL NOT LATER THAN:**

Attached ☐

4/3/11

2 RP-622

Bratcher, Mike, EMNRD

From: Joshua Russo [jrusso@conchoresources.com]
Sent: Wednesday, September 01, 2010 8:29 AM
To: terry_gregston@nm.blm.gov; Bratcher, Mike, EMNRD
Cc: Pat Ellis; james_amos@nm.blm.gov
Subject: Cimarex Poseidon 3 Federal #19 (COG Electra Federal #30) frac incident
Attachments: Cimarex cover letter to the BLM, from Cimarex regulatory Natalie Krueger.PDF; BLM form 3162-1, Report of Undesirable Event, Zeno Farris.PDF; Concho Resources C-141 Initial Report, HSE Coordinator Josh Russo.PDF

Please see attached 3 documents concerning the Cimarex Energy Co. of Colorado Poseidon 3 Federal #19 frac incident that occurred on 07/07/2010. The first document is the cover letter from Cimarex to the BLM dated July 9, 2010. Also attached is the Report of Undesirable Event (Form NM 3162-1) and the COG Operating LLC C-141 Initial Report. Cimarex will be accepting fault and financial responsibility for assessment, and site restoration.

Thank you,

Joshua Russo

HSE Coordinator
550 W. Texas Ave, Suite 100
Midland, Texas 79701
Phone: (432) 683-7443
Cell: (432) 212-2399
jrusso@conchoresources.com



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600 N. Maricfield St., Ste. 600
Midland, TX 79701
Main 432-471-7800
Direct 432-620-1936
Fax 432-620-1940

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Cimarex Energy Co. of Colorado

July 9, 2010

United States Department of the Interior
Bureau of Land Management
620 East Greene Street
Carlsbad, NM 88220
Attn: Ms. Betty Hill

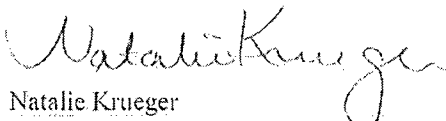
Re: 3162-1 Electra Federal No. 30 (operated by COG)

Dear Ms. Hill:

Enclosed, please find an original and 3 copies of Form 3162-1 for the Electra Federal No. 30, operated by COG. While frac-ing the Cimarex Poseidon 3 Federal No. 19, frac water communicated through the Paddock to the Electra Federal No. 30. Pressure was relieved at the well and frac water ended up on and off of COG's well pad.

If you need anything else, please call me at 432-620-1936.

Sincerely,


Natalie Krueger
Regulatory

nkrueger@cimarex.com

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Form NM 3162-1
(July 1991)

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
New Mexico State Office

REPORT OF UNDESIRABLE EVENT

DATE OF OCCURRENCE/DISCOVERY 7/7/2010 TIME OF OCCURRENCE: 11:00 AM

DATE REPORTED TO BLM: 7/7/2010 TIME REPORTED: 3:30 PM

BLM OFFICE REPORTED TO: (RESOURCE AREA/DISTRICT/OTHER): Carlsbad/Terry Gregston

LOCATION: (1/4 1/4) Unt C SECTION 10 T. 17S R. 30E MERIDIAN NMPM

COUNTY: Eddy STATE: NM WELL NAME: Electra Federal #30

OPERATOR: COMPANY NAME COG Operating LLC PHONE NO. 432-620-1938

CONTACT PERSON'S NAME Zeno Farris

SURFACE OWNER: Federal MINERAL OWNER: Federal
(FEDERAL/INDIAN/FEE/STATE)

LEASE NO.: LC-0467931 RIGHT-OF-WAY NO.: _____

UNIT NAME/COMMUNITIZATION AGREEMENT No.: NA

TYPE OF EVENT, CIRCLE APPROPRIATE ITEM(S):

BLOWOUT, FIRE, FATALITY, INJURY, PROPERTY DAMAGE, OIL SPILL, SALTWATER SPILL,
OIL AND SALTWATER SPILL, TOXIC FLUID SPILL, HAZARDOUS MATERIAL SPILL,
UNCONTROLLED FLOW OF WELLBORE FLUIDS, OTHER (SPECIFY) fresh water spill from frac tanks

CAUSE OF EVENT: During fracing of Cimarex Poseidon 3 # 19 frac water communicated
through the Paddock to COG Electra 30. Pressure was relieved at well and frac water ended up
on and off their well pad. Vacumed 210 bbls off well pad. Est. 250 bbls went off well pad and
soaked into sand.

Hazmat Notified: (for spills) No

Law Enforcement Notified: (for thefts) NA

CAUSE AND EXTENT OF PERSONAL INJURIES/CAUSE OF DEATH(S):
NA

Safety Officer Notified: NA

EFFECTS OF EVENT: Frac water/produced water on and off COG Electra Fed 30 well pad.

ACTION TAKEN TO CONTROL EVENT Vacumed 210 bbls off well pad. Sent MSDS sheets for frac
water and water samples from Electra spill to Trace Analysis. Will coordinate cleanup with Terry

LENGTH OF TIME TO CONTROL BLOWOUT OR FIRE: _____

VOLUMES DISCHARGED: OIL -0- WATER 460 bbls Frac wtr GAS -0-

OTHER AGENCIES NOTIFIED: NA

C-145

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District I1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720**District II**811 S. First St., Artesia, NM 88210
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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
Change of Operator

Form C-145
Revised May 19, 2017

Permit 274233

Previous Operator Information

OGRID: 229137
 Name: COG OPERATING LLC
 Address: 600 W Illinois Ave
 City, State, Zip: Midland, TX 79701

New Operator Information

Effective Date: Effective on the date of approval by the OCD
 OGRID: 328947
 Name: Spur Energy Partners LLC
 Address: 920 Memorial City Way
Suite 1000
 City, State, Zip: Houston, TX 77024

I hereby certify that the rules of the Oil Conservation Division ("OCD") have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, Spur Energy Partners LLC certifies that it has read and understands the following synopsis of applicable rules.

PREVIOUS OPERATOR certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells being transferred are either (1) in compliance with 19.15.17 NMAC, (2) have been closed pursuant to 19.15.17.13 NMAC or (3) have been retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(l) NMAC.

Spur Energy Partners LLC understands that the OCD's approval of this operator change:

1. constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

As the operator of record of wells in New Mexico, Spur Energy Partners LLC agrees to the following statements:

1. Initials SE I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand that the OCD's rules are available on the OCD website under "Rules," and that the Water Quality Control Commission rules are available on the OCD website on the "Publications" page.
2. Initials SE I understand that if I acquire wells from another operator, the OCD must approve the operator change before I begin operating those wells. See Subsection B of 19.15.9.9 NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells or environmental cleanup, before the OCD will approve the operator change it may require me to enter into an enforceable agreement to return those wells to compliance. See Paragraph (2) of Subsection C of 19.15.9.9 NMAC.
3. Initials SE I must file a monthly C-115 report showing production for each non-plugged well completion for which the OCD has approved an allowable and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the OCD may cancel my authority to transport from or inject into all the wells I operate if I fail to file C-115 reports. See Subsection C of 19.15.7.24 NMAC.
4. Initials SE I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed in approved temporary abandonment. See 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 19.15.25 NMAC. I understand that I can check my compliance with the basic requirements of 19.15.25.8 NMAC by using the "Inactive Well List" on OCD's website.
5. Initials SE I must keep current with financial assurances for well plugging. I understand that New Mexico requires each state or fee well that has been inactive for more than two years and has not been plugged and released to be covered by a single-well financial assurance or a "blanket plugging financial assurance for wells in temporarily abandoned statuses", even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See Subsection C of 19.15.8.9 NMAC. I understand that I can check my compliance with the financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.
6. Initials SE I am responsible for reporting and remediating releases pursuant to 19.15.29 NMAC. I understand the OCD will look to me as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator of record. I am responsible for conducting my own due diligence for any releases that have occurred prior to becoming operator of my wells and related facilities and am responsible for any open releases or unreported releases.
7. Initials SE I have read 19.15.5.9 NMAC, commonly known as "Part 5.9," and understand that to be in compliance with its requirements I must have the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the courts or agreed to by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.25.8 NMAC). If I am in violation of Part 5.9, I may not be allowed to drill, acquire or produce any additional wells, and will not be able to obtain any new injection permits. See 19.15.16.19 NMAC, 19.15.26.8 NMAC, 19.15.9.9 NMAC and 19.15.14.10 NMAC. If I am in violation of Part 5.9 the OCD may, after notice and hearing, revoke my existing injection permits and seek other relief. See 19.15.26.8 NMAC and 19.15.5.10 NMAC.
8. Initials SE For injection wells, I understand that I must report injection on my monthly C-115 report and must operate my wells in compliance with 19.15.26 NMAC and the terms of my injection permit. I understand that I must conduct mechanical integrity tests on my injection wells at least once every five years. See 19.15.26.11 NMAC. I understand that when there is a continuous one-year period of non-injection into all wells in an injection or storage project or into a saltwater disposal well or special purpose injection well, authority for that injection automatically terminates. See 19.15.26.12 NMAC. I understand that if I transfer operation of an injection well to another operator, the OCD must approve the transfer of authority to inject, and the OCD may require me to demonstrate the well's mechanical integrity prior to approving that transfer. See 19.15.26.15 NMAC.
9. Initials SE I am responsible for providing the OCD with my current address of record and emergency contact information, and I am responsible for updating that information when it changes. See Subsection C of 19.15.9.8 NMAC. I understand that I can update that information on the OCD's website under "Electronic Permitting."
10. Initials SE If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See Subsection B of 19.15.9.9 NMAC. I remain responsible for the wells and related facilities and all related regulatory filings until the OCD approves the operator change. I understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.
11. Initials SE No person with an interest exceeding 25% in the undersigned company is, or was within the last 5 years, an officer, director, partner or person with a 25% or greater interest in another entity that is not currently in compliance with Subsection A of 19.15.5.9 NMAC.
12. Initials SE NMOC Rule Subsection E and F of 19.15.16.8 NMAC: An operator shall have 90 days from the effective date of an operator name change to change the operator name on the well sign unless the division grants an extension time, for good cause shown, along with a schedule for making the changes. Each sign shall show the (1) well number, (2) property name, (3) operator's name, (4) location by footage, quarter-quarter section, township and range (or unit letter can be substituted for the quarter-quarter section), and (5) API number.

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Page 3 of 3

I hereby certify I understand the above. The statements I have made are true and correct and a condition precedent to the Oil Conservation Division accepting this Change of Operator.

Previous Operator

Signature: _____



Printed Name: _____

Gayle L. Burleson

Title: _____

Senior VP of Business Development and Land

Date: _____

11-1-2019

Phone: _____

432-683-7443

New Operator

Signature: _____



Printed Name: _____

BRIAN COFFEY

Title: _____

VP and General Counsel

Date: _____

4/1/19

Phone: _____

832-930-8502

Permit 274233

OCD Permitting

Page 1 of 1

District I1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Wells Selected for Transfer

Permit 274233

1 Well Selected for Transfer

From:	COG OPERATING LLC	OGRID:	229137
To:	Spur Energy Partners LLC	OGRID:	328947

OCD District: Artesia (1 Well selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type	Last Prod/Inj	Single Well Bond Required for Inactive Well
302483	ELECTRA FEDERAL #030	F	C-10-17S-30E	C	30-015-36466	96718	LOCO HILLS; GLORIETA-YESO	O	08/19	0

Total of Single Well Bonds Required for Inactive Wells

0

NMOCD ApprovalElectronic Signature(s): Raymond Podany, District 2Date: December 09, 2019

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Wells Selected for Transfer

Permit 274233

1 Well Selected for Transfer

From: COG OPERATING LLC	OGRID: 229137
To: Spur Energy Partners LLC	OGRID: 328947

OCD District: Artesia (1 Well selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
326518	ELECTRA FEDERAL #030	F	C-10-17S-30E	C	30-015-36466	96718	LOCO HILLS; GLORIETA-YESO	O

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

Comments

Permit 274233

CHANGEOP COMMENTS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Permit Number: 274233
	Permit Type: ChangeOp

Comments

Created By	Comment	Comment Date
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There are no Comments for this Permit

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

CONDITIONS

Action 55999

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 55999
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
amaxwell	Asset letter accepted for information only.	2/13/2023