LINER INSPECTION AND CLOSURE REPORT REPORTABLE RELEASE

Spur Energy Partners

Falabella 31 Fee 1H Battery Incident ID: nAPP2307231629 Eddy County, NM

Prepared by:



Paragon Environmental LLC 1601 N. TURNER ST. STE.500 Hobbs, NM 88240 575-631-6977

GENERAL DETAILS

This report was prepared by Paragon Environmental LLC (Paragon) in response to the release for Spur Energy Partners (Spur) at the **Fallabella 31 Fee 1H Battery (Fallabella)**.

API #: 30-015-40814

Site Coordinates: Latitude: 32.69764 Longitude: -104.42861

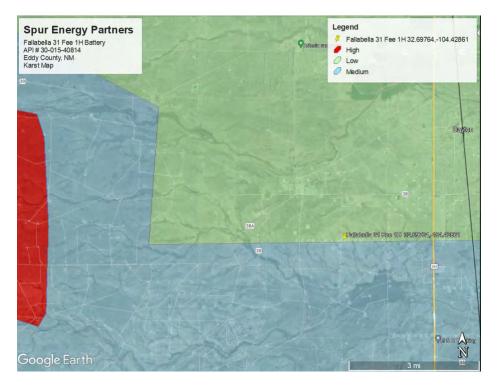
Unit UL M, Section 31, Township 18S, Range 26E

Incident ID: nAPP2307231629

REGULATORY FRAMEWORK

<u>Depth to Groundwater</u>: According to the New Mexico State of Engineers Office, the nearest water data is more than 1/2 mile away. See Appendix A for details.

<u>Soil Survey:</u> Per the New Mexico Bureau of Geology and Mineral Resources, the geology is in the Piedmont alluvial deposits (Holocene to lower Pleistocene)—Includes deposits of higher gradient tributaries bordering major stream valleys, alluvial veneers of the piedmont slope, and alluvial fans. May locally include uppermost Pliocene deposits (QP). According to the United States Department of Agriculture Natural Resources Conservation Service soil survey, the soil in this area comprises the Atoka Loam, with 0 to 3 percent slopes, and the Upton Gravelly Loam, with 0 to 9 percent slopes. The drainage courses in this area are well-drained. The karst geology in the area of the Falabella is in Low Karst. See the map below.



RELEASE DETAILS

This release was due to corrosion of the joint on the FWKO. This resulted in the release of 6 bbls of produced water and 7 bbls of crude oil into the Falcon Lined Containment. A vacuum truck was dispatched and recovered 12 bbls of the fluids.

Date of Spill: 03/10/2023

Comments: Reportable release.

Released: 6 bbls of Produced Water

7 bbls of Crude Oil

Recovered: 6 bbls of Produced Water

6 bbls of Crude Oil

INITIAL SITE ASSESSMENT

On March 23, 2023, Paragon went to the Falabella and conducted an initial assessment. There was obvious staining on the liner from the spill. There were no signs outside the containment that the liner had been breached. Therefore, no samples were taken.

REMEDIATION ACTIVITIES

On March 24, 2023, Paragon returned to the site with equipment and personnel to conduct cleanup activities. We initially sprayed the affected area with a degreaser. We then power washed and squeegeed the runoff to where the vacuum truck could capture the fluids.

On April 10, 2023, Paragon returned to the site to conduct a liner inspection. A 48-hour notification was sent out to the NMOCD on April 5, 2023. The inspection concluded that the liner was intact and in good condition. The integrity of the liner appears to have the ability to contain spills. See Appendix D for the email notification and liner report.

CLOSURE REQUEST

After careful review, Paragon requests that the incident, nAPP2307231629, be closed. Spur has complied with the applicable closure requirements. If you have any questions or need additional information, please contact Tristan Jones at 575-318-6841 or tristan@paragonenvironmental.net.

Respectfully, Tristan Jones Project Coordinator Paragon Environmental LLC

Chris Jones Environmental Professional Paragon Environmental LLC

Attachments

Figures:

- 1- Site Map
- 2- Topo Map
- 3- Aerial Map

Appendices:

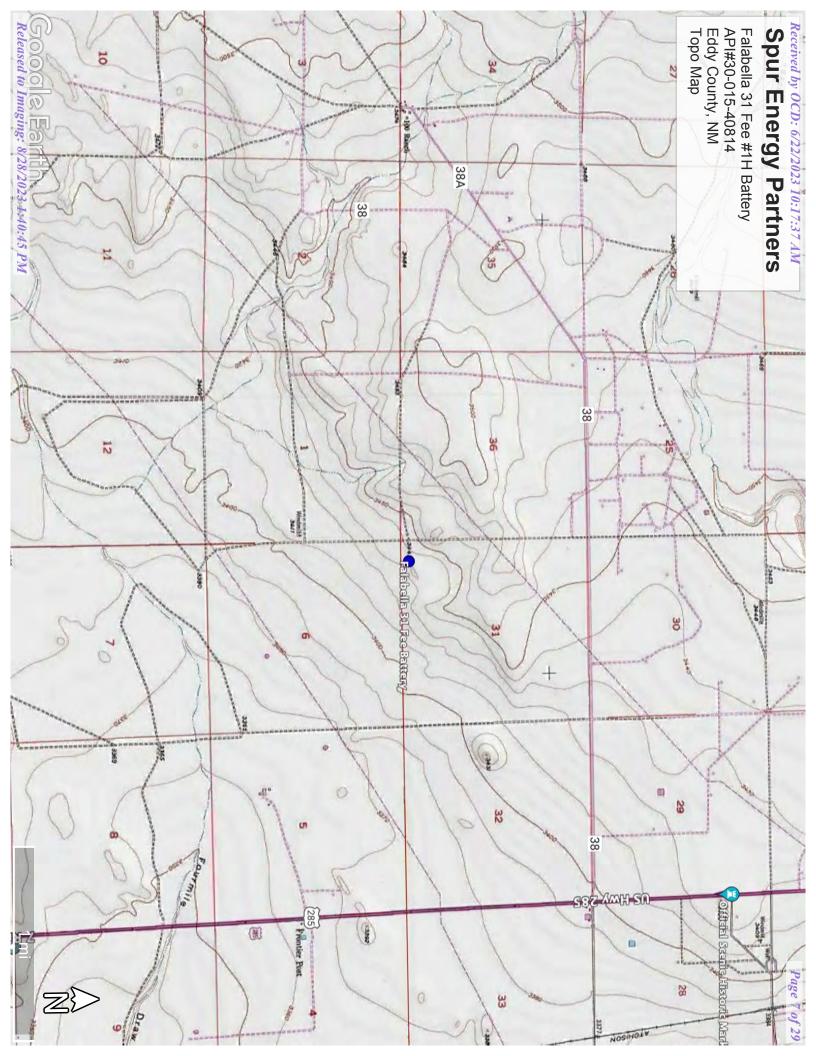
- Appendix A- Referenced Water Data
- Appendix B- Soil Survey & FEMA Flood Map
- Appendix C- C-141
- Appendix D- Email Notification, Liner Inspection, and Photographic Documentation

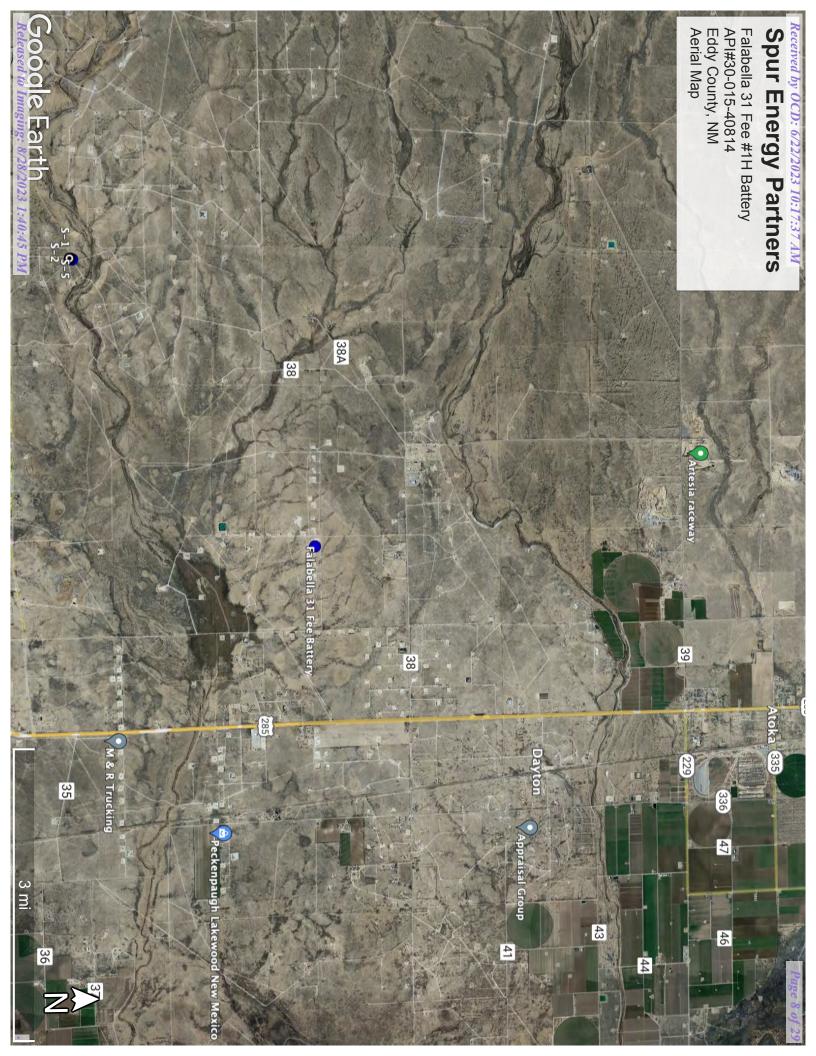


Figures:

- 1-Site Map
- 2- Topo Map
- 3- Aerial Map









Appendix A Referenced Water Data:

New Mexico State of Engineers Office



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW#### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is

closed)

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

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

(In feet)

POD Sub-

Q Q Q

Water

POD Number RA 08999
 Code
 basin
 County
 64 16 4 Sec
 Tws
 Rng

 RA
 ED
 4 2 1 31 18S 26E

X Y 554138 3619158*

DistanceDepthWellDepthWater Column1349 222 80 142

Average Depth to Water:

80 feet

Minimum Depth:

80 feet

Maximum Depth:

80 feet

Record Count: 1

UTMNAD83 Radius Search (in meters):

Easting (X): 553641.501

Northing (Y): 3617903.439

Radius: 1600

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

4/4/23 10:59 AM

WATER COLUMN/ AVERAGE DEPTH TO

WATER



Appendix B Soil Survey:

U.S.D.A.

FEMA Flood Map

Eddy Area, New Mexico

At—Atoka loam, 1 to 3 percent slopes

Map Unit Setting

National map unit symbol: 1w41 Elevation: 1,100 to 4,300 feet

Mean annual precipitation: 7 to 14 inches

Mean annual air temperature: 60 to 70 degrees F

Frost-free period: 200 to 240 days

Farmland classification: Farmland of statewide importance

Map Unit Composition

Atoka and similar soils: 98 percent Minor components: 2 percent

Estimates are based on observations, descriptions, and transects of

the mapunit.

Description of Atoka

Setting

Landform: Plains

Landform position (three-dimensional): Riser

Down-slope shape: Convex Across-slope shape: Linear Parent material: Mixed alluvium

Typical profile

H1 - 0 to 8 inches: loam
H2 - 8 to 33 inches: loam
H3 - 33 to 37 inches: indurated

Properties and qualities

Slope: 1 to 3 percent

Depth to restrictive feature: 20 to 40 inches to petrocalcic

Drainage class: Well drained

Runoff class: High

Capacity of the most limiting layer to transmit water (Ksat): Very low

to moderately low (0.00 to 0.06 in/hr) Depth to water table: More than 80 inches

Frequency of flooding: None Frequency of ponding: None

Calcium carbonate, maximum content: 15 percent

Maximum salinity: Very slightly saline to slightly saline (2.0 to 4.0

mmhos/cm)

Sodium adsorption ratio, maximum: 1.0

Available water supply, 0 to 60 inches: Moderate (about 6.4

inches)

Interpretive groups

Land capability classification (irrigated): 3e Land capability classification (nonirrigated): 7e Hydrologic Soil Group: C

Ecological site: R070BC007NM - Loamy

Hydric soil rating: No

Minor Components

Atoka

Percent of map unit: 1 percent Ecological site: R070BC007NM - Loamy Hydric soil rating: No

Upton

Percent of map unit: 1 percent

Ecological site: R070BC025NM - Shallow

Hydric soil rating: No

Data Source Information

Soil Survey Area: Eddy Area, New Mexico Survey Area Data: Version 18, Sep 8, 2022

Eddy Area, New Mexico

Uo—Upton gravelly loam, 0 to 9 percent slopes

Map Unit Setting

National map unit symbol: 1w67 Elevation: 1,100 to 4,400 feet

Mean annual precipitation: 7 to 15 inches

Mean annual air temperature: 60 to 70 degrees F

Frost-free period: 200 to 240 days

Farmland classification: Not prime farmland

Map Unit Composition

Upton and similar soils: 96 percent *Minor components:* 4 percent

Estimates are based on observations, descriptions, and transects of

the mapunit.

Description of Upton

Setting

Landform: Ridges, fans

Landform position (three-dimensional): Side slope, rise

Down-slope shape: Convex Across-slope shape: Convex

Parent material: Residuum weathered from limestone

Typical profile

H1 - 0 to 9 inches: gravelly loam
H2 - 9 to 13 inches: gravelly loam
H3 - 13 to 21 inches: cemented

H4 - 21 to 60 inches: very gravelly loam

Properties and qualities

Slope: 0 to 9 percent

Depth to restrictive feature: 7 to 20 inches to petrocalcic

Drainage class: Well drained

Runoff class: High

Capacity of the most limiting layer to transmit water (Ksat): Low to

moderately high (0.01 to 0.60 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: None Frequency of ponding: None

Calcium carbonate, maximum content: 75 percent

Maximum salinity: Nonsaline to very slightly saline (0.0 to 2.0

mmhos/cm)

Sodium adsorption ratio, maximum: 1.0

Available water supply, 0 to 60 inches: Very low (about 1.4 inches)

Interpretive groups

Land capability classification (irrigated): None specified

Land capability classification (nonirrigated): 7s

Hydrologic Soil Group: D

Ecological site: R070BC025NM - Shallow

Hydric soil rating: No

Minor Components

Atoka

Percent of map unit: 1 percent

Ecological site: R070BC007NM - Loamy

Hydric soil rating: No

Atoka

Percent of map unit: 1 percent

Ecological site: R070BC007NM - Loamy

Hydric soil rating: No

Upton

Percent of map unit: 1 percent

Ecological site: R070BC025NM - Shallow

Hydric soil rating: No

Reagan

Percent of map unit: 1 percent

Ecological site: R070BC007NM - Loamy

Hydric soil rating: No

Data Source Information

Soil Survey Area: Eddy Area, New Mexico Survey Area Data: Version 18, Sep 8, 2022



Legend



SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

Regulatory Floodway

With BFE or Depth Zone AE, AO, AH, VE, AR

Without Base Flood Elevation (BFE)

Zone A, V, A99

0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average

areas of less than one square mile Zone X depth less than one foot or with drainage

Levee. See Notes. Zone X Area with Reduced Flood Risk due to Chance Flood Hazard Zone X **Future Conditions 1% Annual**

Area with Flood Risk due to Levee Zone D

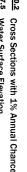
NO SCREEN Area of Minimal Flood Hazard Zone X

Effective LOMRs

Area of Undetermined Flood Hazard Zone D

OTHER AREAS

STRUCTURES | 1111111 Levee, Dike, or Floodwall GENERAL ---- Channel, Culvert, or Storm Sewer





~~ ത്യാം Base Flood Elevation Line (BFE)

Limit of Study

Jurisdiction Boundary

Coastal Transect Baseline

Profile Baseline

Hydrographic Feature

FEATURES

OTHER



Digital Data Available



Unmapped

MAP PANELS

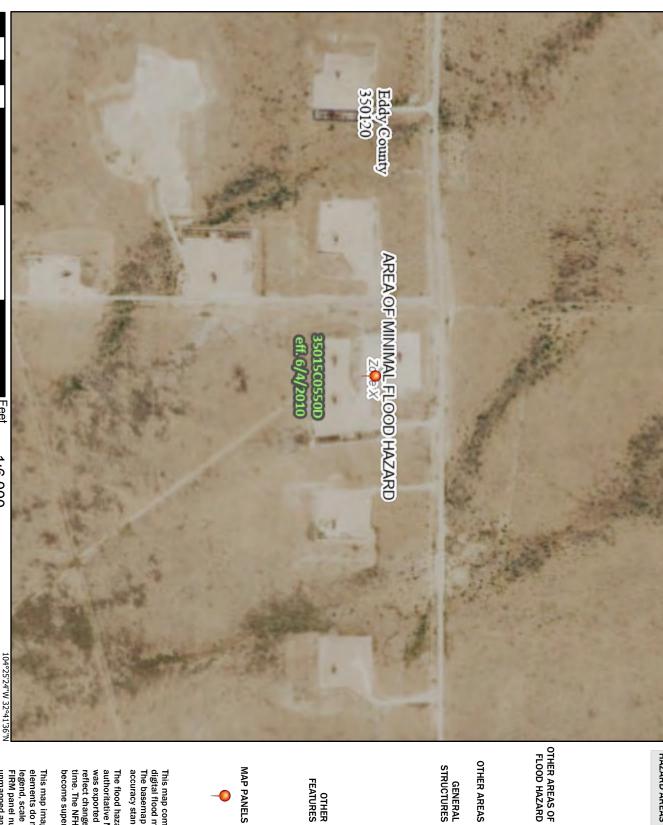


The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap This map complies with FEMA's standards for the use of

become superseded by new data over time. time. The NFHL and effective information may change or reflect changes or amendments subsequent to this date and was exported on 4/4/2023 at 1:01 PM and does not authoritative NFHL web services provided by FEMA. This map The flood hazard information is derived directly from the

unmapped and unmodernized areas cannot be used for legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for elements do not appear: basemap imagery, flood zone labels, This map image is void if the one or more of the following map



^{URelease}वे Vo Imaging: 8/28/2023 मे. भेरा: 45 PM

1,500

2,000 Feet

1:6,000

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



Appendix C:

C-141

<u>District I</u> 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 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	
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party		OGRID	OGRID			
Contact Name			Contact T	Contact Telephone		
Contact email			Incident #	Incident # (assigned by OCD)		
Contact mailing address						
			Location	of Release S	Source	
Latitude				Longitude		
			(NAD 83 in dec	cimal degrees to 5 deci	imal places)	
Site Name				Site Type		
Date Release	Discovered			API# (if ap	pplicable)	
Unit Letter	Section	Township	Range	Cou	nty	_
Surface Owner	r: State	☐ Federal ☐ Tr	ribal Drivata ()	Nama		,
Surface Owner	i. State	rederar 11	ibai 🔲 Fiivate (1	vame)
			Nature and	d Volume of	Release	
	Materia	l(s) Released (Select al	ll that annly and attach	calculations or specifi	e justification for th	ne volumes provided below)
Crude Oil		Volume Release		curculations of specifi		overed (bbls)
Produced	Water	Volume Release	ed (bbls)		Volume Rec	overed (bbls)
			tion of dissolved c	hloride in the	Yes 1	No
	4.	produced water			V 1 D 1(11)	
Condensa		Volume Release			Volume Recovered (bbls)	
Natural G		Volume Release			Volume Recovered (Mcf)	
Other (describe) Volume/Weight Released (provide units)			e units)	Volume/We	ight Recovered (provide units)	
- an I						
Cause of Rele	ease					

Received by OCD: 6/22/2023 10:17:37 AM Form C-141 State of New Mexico Page 2 Oil Conservation Division

	Page 19 of 2
Incident ID	
District RP	

			Facility ID	
			Application ID	
XX 41.	LICYPO C. 1 () 1 (1	71 / 11	.1 1 0	
Was this a major release as defined by 19.15.29.7(A) NMAC?	If YES, for what reason(s) does the res	ponsible party consider	this a major release?	
☐ Yes ☐ No				
If YES, was immediate n	otice given to the OCD? By whom? To	whom? When and by	what means (phone, ex	mail, etc)?
	Initial	Response		
	Initial	response		
The responsible	party must undertake the following actions immedi	ately unless they could create	e a safety hazard that would	l result in injury
☐ The source of the rele	ease has been stopped.			
☐ The impacted area ha	as been secured to protect human health a	nd the environment.		
Released materials ha	ave been contained via the use of berms of	or dikes, absorbent pads	s, or other containmen	t devices.
	ecoverable materials have been removed	•		
	d above have <u>not</u> been undertaken, expla			
	<u></u>			
D 10.15.20.0 D (4) ND	GACCIA TIL	1	. 1 . 0 . 1	C 1 TC 1' 4'
has begun, please attach	AC the responsible party may commend a narrative of actions to date. If remedint area (see 19.15.29.11(A)(5)(a) NMAC	al efforts have been su	accessfully completed	or if the release occurred
	ormation given above is true and complete to t			
	required to report and/or file certain release r ment. The acceptance of a C-141 report by the			
failed to adequately investig	gate and remediate contamination that pose a t	hreat to groundwater, surf	face water, human health	or the environment. In
addition, OCD acceptance o and/or regulations.	of a C-141 report does not relieve the operator	of responsibility for comp	pliance with any other fe	deral, state, or local laws
Printed Name:		Title:		
Signature: <u>Katherin</u>	se Purvis	Date:		
email:		Telephone:		
OCD Only				

Date: 03/13/2023

Received by: _____ Jocelyn Harimon

State of New Mexico Oil Conservation Division

Form C-141

Incident ID	NAPP2307231629
District RP	
Facility ID	
Application ID	

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?	80(ft bgs)		
Did this release impact groundwater or surface water?			
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	☐ Yes ⊠ No		
Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)?	☐ Yes ⊠ No		
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	☐ Yes ⊠ No		
Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes?	☐ Yes ⊠ No		
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	☐ Yes ⊠ No		
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	☐ Yes ⊠ No		
Are the lateral extents of the release within 300 feet of a wetland?			
Are the lateral extents of the release overlying a subsurface mine?			
Are the lateral extents of the release overlying an unstable area such as karst geology?	☐ 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 ve contamination associated with the release have been determined. Refer to 19.15.29.11 NMAC for specifics.	rtical extents of soil		
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

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Incident ID	NAPP2307231629	
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Application ID		

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.

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: Kathy Purvis.	Title: HSE Coordinator		
Signature: Katherine Purvis	Date: 6/22/23		
email: <u>katherine.purvis@spurenergy.com</u>	Telephone: 575-441-8619		
OCD Only			
Received by: Shelly Wells	Date: 6/22/2023		
•			

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Incident ID	NAPP2307231629
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 item	ms must be included in the closure report.		
A scaled site and sampling diagram as described in 19.15.29.11 NMAC			
Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)			
Laboratory analyses of final sampling (Note: appropriate ODC l	District office must be notified 2 days prior to final sampling)		
☐ Description of remediation activities			
	ediate contamination that pose a threat to groundwater, surface water, C-141 report does not relieve the operator of responsibility for ons. The responsible party acknowledges they must substantially ditions that existed prior to the release or their final land use in		
email: katherine.purvis@spurenergy.com	Telephone: 575-441-8619		
	•		
OCD Only			
Received by: Shelly Wells	Date: 6/22/2023		
	f liability should their operations have failed to adequately investigate and ater, human health, or the environment nor does not relieve the responsible regulations.		
Closure Approved by: <u>Shelly Wells</u>	Date: <u>8/28/2023</u>		
Printed Name: Shelly Wells	Title: Environmental Specialist-Advanced		



Appendix D:

Email Notification

Liner Inspection

Photographic Documentation



Tristan Jones <tristan@paragonenvironmental.net>

Liner Inspection Notification 4/10/23

1 message

Tristan Jones <tristan@paragonenvironmental.net>

Wed, Apr 5, 2023 at 11:49 AM

To: mike.bratcher@state.nm.us, Jennifer.Nobui@state.nm.us, Robert.Hamlet@state.nm.us, Chris Jones <chris@paragonenvironmental.net>, katherine.purvis@spurenergy.com, bmoulder@spurenergy.com, Angel Pena <angel@paragonenvironmental.net>

Cc: Jeremy Maner < jeremy@paragonenvironmental.net>

All,

This is to inform you that Paragon will conduct liner inspections on behalf of Spur Energy Partners on the date of 4/10/23. We will begin these inspections at 9:00 AM and will be going in the following order. Feel free to call me so we can coordinate with you if you'd like to join us. We are re-doing these liner inspections due to seeing previous closures not being accepted from not having time-stamped pictures. We will be sure to have time-stamped pictures to match the referenced date to ensure closure.

Bradley 8 Fee 2H - nAPP2215750109 Stonewall 9 Fee 1H - nAPP2305834071 Falabella 31 Fee 1H Battery - nAPP2307231629 Halberd 27 St Com 1H Battery - nAPP2236235169 Halberd 27 St Com 3H Battery - nAPP2301731619

Thank you,

Tristan Jones
Project Coordinator
1601 N. Turner Ste. 500
Hobbs, NM 88240
tristan@paragonenvironmental.net
575-318-6841





Paragon Environmental LLC

Liner Inspection Form

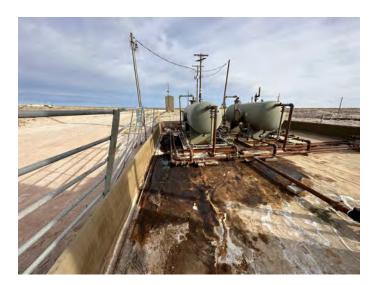
ompany Name:	Stu	2		
Site:	Falabella 31 FEE #14			
Lat/Long:	32.6	A764	104.42861	
NMOCD Incident ID & Incident Date:	nAPF	2307	1231629	
2-Day Notification Sent:	yes			
Inspection Date:	(04/10	2023	
Liner Type: E	arthen	w/liner	Earthen no liner	Polystar
S	teel w/j	poly line	Steel w/spray epoxy	No Liner
	teel w/j	No No	Steel w/spray epoxy Comments	No Liner
Other:				No Liner
Other: Visualization Is there a tear in the				No Liner
Visualization Is there a tear in the liner? Are there holes in the				No Liner
Visualization Is there a tear in the liner? Are there holes in the liner? Is the liner retaining			Comments	No Liner
Other: Visualization Is there a tear in the liner? Are there holes in the liner? Is the liner retaining any fluids? Does the liner have integrity to contain a			Comments	No Liner



Photographic Documentation

Before Remediation









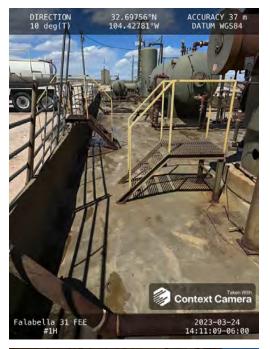


Photographic Documentation

Post Cleaning











Photographic Documentation Liner Inspection









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 231614

CONDITIONS

Operator:	OGRID:
Spur Energy Partners LLC	328947
9655 Katy Freeway	Action Number:
Houston, TX 77024	231614
	Action Type:
	[C-141] Release Corrective Action (C-141)

CONDITIONS

Cre	eated By	Condition	Condition Date	
S	cwells	None	8/28/2023	