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	nAPP2314456374						
District RP							
Facility ID	30-045-05223						
Application ID	219898						

Release Notification

Responsible Party

Responsible	Party Ma	aralex Resourc	es inc	OGRID 13998							
Contact Nan	^{ne} Trish H	arrison		Contact Te	ntact Telephone 970-563-4000						
Contact ema	^{il} Trishha	rrison@eis-llc	.com		Incident #	(assigned by OCD)					
Contact mai	ling address	PO Box 338,	Ignacio CO 8								
		,									
			Location	n of Re	elease So	ource					
Latitude 36	.3701973]	Longitude :	-107.9847107					
			(NAD 83 in a	decimal deg	rees to 5 decim	nal places)					
Site Name	Patty #1				Site Type	Wellsite					
Date Release	Discovered	5/21/2023			API# (if app	plicable) 30-045-05223					
	T										
Unit Letter	Section	Township	Range		Coun	<u>ity</u>					
I	27	25N	11W	San J	n Juan						
Surface Owne	or: State	Federal T	rihal 🗌 Private	(Name:							
Surface Owne	ı. 🗀 State	V Tederar T		(Ivame							
			Nature an	nd Volu	ume of F	Release					
	Materia	ıl(s) Released (Select a	ll that apply and atta	nch calculation	ons or specific	e justification for the volumes provided below)					
Crude Oi			ed (bbls) 10 bbl		Volume Recovered (bbls) 1 bbl						
Produced	l Water	Volume Release	ed (bbls)			Volume Recovered (bbls)					
			tion of dissolved	d chloride	in the	☐ Yes ☐ No					
Condens	ate	Produced water Volume Release			Volume Recovered (bbls)						
Natural (` ′					
		Volume Release		• • • • •		Volume Recovered (Mcf)					
Other (de	escribe)	Volume/Weight	Released (provi	ide units)		Volume/Weight Recovered (provide units)					
C CD. 1	1										
Cause of Re	^{lease} Sepa	rator Failure									

Incident ID	NAPP2314456374
District RP	
Facility ID	
Application ID	

Was this a major release as defined by 19.15.29.7(A) NMAC? ☐ Yes ☑ No	If YES, for what reason(s) does the respon	sible party consider this a major release?							
If YES, was immediate no	otice given to the OCD? By whom? To wh	om? When and by what means (phone, email, etc)?							
	Initial Ro	esponse							
The responsible p	party must undertake the following actions immediatel	vunless they could create a safety hazard that would result in injury							
 ☑ 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. 									
	d above have <u>not</u> been undertaken, explain v								
has begun, please attach	a narrative of actions to date. If remedial	emediation immediately after discovery of a release. If remediation efforts have been successfully completed or if the release occurred lease attach all information needed for closure evaluation.							
regulations all operators are public health or the environr failed to adequately investig	required to report and/or file certain release notinent. The acceptance of a C-141 report by the Cate and remediate contamination that pose a thre	pest of my knowledge and understand that pursuant to OCD rules and fications and perform corrective actions for releases which may endanger CD does not relieve the operator of liability should their operations have at to groundwater, surface water, human health or the environment. In responsibility for compliance with any other federal, state, or local laws							
Printed Name: Trish Ha		Title: Permitting							
Signature: Patrii	ica Harrison	Date: 5.23.2023							
email: Trishharrisor	n@eis-Ilc.com	Telephone: 970-563-4000							
OCD Only Received by:Jocel	lyn Harimon	Date: 06/06/2023							

MARALEX RESOURCES, INC Spill Remediation Plan

For the

Patty #1

June 2023

Prepared for

Maralex Resources, Inc Ignacio, CO 81137 Phone: 970-563-4000

Developed by



479 Wolverine Drive Bayfield, Colorado 81122 Phone: (970) 884-4080

CONTENTS

1	Project Description	3
2	Background	3
3	Notifications:	3
3.1	Justification for volume reported spilled:	3
4	Spill Area	4
5	Initial Site Photos of Spill	5
6	Initial Remediation	6
Д	Attachment I – Soil Disposal Documentation	6
7	Site Photos after initial remediation	7
8	Soil Sample Plan	9
9	Remediation and Closure	10
Д	Attachment II – Table I Closure Criteria for Soils Impacted by a Release1	0
10	Maps	11

1 Project Description

Operator	Maralex Resources, Inc						
API Number	30-045- 05223						
Federal Lease Number	NMNM0365252A						
Well Location Name	Patty #1						
Legal Location	36.370342° -107.984830°						
	T25N R11W Sec272 NESW						
Spill/Release Area	~2,5750 square feet						
Total Initial Remediation Area	5,700 Sq Feet						
Incident ID	nAPP2314456374						

This plan has been prepared by EIS Environmental & Permitting Solutions, LLC. (EIS Environmental) for Maralex Resources Inc. to meet the requirements and guidelines of the New Mexico Oil Conservation Division (NMOCD) NMAC 19.15.29. This plan describes the spill, the extent of the spill, cleanup that has occurred thus far, and proposed soil sampling plan.

In addition to the drafting of this plan, NMOCD and the BLM will be informed when remediation has been completed, is reported to be successful, or when the site is ready for final inspection.

2 Background

The release was discovered on May 21, 2023, and was the result of a broken site glass in the separator. The release made its way down gradient from the site along the access road for approximately 150 feet. A backhoe, skidsteer and hand crews were utilized to clean up the soil in the area that had staining and odor within the flow path. Approximately 32 cubic yards of soil were removed. The Patty#1 well is located in T25N R11W Sec272 NESW in San Juan County in New Mexico.

3 Notifications:

The initial spill notification C-141 was submitted to NMOCD on May 23, 2023, and assigned incident number nAPP2314456374.



The BLM was notified officially on May 24, 2023, via the FFO-UE form.



Maralex Resources, Inc reported that approximately ten (10) barrels (bbls) of oil were released and that one (1) barrel was recovered.

3.1 Justification for volume reported spilled:

As per MRI CEO Mickey O'Hare: Pumper checked the location on Friday afternoon and there was no leak, no issues. He discovered the leak on Sunday afternoon. The well makes at most eight (8) bbls per day. Therefore, if the leak occurred immediately after the pumper left location on Friday afternoon, the most that could have spilled is 16 bbls. Based on Mickey's estimates and measurements, he estimated the spill to be ten (10) bbls. One barrel was recovered.

4 Spill Area

Estimation of spill area is approximately 2600 sq feet.







Patty#1 Oil Spill.kml

Patty#1 Oil Spill.kmz

5 Initial Site Photos of Spill





Oil running off the pad down the access road (SW)

Oil on pad (facing NW)





Oil on pad (facing NW)

Oil on pad (Facing W)

6 Initial Remediation

Estimated area of remediation was 5,600 square feet with 32 yards of soil removed. Impacted soil was removed from location and disposed of at Envirotech (Attachment I).





Patty#1 Oil Spill Remediation Area.kml



Patty#1 Oil Spill Remediation Area.kmz

Attachment I – Soil Disposal Documentation



7 Site Photos after initial remediation



Access road (facing N)



At south end of pad facing north

End of access road (facing W)



At south end of pad facing north





At south east end of pad facing north west

At south east end of pad facing north west





At south east end of pad facing north west

At the entrance to the pad facing down the access road

8 Soil Sample Plan

Maralex Resources, Inc, proposes a sampling methodology of collecting five (5) samples within the release flow path and three background samples upgradient of the impacted area utilizing NMAC Table I Closure Criteria for Soils Impacted by a Release. All samples will be hand augured to a depth of one (1) foot or to a restrictive layer. All samples will be transported via ice and analyzed utilizing EPA 300 approved series. Additionally, the BLM representative present during soil sampling requested two additional samples be taken in areas of concern that staining or contamination may still be present. Each background control sample and spill sample location are listed below.

SP1 - 36.370181°N /-107.984994°W SP2 - 36.370247°N /-107.984921°W SP3 - 36.370311°N /-107.984801°W SP4 - 36.369920°N /-107.985045°W SP5 - 36.370365°N /-107.984696°W SP6 - 36.370097°N /-107.985001°W

Control 1 – 36.370106°N /-107.984231°W Control 2 – 36.370630°N /-107.984350°W Control 3 – 36.369796°N /-107.984822°W



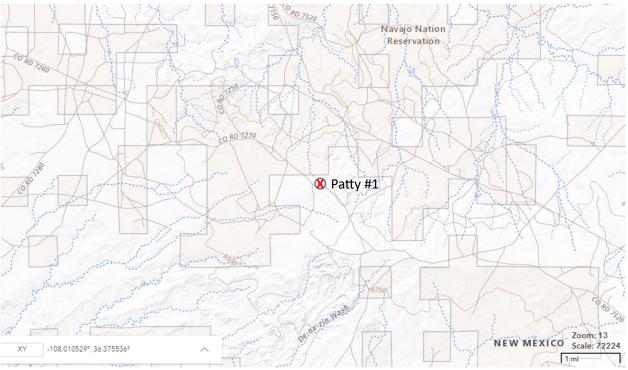
9 Remediation and Closure

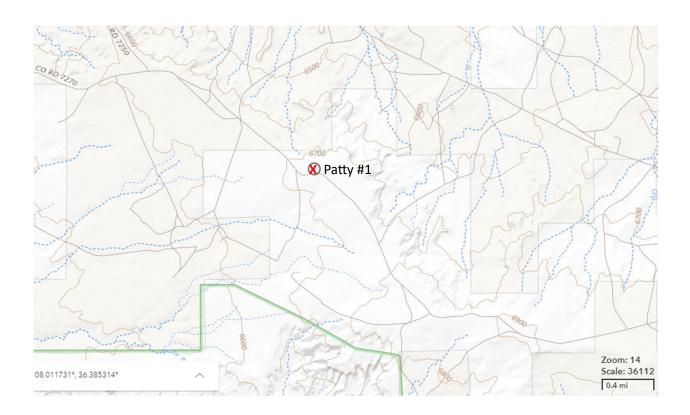
As mentioned above, initial cleanup and remediation occurred immediately after the release. Based on sampling results from this proposed plan, if levels of contaminants exceed Table 1 (ground water greater the 100-feet), Maralex Resources Inc will summit a remediation plan to further remediate and reclaim the impacted area. If the samples come back clean and levels of contaminants are below the Table 1 (ground water greater the 100-feet), MRI will pursue the closure of the incident with NMOCD via a C-141 based on the remediation and reclamation that has already occurred. The BLM will be consulted for any required reclamation of the area to meet their reclamation standards.

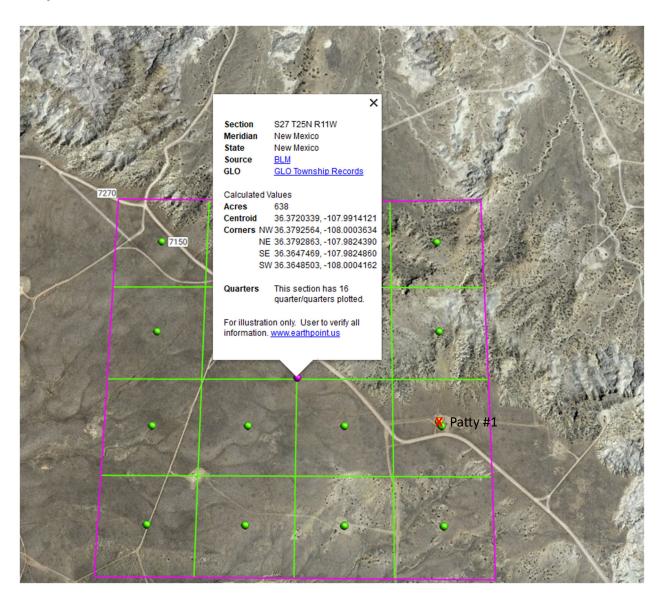
Attachment II – Table I Closure Criteria for Soils Impacted by a Release

		Table I								
Closure Criteria for Soils Impacted by a Release										
Minimum depth below any point within the horizontal boundary of the release to ground water less than 10,000 mg/l TDS	Constituent	Method*	Limit**							
	Chloride***	EPA 300.0 or SM4500 Cl B	600 mg/kg							
<= 50 feet	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	100 mg/kg							
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg							
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg							
	Chloride***	EPA 300.0 or SM4500 Cl B	10,000 mg/kg							
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg							
51 feet-100 feet	GRO+DRO	RO+DRO EPA SW-846 Method 8015M								
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg							
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg							
	Chloride***	EPA 300.0 or SM4500 Cl B	20,000 mg/kg							
100 for the	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg							
>100 feet	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg							
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg							
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg							









▲ IMG_3581.JPG

1 of 1

1625 N. French Dr., Hobbs, NM 88240 District II	State of New Mexico Energy Minerals and Natural Resources	Form C-138 Revised August 1, 2011
811 S. First St., Artesia, NM 88210 <u>District III</u> 1000 Rto Brazos Road, Aziec, NM 87410 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505	Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	*Surface Waste Management Facility Operator and Generator shall maintain and make this documentation available for Division inspection.
REQUEST FO	OR APPROVAL TO ACCEPT S	OLID WASTE
Maralex Resources, Inc.	Dinnig code	TOT INVINCE.
2. Originating Site:		· · · · · · · · · · · · · · · · · · ·
Patty #1 3. Location of Material (Street Address,	City, State or ULSTR):	
36.3701973/-	- 107, 7871 <u> 05</u>	
	Known Volume (to be entered by the operator:	at the end of the haul) yd3/bbls
5 GENERATO	OR CERTIFICATION STATEMENT OF W	ASTRICTATIUS.
PRINT & SIGN NAME ertify that according to the Resource Conser	vation and Recovery Act (RCRA) and the US	Environmental Protection Agency's July 1988
egulatory determination, the above described RCRA Exempt: Oil field wastes gen	I waste is: (Check the appropriate classification perated from oil and gas exploration and produce	i) ction operations and are not mixed with non-
exempt waste. <u>Operators User Only s</u>	WasterAcceptanceth requency 14 Monthly	the minimum standards for waste hazardous t
characteristics established in RCRA reon	lations 40 CFR 261 21-261 24, or listed hazar	ove-described waste is non-hazardous. (Chec
MSDS Information	us Waste Analysis	Other (Provide description in Box 4)
GENERATOR 19.15.36.15 WAS MOLLUE O DE TENTESEN	STE TESTING CERTIFICATION STATE	MENT FOR LANDFARMS
Mellie Older, represent	STE TESTING CERTIFICATION STATE tative for ###################################	MENT FOR LANDFARMS
Mellie UAGE, represent Generator Signature piete the required testing/sign the Generat	STE TESTING CERTIFICATION STATE tative for MACAGA Cyangles out tor Waste Testing Certification.	MENT FOR LANDFARMS Lauthorize Envirotech to do hereby certify that
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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

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 220546

CONDITIONS

Operator:	OGRID:
MARALEX RESOURCES INC	13998
P.O. Box 338	Action Number:
Ignacio, CO 81137	220546
	Action Type:
	[C-141] Release Corrective Action (C-141)

CONDITIONS

Created By		Condition Date
jharimon	None	6/6/2023