



Remediation Summary and Closure Request

May 23, 2023

East Hobbs San Andres Unit #408 Crude Oil and Produced Water Release

Incident #: nAPP2220231375

Prepared For:

Penroc Oil Corporation
1515 Calle Sur, Suite 174
Hobbs, New Mexico 88240

Prepared By:

Crain Environmental
2925 East 17th Street
Odessa, Texas 79761

Type text here

A handwritten signature in blue ink that reads 'Cynthia K. Crain'.

Cynthia K. Crain, P.G.

East Hobbs San Andres Unit #408
Crude Oil and Produced Water Release
Remediation Summary and Closure Request



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1.0 Introduction

Crain Environmental (CE), on behalf of Penroc Oil Corporation (Penroc), has prepared this *Remediation Summary and Closure Request* for the crude oil and produced water release at East Hobbs San Andres Unit #408 (Site), located approximately 1.5 miles east of Hobbs, in Lea County, New Mexico. The global positioning system (GPS) coordinates for the Release Site are 32.7159767, -103.0789185. The property surface rights are privately owned. The location of the Release Site is depicted on Figure 1.

2.0 Background

On July 17, 2022, Penroc observed that a crude oil and produced water release had occurred at the East Hobbs San Andres Unit (EHSAU) Central Tank Battery (Battery), and an Initial Release Notification Report (C-141) was submitted to the New Mexico Oil Conservation Division (NMOCD) on July 21, 2022.

On July 20, 2022, the NMOCD informed Penroc that a nearby resident had complained of a hydrogen sulfide (H₂S) odor. Penroc inspected the Battery and discovered a leak in the flowline from the EHSAU #408 wellhead, located approximately 45 feet west of the Battery. The leak was repaired on July 20, 2023, and a revised C-141 was submitted to the NMOCD on August 5, 2023. The C-141 was approved by the NMOCD on that date, and Incident # nAPP2220231375 was assigned to the release.

It was estimated that 25 barrels (bbls) of crude oil and 45 bbls of produced water were released because of compressor failure. Approximately 20 bbls of crude oil and 40 bbls of produced water were recovered from the Battery on July 17, 2023, using a vacuum truck. All fluid was contained within the Battery firewall. Storage tank gauging data and visual observation was used to determine the amount of the release, and vacuum truck recovery volume was provided by the truck operator. The release point and the surface extent of the crude oil and produced water release are depicted on Figure 2.

On October 22, 2022, Penroc requested a 30-day extension to complete soil investigation and submit a Site Characterization Report. On October 25, 2022, the NMOCD advised that a Site Characterization Report would not be required if the release was confined within a lined secondary containment. Due to space limitations within the Battery, impacted soil was being removed by hand methods, and a liner within the Battery had been observed. Several rainfall events were hampering the removal process, and on October 29, 2022, Penroc requested a 90-day extension to submit a Closure Report. On October 31, 2022, the extension was approved until January 17, 2023. Additional rainfall and personnel issues delayed remediation efforts and Penroc requested additional 90-day extensions on January 10, 2023 (approved until April 17, 2023), and April 10, 2023. On April 11, 2023, the NMOCD approved the final 90-day extension until June 10, 2023. A copy of the C-141 and NMOCD communication is provided in Appendix A.

3.0 NMOCD Closure Criteria

Cleanup standards for crude oil and produced water spills are provided in 19.15.29 NMAC. The cleanup standards (described in the rule as "Closure Criteria") are based primarily on depth to groundwater but are also based on other criteria.

The Closure Criteria applicable to the Site will be based on the estimated depth to groundwater at the Release Site, which dictates the moderately stringent regulatory guidelines typically associated with groundwater depths of greater than fifty (50) feet bgs. The NMOCD requires that soil concentrations from surface to a depth of 4 feet bgs must meet the most stringent Closure Criteria regardless of depth to groundwater; however, at depths greater than 4 feet bgs, the mid-level Closure Criteria is applicable to the Site. A summary of the Closure Criteria is provided in the table below and in Table 1.



NMOCD Closure Criteria

Constituent of Concern		Closure Criteria Based on Depth to Groundwater (mg/kg)		
		≤ 50 feet bgs	51 feet to 100 feet bgs	> 100 feet bgs
Chloride (EPA 300)		600	10,000	20,000
TPH (EPA 8015M)	GRO + DRO + MRO	100	2,500	2,500
	GRO + DRO	NA	1,000	1,000
Total BTEX (EPA 8021 or 8260)		50	50	50
Benzene (EPA 8021 or 8260)		10	10	10

Notes: NA = not applicable
 bgs = below ground surface
 mg/kg = milligrams per kilogram
 GRO = gasoline range organics
 DRO = diesel range organics
 MRO = motor oil range organics
 TPH = total petroleum hydrocarbons
 BTEX = benzene, toluene, ethylbenzene, and total xylenes
 Green highlighted cells denote applicable Closure Criteria.

4.0 Remediation Activities

As weather conditions and personnel issues would allow, impacted soil was excavated by hand methods from October 3, 2022, through January 31, 2023. During that time, approximately 30 cubic yards (cy) of soil was excavated and hauled to disposal. The liner was found continuously within the Battery, at a depth of approximately 8 inches below ground surface (bgs). At a depth of approximately 3 inches bgs, visibly impacted soil was no longer observed.

From April 17 through April 28, 2023, Elite Environmental Services, LLC (Elite), completed treatment of the remaining impacted soil within the Battery. To promote porosity of the soil, the remaining soil within the Battery was tilled with a bobcat to a depth of 3 inches and a reagent called Bio-Regen SA1000 was applied to the soil within the Battery. The Bio-Regen SA 1000 product is manufactured by 3Tier Technologies. The reagent is an advanced treatment product that combines two Polyelectrolyte Enhanced Organic Bio-Polymers (PEB) with bio-available calcium. PEB naturally binds, adsorbs, and coordinates sodium cations and chlorine anions. Any sodium/chloride residue creates a new mineral formation resulting in sodium, chloride, cation and anion conversion into a physically and mechanically bound status, thus eliminating salt toxicity and resulting in desalination and chloride/salt toxicity reduction/elimination.

On May 3, 2023, four five-point composite samples (TB-1 through TB-4) were collected from the remaining soil within the Battery, at a depth of 0 to 6 inches bgs. All soil samples were placed in laboratory prepared containers, properly labeled, immediately placed on ice, and hand delivered to Cardinal Laboratories (Cardinal) in Hobbs, New Mexico for analysis of total petroleum hydrocarbons (TPH) by Environmental Protection Agency (EPA) SW-846 Method 8015 Modified, for benzene, toluene, ethylbenzene and xylenes (collectively referred to as BTEX) by EPA SW-846 Method 8021B, and for chlorides by Method SM4500Cl-B.



Table 1 provides a summary of the laboratory results, and sample locations with concentrations are provided on Figure 2. The laboratory reports and chain-of-custody documentation are provided in Appendix B. Photographic documentation is provided in Appendix C. Referring to Table 1, concentrations of TPH, BTEX, and chlorides were reported below the Closure Criteria in all samples.

5.0 Laboratory Analytical Data Quality Assurance/Quality Control Results

Data in the laboratory report dated May 8, 2023, generated by Cardinal in Hobbs, New Mexico, was reviewed to ensure that reported analytical results met data quality objectives. It was determined by quality control data associated with analytical results that reported concentrations of target analytes are defensible and that measurement data reliability is within the expected limits of sampling and analytical error. All analytical results are usable for characterization of soil at the Site. The laboratory analytical results are provided as Appendix B.

6.0 Request for Closure

From October 3, 2022, through April 28, 2023, all impacted soil within the lined Battery area, was excavated, disposed, or treated, until in situ soil concentrations of TPH, BTEX, and chlorides were reported below the NMOCD Closure Criteria.

Penroc respectfully requests that Closure be approved for Incident No. nAPP2220231375.

7.0 Distribution

Copy 1: Mike Bratcher
New Mexico Energy, Minerals, and Natural Resources Department
Oil Conservation Division, District 2
811 S. First Street
Artesia, New Mexico 88210

Copy 2: Merch Merchant
Penroc Oil Corporation
1515 Calle Sur, Suite 174
Hobbs, New Mexico 88240



TABLE

TABLE 1
SUMMARY OF SOIL SAMPLE ANALYTICAL RESULTS
PENROC OIL CORPORATION
EHS AU #408
Incident No. nAPP2220231375

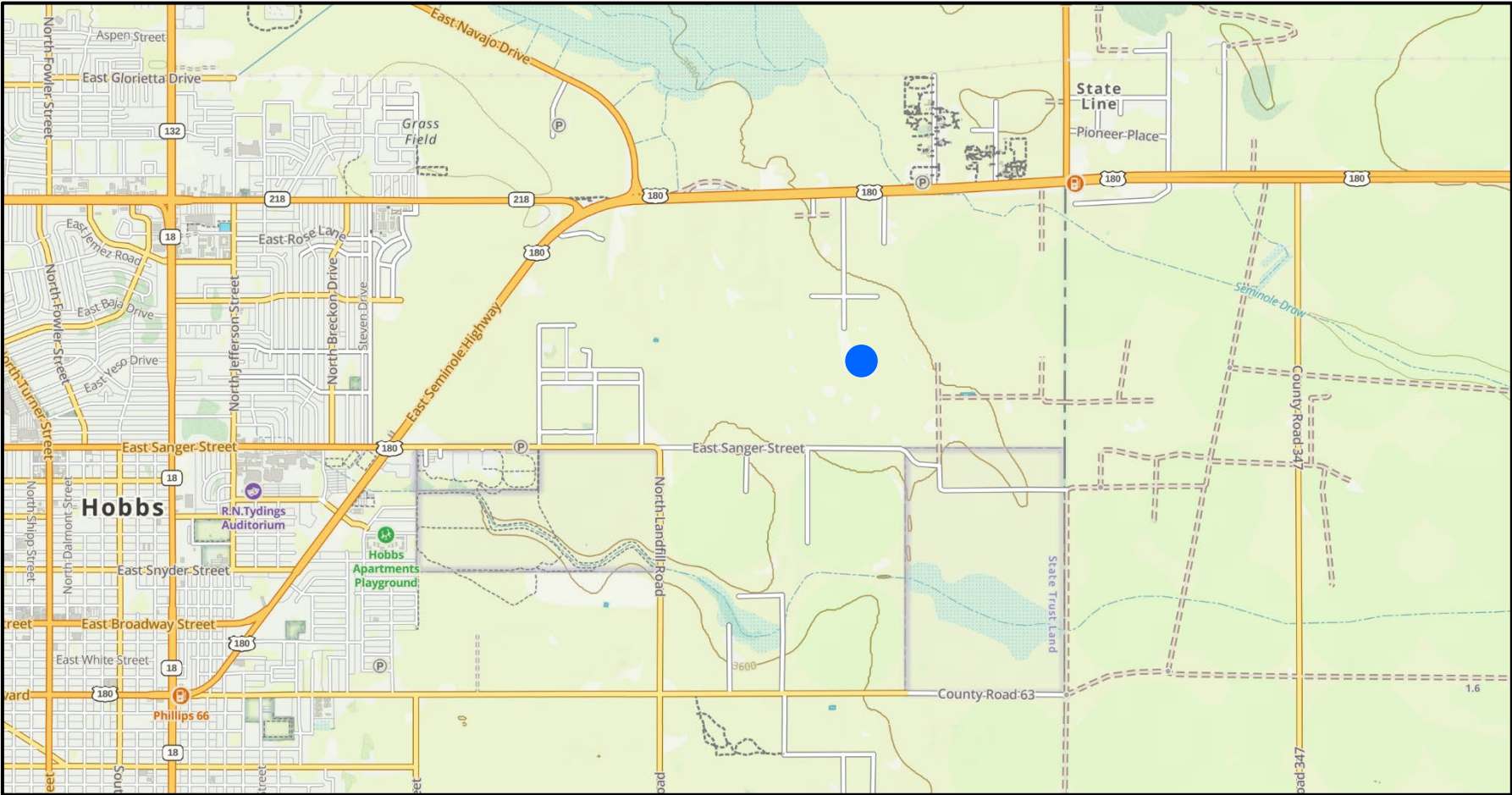
Sample ID	Sample Date	Sample Depth	Soil Status	TPH (GRO)	TPH (DRO)	TPH (MRO)	Total TPH	Benzene	Toluene	Ethylbenzene	Total Xylenes	Total BTEX	Chloride
				milligrams per kilogram (mg/kg)									
NMOCD Closure Criteria (Surface to 4' bgs)				-	-	-	100	10	-	-	-	50	600
NMOCD Closure Criteria (Greater than 4' bgs)				GRO + DRO = 1,000		-	2,500	10	-	-	-	50	10,000
TB-1	05/03/23	0-6"	In Situ	<10.0	<10.0	<10.0	<10.0	<0.050	<0.050	<0.050	<0.150	<0.300	32.0
TB-2	05/03/23	0-6"	In Situ	<10.0	<10.0	<10.0	<10.0	<0.050	<0.050	<0.050	<0.150	<0.300	48.0
TB-3	05/03/23	0-6"	Excavated	<10.0	60.1	<10.0	60.1	<0.050	<0.050	<0.050	<0.150	<0.300	32.0
TB-4	05/03/23	0-6"	Excavated	<10.0	70.6	<10.0	70.6	<0.050	<0.050	<0.050	<0.150	<0.300	32.0

Notes:

1. GRO: Gasoline Range Organics
2. DRO: Diesel Range Organics
3. MRO: Motor Oil Range Organics
4. bgs: Below ground surface.
5. - : No NMOCD Closure Criteria established.
6. Bold indicates the COC was above the appropriate laboratory method/sample detection limit.
7. < : Indicates the COC was below the appropriate laboratory method/sample detection limit.



FIGURES



LEGEND: ● Site Location Base Map from GAIA GPS	Figure 1 Site Location Map Penroc Oil Corporation East Hobbs San Andres Unit #408 Lea County, New Mexico	Drafted by: CC Checked by: CC	
		Draft: May 20, 2023	
		GPS: 32.7159767° -103.0789185°	

**LEGEND:**

- Affected Soil Boundary
- Sample Location With Concentrations (mg/kg).
- Release Point

Figure 2
Sample Location Map
Penroc Oil Corporation
East Hobbs San Andres #408
Lea County, New Mexico

Drafted by: CC | Checked by: CC

Draft: May 20, 2023

GPS: 32.7159767° -103.0789185°





Appendix A: Release Notification and Corrective Action Form (NMOCD Form C-141) and NMOCD Communication

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	NAPP2220231375
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party Penroc Oil Corporation	OGRID 17213
Contact Name M.Y. Merchant	Contact Telephone 575-492-1236
Contact email mymerch@penrocoil.com	Incident # (assigned by OCD) NAPP2220231375
Contact mailing address PO Box 2769, Hobbs, NM 88241	

Location of Release Source

Latitude 32.7159767 Longitude -103.0789185
(NAD 83 in decimal degrees to 5 decimal places)

Site Name East Hobbs San Andres Unit	Site Type Tank Battery
Date Release Discovered 07/17/2022 and 07/20/22	API# (if applicable)

Unit Letter	Section	Township	Range	County
I	30	18S	39E	Lea

Surface Owner: ☐ State ☐ Federal ☐ Tribal ☒ Private (Name: _____)

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

<input checked="" type="checkbox"/> Crude Oil	Volume Released (bbls) 25	Volume Recovered (bbls) 20
<input checked="" type="checkbox"/> Produced Water	Volume Released (bbls) 45	Volume Recovered (bbls) 40
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Condensate	Volume Released (bbls)	Volume Recovered (bbls)
<input type="checkbox"/> Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
<input type="checkbox"/> Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)

Cause of Release

The compressor went down. There was no Caprock alarm notification. We lost pressure to all the vessels. Oil and produced water release discovered on 7/17/22. Compressor repaired 7/17/22. Flow line release of H2S discovered on 7/20/22. Flow line repaired 7/20/22.

Form C-141

State of New Mexico
Oil Conservation Division

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Was this a major release as defined by 19.15.29.7(A) NMAC? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, for what reason(s) does the responsible party consider this a major release? More than 25bbbls released and neighbor complaint of H2S odor.
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? Immediate notice was not given to OCD.	

Initial Response

The responsible party must undertake the following actions immediately unless 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.

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

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: M. Y. Merchant Title: President

Signature: [Signature] Date: 8/4/2022

email: mymerch@penrocoil.com Telephone: 575-492-1236

OCD Only

Received by: Jocelyn Harimon Date: 08/05/2022

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

Action 131790

CONDITIONS

Operator: PENROC OIL CORP P.O. Box 2769 Hobbs, NM 882412769	OGRID: 17213
	Action Number: 131790
	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	8/5/2022

Incident ID	nAPP2220231375
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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>>50</u> (ft bgs)
Did this release impact groundwater or surface water?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of a wetland?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release overlying a subsurface mine?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release overlying an unstable area such as karst geology?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within a 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Did the release impact areas not on an exploration, development, production, or storage site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 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.

State of New Mexico
Oil Conservation Division

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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: _____ Title: _____

Signature: _____ Date: _____

email: _____ Telephone: _____

OCD Only

Received by: Jocelyn Harimon Date: 05/24/2023

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District RP	
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Application ID	

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 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: _____

email: _____ Telephone: _____

OCD Only

Received by: _____ Date: _____

☐ Approved ☐ Approved with Attached Conditions of Approval ☐ Denied ☐ Deferral Approved

Signature: _____ Date: _____

Incident ID	nAPP2220231375
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Facility ID	
Application ID	

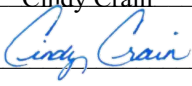
Closure

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 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 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 District office must be notified 2 days prior to final sampling)
- ☒ Description of remediation activities

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. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete.

Printed Name: Cindy Crain Title: Agent for Penroc Oil Corporation
Signature:  Date: 5/23/23
email: cindy.crain@gmail.com Telephone: (575) 441-7244

OCD Only

Received by: Jocelyn Harimon Date: 05/24/2023

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: 08/15/2023
Printed Name: Nelson Velez Title: Environmental Specialist - Adv



Cindy Crain <cindy.crain@gmail.com>

Oct 22, 2022,
12:18 AM

to ocd.enviro, bcc: mymerch

Greetings,

An initial C-141 for the Penroc Oil Corporation (Penroc) EHSAU #408 (Incident # nAPP2220231375) was approved by the OCD on August 5, 2022.

The crude oil release was confined to a lined area within the firewall at the Central Tank Battery. Given the space limitations within the release area, impacted soil is being excavated from the area by hand methods; however, several recent rainfall events have slowed the process. As weather conditions permit, Penroc will continue to remove impacted soil above the liner within the firewall of the tank battery, and haul impacted soil to an approved disposal facility.

It has been brought to our attention that a Site Characterization Report and Remediation Workplan was due to the OCD on October 15, 2022; however, it is unclear if a Characterization Report and Remediation Workplan are necessary since the release was contained within the lined area.

Could you please provide verification if the Report/Workplan is necessary. If the Report/Workplan is necessary, Penroc respectfully requests a 30-day extension on the due date.

Thank you for your assistance,

Cindy Crain

--

Crain Environmental
2925 East 17th Street
Odessa, TX 79761
(575) 441-7244



Nobui, Jennifer, EMNRD <Jennifer.Nobui@emnrd.nm.gov>

Oct 25, 2022,
12:21 PM

to Jocelyn,, Michael,, me

Hello Cindy

If the release occurred entirely in a secondary lined containment, and the release did not leave the secondary containment, and the secondary containment is intact, then you don't need a Remediation Plan, just a Closure Report showing the lined containment is intact. However, you may find that the liner on the secondary containment is not intact and has tears, where the release could have leaked from, and in that case you will need to collect soil samples to show the extent of the release beneath the lined containment. A Remediation Plan at this point could be submitted or you could address characterization, remediation and closure all in one report. Let me know if you have any questions and if you still would like an extension.

Thanks,
Jennifer Nobui

From: Enviro, OCD, EMNRD <OCD.Enviro@emnrd.nm.gov>
Sent: Monday, October 24, 2022 8:52 AM
To: Nobui, Jennifer, EMNRD <Jennifer.Nobui@emnrd.nm.gov>
Subject: FW: [EXTERNAL] Request for Extension and/or Clarification - Penroc Oil Corporation - East Hobbs San Andres Unit (EHSAU) #408 - Incident # nAPP2220231375

Jocelyn Harimon • Environmental Specialist
Environmental Bureau
EMNRD - Oil Conservation Division
1220 South St. Francis Drive | Santa Fe, NM 87505
(505)469-2821 | Jocelyn.Harimon@state.nm.us
[http:// www.emnrd.nm.gov](http://www.emnrd.nm.gov)

From: Cindy Crain <cindy.crain@gmail.com>
Sent: Friday, October 21, 2022 11:18 PM
To: Enviro, OCD, EMNRD <OCD.Enviro@emnrd.nm.gov>
Subject: [EXTERNAL] Request for Extension and/or Clarification - Penroc Oil Corporation - East Hobbs San Andres Unit (EHSAU) #408 - Incident # nAPP2220231375

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.



Cindy Crain <cindy.crain@gmail.com>

Oct 29, 2022,
10:40 PM

to Jennifer,, Jocelyn,, Michael,, bcc: mymerch

Jennifer,

Thank you for your response and clarification. As I mentioned in my previous email, impacted soil is being excavated from the area by hand methods; however, several recent rainfall events have slowed the process. As weather conditions permit, Penroc will continue to remove impacted soil above the liner within the firewall of the tank battery, and haul impacted soil to an approved disposal facility.

A Closure Report will be submitted once enough soil has been removed from the containment area to be able to inspect the liner. As we are having issues dealing with the weather, a 90-day extension would be appreciated in order to provide adequate time to complete soil remediation and submit a Closure Report.

Please let me know if you have any questions, or if you approve the extension.

Sincerely,
Cindy Crain

Nobui, Jennifer, EMNRD <Jennifer.Nobui@emnrd.nm.gov>

Oct 31, 2022,
11:27 AM

to Michael,, Jocelyn,, me

Hello Cindy

OCD has approved your request for a 90-day extension to January 17, 2023 to submit a closure report to the OCD portal. Please include a copy of this and all notifications in the remedial and/or closure reports to ensure the notifications are documented in the project file.

Thanks,
Jennifer Nobui

From: Cindy Crain <cindy.crain@gmail.com>
Sent: Saturday, October 29, 2022 9:40 PM
To: Nobui, Jennifer, EMNRD <Jennifer.Nobui@emnrd.nm.gov>
Cc: Harimon, Jocelyn, EMNRD <Jocelyn.Harimon@emnrd.nm.gov>; Bratcher, Michael, EMNRD <mike.bratcher@emnrd.nm.gov>



Cindy Crain <cindy.crain@gmail.com>

Oct 31, 2022,
12:01 PM

to Jennifer,, Michael,, Jocelyn,, bcc: mymerch

Thank you, Jennifer!

Cindy Crain, P.G.
(575) 441-7244
cindy.crain@gmail.com



Cindy Crain <cindy.crain@gmail.com>

Jan 10, 2023,
12:44 PM

to Jennifer,, Michael,, Jocelyn,, bcc: mymerch

Hi Jennifer,

As I mentioned to you on the phone yesterday, soil remediation at the Penroc Oil Corporation (Penroc) East Hobbs San Andres Unit (EHSAU) tank battery has been delayed by additional rainfall and by personnel availability. As the battery is currently shut down, and the impacted area is lined, the soil impacts are posing no threat to personnel or groundwater.

Penroc respectfully requests an additional 90-day extension to complete remediation and submit a Closure Report.

Please let me know if you have any questions, and/or if you approve the extension.

Thank you,
Cindy Crain

Nobui, Jennifer, EMNRD <Jennifer.Nobui@emnrd.nm.gov>

Jan 10, 2023,
12:59 PM

to Michael,, Jocelyn,, Robert,, me

Hello Cindy

OCD approves a 90-day extension to 04/17/2023 to submit a closure report. Please include a copy of this and all notifications in the remedial and/or closure reports to ensure the notifications are documented in the project file.

Thanks,
Jennifer Nobui

From: Cindy Crain <cindy.crain@gmail.com>

Sent: Tuesday, January 10, 2023 11:45 AM

To: Nobui, Jennifer, EMNRD <Jennifer.Nobui@emnrd.nm.gov>

Cc: Bratcher, Michael, EMNRD <mike.bratcher@emnrd.nm.gov>; Harimon, Jocelyn, EMNRD <Jocelyn.Harimon@emnrd.nm.gov>



Cindy Crain <cindy.crain@gmail.com>

Jan 10, 2023,
1:09 PM

to Jennifer,, Michael,, Jocelyn,, Robert,, bcc: mymerch

Jennifer,

Thank you for your quick response! Your help is greatly appreciated!

Sincerely,
Cindy Crain

Cindy Crain <cindy.crain@gmail.com>

Apr 10, 2023,
1:20 PM

to Jennifer,, Michael,, Jocelyn,, Robert,, mymerch

Jennifer,

Penroc is in the process of soil remediation at the EHSAU #408, but has not yet completed it. As a Closure Report is due by April 17, 2023, Penroc respectfully requests an additional 90-day extension to complete remediation and submit the Closure Report.

As the battery is lined, there are no potential impacts to soil or groundwater.

Please let me know if you have any questions or need additional information.

Thank you,
Cindy Crain



Bratcher, Michael, EMNRD <mike.bratcher@emnrd.nm.gov>

Apr 11, 2023,
10:17 AM

to me, Jennifer,, mymerch@penrocoil.com, Jocelyn,, Robert,

Cindy,

This site, Incident # nAPP2220231375, has had two 90-day extensions approved already. That is typically the limit unless for really good cause. I understand and appreciate that Penroc has worked diligently to bring several sites into compliance. With that said, OCD will grant a 60-day extension for submission of a closure report to June 10, 2023. Please include this and all correspondence in the closure report.

Thank you,

Mike Bratcher • Incident Supervisor
Environmental Bureau
EMNRD - Oil Conservation Division
506 W. Texas Ave | Artesia, NM 88210
(575) 626-0857 | mike.bratcher@emnrd.nm.gov
<http://www.emnrd.nm.gov/oed>

Cindy Crain <cindy.crain@gmail.com>

Apr 11, 2023,
11:18 AM

to Michael,, Jennifer,, mymerch@penrocoil.com, Jocelyn,, Robert,

Thank you for your understanding and approval of the 60-day extension, Mike!

Cindy Crain



Appendix B: Laboratory Analytical Results



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

May 08, 2023

MIKE HOLDER

ELITE ENVIRONMENTAL SERVICES

P.O. BOX 735

GAINSVILLE, TX 76241

RE: EAST HOBBS - TANK BATTERY

Enclosed are the results of analyses for samples received by the laboratory on 05/03/23 10:40.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-22-15. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Celey D. Keene". The signature is fluid and cursive, with the first name "Celey" and last name "Keene" clearly distinguishable.

Celey D. Keene

Lab Director/Quality Manager



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

ELITE ENVIRONMENTAL SERVICES
 MIKE HOLDER
 P.O. BOX 735
 GAINSVILLE TX, 76241
 Fax To:

Received: 05/03/2023
 Reported: 05/08/2023
 Project Name: EAST HOBBS - TANK BATTERY
 Project Number: NONE GIVEN
 Project Location: PENROC OIL - LEA CO NM

Sampling Date: 05/03/2023
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Tamara Oldaker

Sample ID: TB - 1 (H232176-01)

BTEx 8021B		mg/kg		Analyzed By: JH						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	05/04/2023	ND	1.99	99.3	2.00	10.1		
Toluene*	<0.050	0.050	05/04/2023	ND	2.03	101	2.00	12.9		
Ethylbenzene*	<0.050	0.050	05/04/2023	ND	2.12	106	2.00	11.2		
Total Xylenes*	<0.150	0.150	05/04/2023	ND	6.08	101	6.00	9.71		
Total BTEx	<0.300	0.300	05/04/2023	ND						

Surrogate: 4-Bromofluorobenzene (PID) 106 % 71.5-134

Chloride, SM4500Cl-B		mg/kg		Analyzed By: GM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	32.0	16.0	05/04/2023	ND	416	104	400	0.00		

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10*	<10.0	10.0	05/04/2023	ND	216	108	200	0.752	
DRO >C10-C28*	<10.0	10.0	05/04/2023	ND	199	99.6	200	1.77	
EXT DRO >C28-C36	<10.0	10.0	05/04/2023	ND					

Surrogate: 1-Chlorooctane 73.2 % 48.2-134

Surrogate: 1-Chlorooctadecane 77.4 % 49.1-148

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

ELITE ENVIRONMENTAL SERVICES
 MIKE HOLDER
 P.O. BOX 735
 GAINSVILLE TX, 76241
 Fax To:

Received: 05/03/2023
 Reported: 05/08/2023
 Project Name: EAST HOBBS - TANK BATTERY
 Project Number: NONE GIVEN
 Project Location: PENROC OIL - LEA CO NM

Sampling Date: 05/03/2023
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Tamara Oldaker

Sample ID: TB - 2 (H232176-02)

BTEx 8021B		mg/kg		Analyzed By: JH						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	05/04/2023	ND	1.99	99.3	2.00	10.1		
Toluene*	<0.050	0.050	05/04/2023	ND	2.03	101	2.00	12.9		
Ethylbenzene*	<0.050	0.050	05/04/2023	ND	2.12	106	2.00	11.2		
Total Xylenes*	<0.150	0.150	05/04/2023	ND	6.08	101	6.00	9.71		
Total BTEx	<0.300	0.300	05/04/2023	ND						

Surrogate: 4-Bromofluorobenzene (PID) 105 % 71.5-134

Chloride, SM4500CI-B		mg/kg		Analyzed By: GM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	48.0	16.0	05/04/2023	ND	416	104	400	0.00		

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10*	<10.0	10.0	05/04/2023	ND	216	108	200	0.752	
DRO >C10-C28*	<10.0	10.0	05/04/2023	ND	199	99.6	200	1.77	
EXT DRO >C28-C36	<10.0	10.0	05/04/2023	ND					

Surrogate: 1-Chlorooctane 107 % 48.2-134

Surrogate: 1-Chlorooctadecane 113 % 49.1-148

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



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Analytical Results For:

ELITE ENVIRONMENTAL SERVICES
 MIKE HOLDER
 P.O. BOX 735
 GAINSVILLE TX, 76241
 Fax To:

Received: 05/03/2023
 Reported: 05/08/2023
 Project Name: EAST HOBBS - TANK BATTERY
 Project Number: NONE GIVEN
 Project Location: PENROC OIL - LEA CO NM

Sampling Date: 05/03/2023
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Tamara Oldaker

Sample ID: TB - 3 (H232176-03)

BTEx 8021B		mg/kg		Analyzed By: JH						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	05/04/2023	ND	1.99	99.3	2.00	10.1		
Toluene*	<0.050	0.050	05/04/2023	ND	2.03	101	2.00	12.9		
Ethylbenzene*	<0.050	0.050	05/04/2023	ND	2.12	106	2.00	11.2		
Total Xylenes*	<0.150	0.150	05/04/2023	ND	6.08	101	6.00	9.71		
Total BTEx	<0.300	0.300	05/04/2023	ND						

Surrogate: 4-Bromofluorobenzene (PID) 104 % 71.5-134

Chloride, SM4500Cl-B		mg/kg		Analyzed By: GM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	32.0	16.0	05/04/2023	ND	416	104	400	0.00	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10*	<10.0	10.0	05/04/2023	ND	216	108	200	0.752	
DRO >C10-C28*	60.1	10.0	05/04/2023	ND	199	99.6	200	1.77	
EXT DRO >C28-C36	<10.0	10.0	05/04/2023	ND					

Surrogate: 1-Chlorooctane 80.9 % 48.2-134

Surrogate: 1-Chlorooctadecane 89.1 % 49.1-148

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

ELITE ENVIRONMENTAL SERVICES
 MIKE HOLDER
 P.O. BOX 735
 GAINSVILLE TX, 76241
 Fax To:

Received: 05/03/2023
 Reported: 05/08/2023
 Project Name: EAST HOBBS - TANK BATTERY
 Project Number: NONE GIVEN
 Project Location: PENROC OIL - LEA CO NM

Sampling Date: 05/03/2023
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Tamara Oldaker

Sample ID: TB - 4 (H232176-04)

BTEx 8021B		mg/kg		Analyzed By: JH						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	05/04/2023	ND	1.99	99.3	2.00	10.1		
Toluene*	<0.050	0.050	05/04/2023	ND	2.03	101	2.00	12.9		
Ethylbenzene*	<0.050	0.050	05/04/2023	ND	2.12	106	2.00	11.2		
Total Xylenes*	<0.150	0.150	05/04/2023	ND	6.08	101	6.00	9.71		
Total BTEx	<0.300	0.300	05/04/2023	ND						

Surrogate: 4-Bromofluorobenzene (PID) 102 % 71.5-134

Chloride, SM4500CI-B		mg/kg		Analyzed By: GM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	32.0	16.0	05/04/2023	ND	416	104	400	0.00	

TPH 8015M		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10*	<10.0	10.0	05/04/2023	ND	216	108	200	0.752	
DRO >C10-C28*	70.6	10.0	05/04/2023	ND	199	99.6	200	1.77	
EXT DRO >C28-C36	<10.0	10.0	05/04/2023	ND					

Surrogate: 1-Chlorooctane 74.0 % 48.2-134

Surrogate: 1-Chlorooctadecane 80.9 % 49.1-148

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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A handwritten signature in black ink, appearing to read "Celey D. Keene".

Celey D. Keene, Lab Director/Quality Manager



101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>Elite Environmental Services</u>				BILL TO				ANALYSIS REQUEST											
Project Manager: <u>Mike Holder</u>				P.O. #:				<div style="display: flex; flex-direction: column; align-items: center;"> <div>TPH - 8015m</div> <div>BTEX</div> <div>4500 EPA Chloride</div> </div>											
Address: <u>P.O. Box 735</u>				Company: <u>Pen Roc Oil</u>															
City: <u>Gadsdenville</u>		State: <u>TX</u>		Zip: <u>76241</u>		Attn:													
Phone #: <u>918-740-2266</u>		Fax #:		Address:		City:													
Project #:		Project Owner: <u>Pen Roc Oil</u>		State:		Zip:													
Project Name: <u>East Hobbs - Tank Battery</u>				Phone #:															
Project Location: <u>East of Hobbs</u>				Fax #:															
Sampler Name: <u>Uldes</u>																			

FOR LAB USE ONLY		Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX						PRESERV.			SAMPLING		DATE	TIME
GROUNDWATER	WASTEWATER					SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER						
		<u>H232176</u>																
		<u>1</u>	<u>TB - 1</u>	<u>C</u>	<u>1</u>			<u>X</u>					<u>X</u>	<u>ICE / COOL</u>		<u>5-3-23</u>	<u>9:40</u>	
		<u>2</u>	<u>TD - 2</u>	<u>C</u>	<u>1</u>			<u>X</u>					<u>X</u>			<u>5-3-23</u>	<u>9:44</u>	
		<u>3</u>	<u>TB - 3</u>	<u>C</u>	<u>1</u>			<u>X</u>					<u>X</u>			<u>5-3-23</u>	<u>9:48</u>	
		<u>4</u>	<u>TB - 4</u>	<u>C</u>	<u>1</u>			<u>X</u>					<u>X</u>			<u>5-3-23</u>	<u>9:55</u>	

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Relinquished By: <u>Mike Holder</u>		Date: <u>5-3-23</u>	Received By: <u>Monica Aldridge</u>		Verbal Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Phone #:		
Time: <u>1040</u>		Time: <u>1040</u>		All Results are emailed. Please provide Email address:			
Relinquished By:		Date:	Received By:		REMARKS:		
Time:		Time:		FRIDAY Afternoon 5-5-23 If possible			
Delivered By: (Circle One)		Observed Temp. °C <u>3.8</u>	Sample Condition		Turnaround Time: <input checked="" type="checkbox"/> Standard <input type="checkbox"/> Rush		
Sampler - UPS - Bus - Other:		Corrected Temp. °C <u>3.2</u>	Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		Bacteria (only) Sample Condition Cool Intact Observed Temp. °C Yes <input type="checkbox"/> No <input type="checkbox"/>		
FORM-006 R 3.3 07/16/22		CHECKED BY: (Initials) <u>GO</u>		Thermometer ID #113 Correction Factor -0.6°C		Corrected Temp. °C	

† Cardinal cannot accept verbal changes. Please email changes to celey.keene@cardinallabsnm.com



Appendix C: Photographic Documentation

Appendix C
 Penroc Oil Corporation
 East Hobbs San Andres Unit #408



View of TB sign (8/31/22).



View of Well #408 sign (8/31/22).



View to E along S edge of containment (8/31/22).



View to N from S edge of containment (8/31/22).



View to NW from SE corner of containment (8/31/22).



View of remediation at SE corner of containment (10/4/22).



View of containment liner (10/4/22).



View to N of remediated area (10/4/22).



View of containment liner (11/1/22).



View to W of completed remediation (5/3/23).



View to E of completed remediation (5/4/23).



View to E of completed remediation (5/4/23).

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

Action 219764

CONDITIONS

Operator: PENROC OIL CORP P.O. Box 2769 Hobbs, NM 882412769	OGRID: 17213
	Action Number: 219764
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
nvelez	None	8/15/2023