

LINER INSPECTION AND CLOSURE REPORT

REPORTABLE RELEASE

Spur Energy Partners

Stonewall 9 Fee #1H

Incident ID: NRM2034259537

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 **Stonewall 9 Fee 1H (Stonewall)**.

API #: 30-015-40925

Site Coordinates: Latitude: 32.66874 Longitude: -104.39443

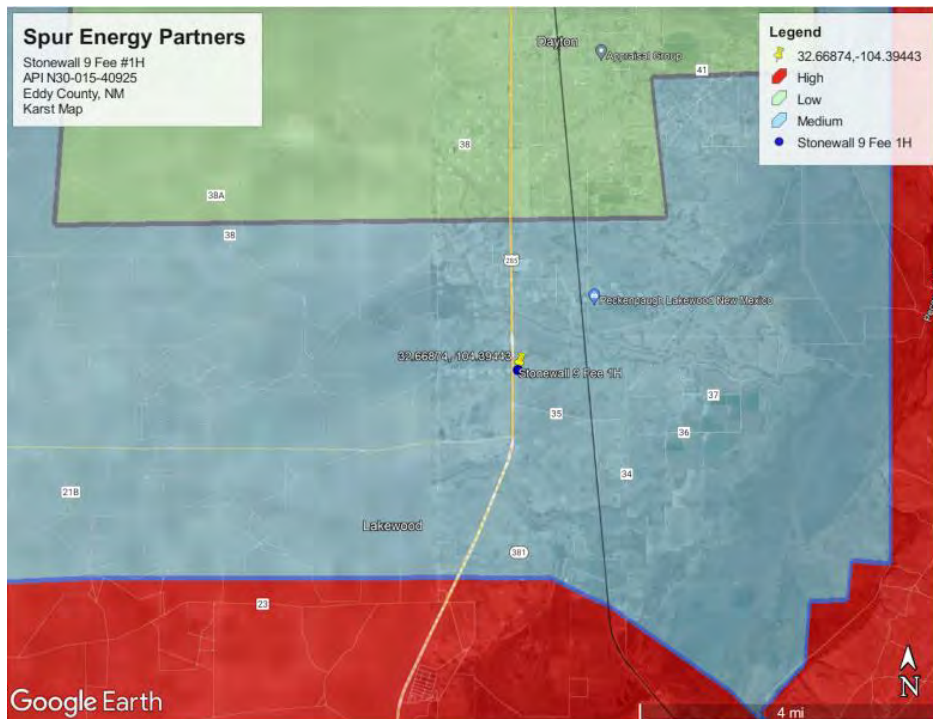
Unit UL M, Section 9, Township 19S, Range 26E

Incident ID: NRM2034259537

REGULATORY FRAMEWORK

Depth to Groundwater: According to the New Mexico State of Engineers Office, the nearest water data is less than 1/2 mile away and is 132 feet below ground surface (BGS), however the data is more than 25 years old. See Appendix A for details.

Soil Survey: 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 Reagan Loam, with 0 to 3 percent slopes. The drainage courses in this area are well-drained. The karst geology in the area of the Stonewall is in Medium Karst. See the map below.



RELEASE DETAILS

This release was due to equipment failure. A hole developed in the bottom of a 4" ball valve in between the two water tanks. This resulted in the release of 15 bbls of produced water in the Falcon Lined Containment. A vacuum truck was dispatched and recovered 15 bbls of the fluids.

Date of Spill: 11/25/2020

Type of Spill: Crude Oil ☒ Produced Water ☐ Condensate ☐ Other (Specify):

Comments: Reportable release.

Released: 15 bbls of Produced Water

Recovered: 15 bbls of Produced Water

INITIAL SITE ASSESSMENT

Paragon cleaned up another spill at the Stonewall in May of 2023. During the closure report process, this incident was found to be open, and so we scheduled an additional liner inspection to cover and close this incident.

REMEDIATION ACTIVITIES

On June 13, 2023, Paragon returned to the site to conduct a liner inspection. A 48-hour notification was sent out to the NMOCD on June 13, 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, NRM2034259537, 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

Spur Energy Partners

Stonewall 9 Fee #1H
API# 30-015-40925
Eddy County, NM
Site Map

Google Earth
Released to Imaging: 8/28/2023 2:42:49 PM



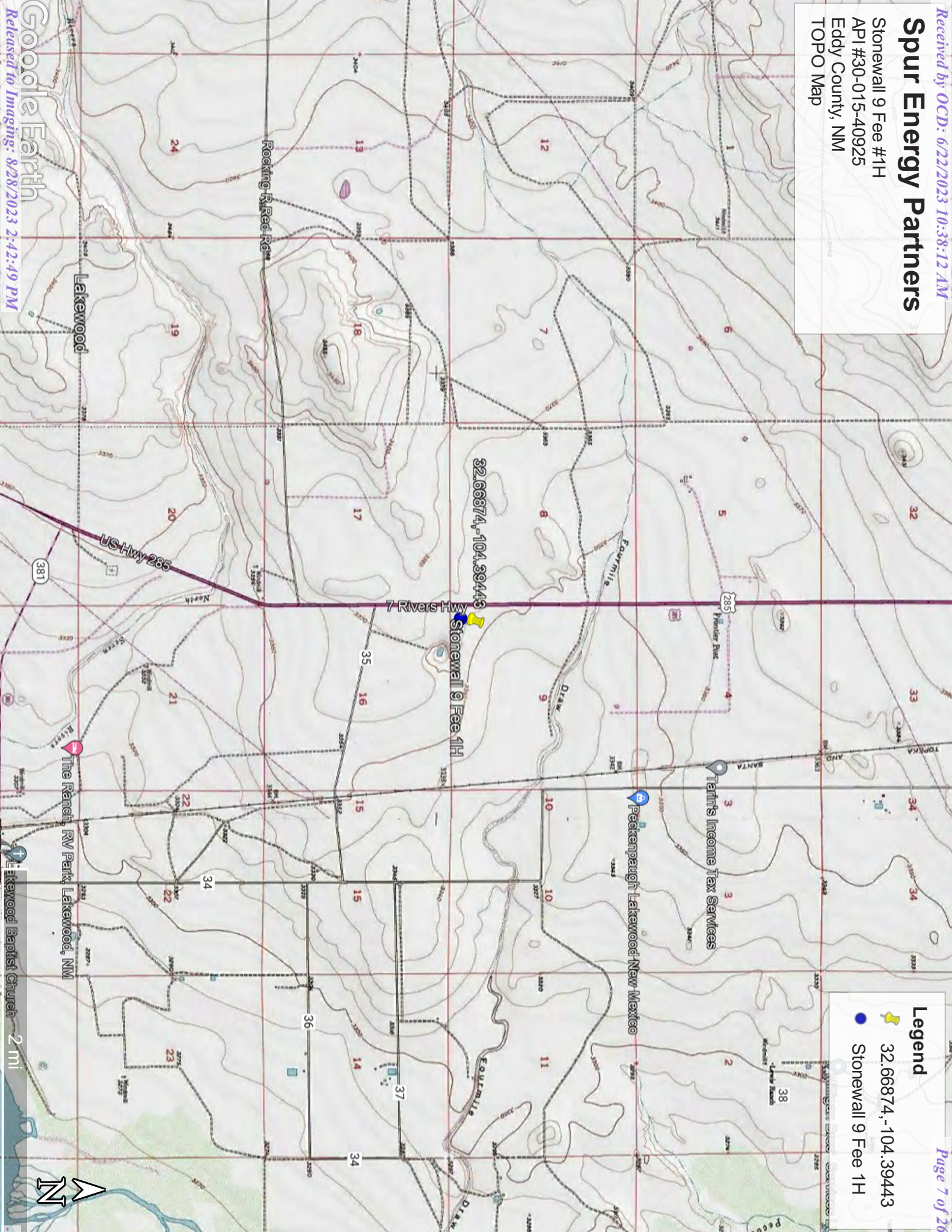
Stonewall 9 Fee #1H Battery

200 ft





Spur Energy Partners

Stonewall 9 Fee #1H
API #30-015-40925
Eddy County, NM
TOPO Map



Legend

-  32.66874, -104.39443
-  Stonewall 9 Fee 1H

Spur Energy Partners

Stonewall 9 Fee #1H Battery
API# 30-015-40925
Eddy County, NM
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 Number	Code	POD Sub-basin	County	Q Q Q Q				Sec	Tws	Rng	X	Y	Distance	DepthWell	DepthWater	Water Column
				64	16	4	4									
RA 05037		RA	ED	1	2	17	19S	26E			556091	3614436*	748	475	132	343
RA 11018 POD1		RA	ED	3	4	2	17	19S	26E		556396	3613928*	885	260	100	160
RA 06813		RA	CH	1	1	09	19S	26E			556883	3616056*	1334	171	97	74
Average Depth to Water:															109 feet	
Minimum Depth:															97 feet	
Maximum Depth:															132 feet	

Record Count: 3

UTMNAD83 Radius Search (in meters):

Easting (X): 556781.473

Northing (Y): 3614725.658

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.



Appendix B
Soil Survey:

U.S.D.A.

FEMA Flood Map

Map Unit Description: Reagan loam, 0 to 3 percent slopes---Eddy Area, New Mexico

Eddy Area, New Mexico

RA—Reagan loam, 0 to 3 percent slopes

Map Unit Setting

National map unit symbol: 1w5c

Elevation: 1,100 to 4,400 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

Reagan and similar soils: 98 percent

Minor components: 2 percent

Estimates are based on observations, descriptions, and transects of the mapunit.

Description of Reagan

Setting

Landform: Fan remnants, alluvial fans

Landform position (three-dimensional): Rise

Down-slope shape: Convex, linear

Across-slope shape: Linear

Parent material: Alluvium and/or eolian deposits

Typical profile

H1 - 0 to 8 inches: loam

H2 - 8 to 60 inches: loam

Properties and qualities

Slope: 0 to 3 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Well drained

Runoff class: Low

Capacity of the most limiting layer to transmit water

(Ksat): Moderately high to high (0.60 to 2.00 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: None

Frequency of ponding: None

Calcium carbonate, maximum content: 40 percent

Maximum salinity: Very slightly saline to moderately saline (2.0 to 8.0 mmhos/cm)

Sodium adsorption ratio, maximum: 1.0

Available water supply, 0 to 60 inches: Moderate (about 8.2 inches)

Interpretive groups

Land capability classification (irrigated): 2e

Land capability classification (nonirrigated): 6e

Hydrologic Soil Group: B

Map Unit Description: Reagan loam, 0 to 3 percent slopes---Eddy Area, New Mexico

Ecological site: R042XC007NM - Loamy
Hydric soil rating: No

Minor Components

Upton

Percent of map unit: 1 percent
Ecological site: R042XC025NM - Shallow
Hydric soil rating: No

Atoka

Percent of map unit: 1 percent
Ecological site: R042XC007NM - Loamy
Hydric soil rating: No

Data Source Information

Soil Survey Area: Eddy Area, New Mexico
Survey Area Data: Version 17, Sep 12, 2021


National Flood Hazard Layer FIRMette





104°23'59"W 32°40'23"N















Legend




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

SPECIAL FLOOD HAZARD AREAS	 Without Base Flood Elevation (BFE) Zone A, V, A99 With BFE or Depth Zone AE, AO, AH, VE, AR Regulatory Floodway
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OTHER AREAS OF FLOOD HAZARD	 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
 Future Conditions 1% Annual Chance Flood Hazard Zone X	
 Area with Reduced Flood Risk due to Levee. See Notes. Zone X	
 Area with Flood Risk due to Levee Zone D	

OTHER AREAS	 Area of Minimal Flood Hazard Zone X
GENERAL STRUCTURES	 Area of Undetermined Flood Hazard Zone D
 Channel, Culvert, or Storm Sewer	
 Levee, Dike, or Floodwall	

 20.2 Cross Sections with 1% Annual Chance Water Surface Elevation	
 17.5 Coastal Transect	
 Base Flood Elevation Line (BFE)	
 Limit of Study	
 Jurisdiction Boundary	
 Coastal Transect Baseline	
OTHER FEATURES	 Profile Baseline
 Hydrographic Feature	

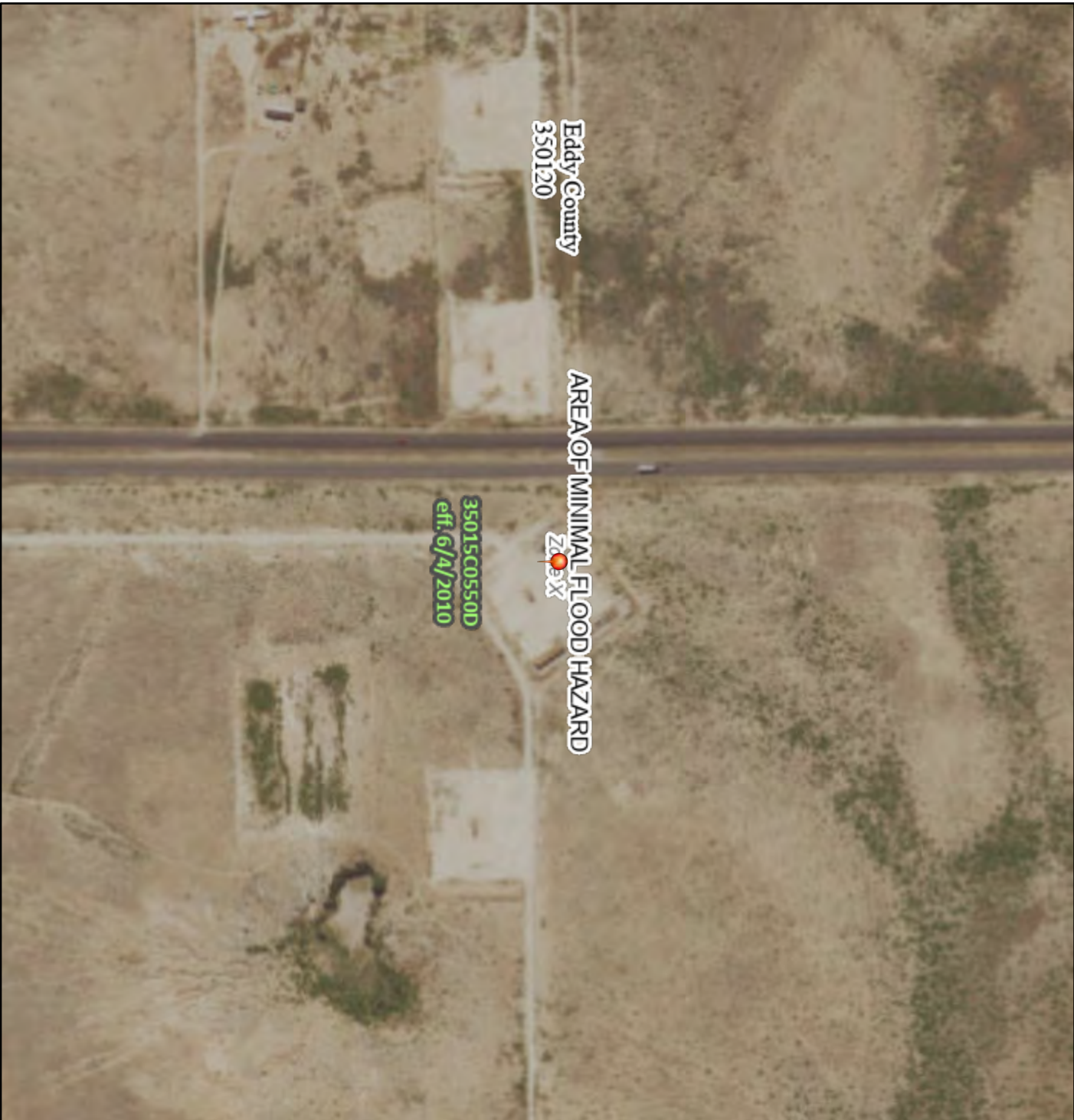
MAP PANELS	 Digital Data Available
 No Digital Data Available	
 Unmapped	

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

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

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on **2/22/2023 at 5:25 PM** and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

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



104°23'21"W 32°39'52"N

1:6,000

1,500

2,000

Released 2:40 PM Imaging: 8/28/2023 9:42:49 PM Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020



Appendix C:

C-141

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	
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party: Spur Energy Partners LLC	OGRID: 328947
Contact Name: Kenny Kidd	Contact Telephone: 575-616-5400
Contact email: kkidd@spurepllc.com	Incident # (assigned by OCD):
Contact mailing address: 920 Memorial City Way Suite 1000 Houston, TX 77024	

Location of Release Source

Latitude 32.6687469 Longitude -104.3944321 (location of source)
(NAD 83 in decimal degrees to 5 decimal places)

Site Name: Stonewall 9 Fee #001H	Site Type: Oil Production
Date Release Discovered: 11-25-20	API# (if applicable) 30-015-40925

Unit Letter	Section	Township	Range	County
M	09	19S	26E	Eddy

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 type="checkbox"/> Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
<input checked="" type="checkbox"/> Produced Water	Volume Released (bbls) 15 bbls	Volume Recovered (bbls) 15 bbls
	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:
A hole developed in the bottom of a 4" ball valve located between the 2 water tanks. The valve has been isolated and will be repaired. The liner will be pressure washed.

Incident ID	
District RP	
Facility ID	
Application ID	

Was this a major release as defined by 19.15.29.7(A) NMAC? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, for what reason(s) does the responsible party consider this a major release?
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?	

Initial Response

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

<input checked="" type="checkbox"/> The source of the release has been stopped.	
<input checked="" type="checkbox"/> The impacted area has been secured to protect human health and the environment.	
<input checked="" type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.	
<input checked="" type="checkbox"/> All free liquids and recoverable materials have been removed and managed appropriately.	
If all the actions described above have <u>not</u> been undertaken, explain why:	
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: <u>Rebecca Pons</u> Title: <u>Project Manager</u>	
Signature: _____ Date: <u>11/25/2020</u>	
email: <u>Rpons@talonlpe.com</u> Telephone: <u>575--441-0980</u>	
<u>OCD Only</u>	
Received by: _____ Date: _____	

State of New Mexico
Oil Conservation Division

Form C-141

Incident ID	NRM2034259537
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?	<u>132</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

Oil Conservation Division

Incident ID	NRM2034259537
District RP	
Facility ID	
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: katherine.purvis@spurenergy.com

Telephone: 575-441-8619

OCD Only

Received by: Shelly Wells

Date: 6/22/2023

Incident ID	NRM2034259537
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 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: Kathy Purvis.

Title: HSE Coordinator

Signature: Katherine Purvis

Date: 6/22/23

email: katherine.purvis@spurenergy.com

Telephone: 575-441-8619

OCD Only

Received by: Shelly Wells

Date: 6/22/2023

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: Shelly Wells Date: 8/28/2023

Printed Name: Shelly Wells

Title: Environmental Specialist-Advanced



Appendix D:

Email Notification

Liner Inspection

Photographic Documentation

Monday, June 19, 2023 at 14:25:43 Mountain Daylight Time

Subject: Liner Inspection
Date: Tuesday, June 13, 2023 at 10:58:55 AM Mountain Daylight Time
From: Chris Jones
To: Bratcher, Michael, EMNRD, Hamlet, Robert, EMNRD, Nobui, Jennifer, EMNRD, Harimon, Jocelyn, EMNRD
CC: Katherine Purvis, Braidy Moulder, Jeremy Maner, Angel Pena
Attachments: image001.jpg

All,

This is to inform you Paragon will be conducting a liner inspection at the Stonewall 9 Fee #001 for incident NRM2034259537 on 6/16/23 at approximately 900 am. If you have any questions or comments, don't hesitate to contact me.

Thank You,

Chris Jones
Environmental Professional
1601 N. Turner Ste. 500
Hobbs, NM 88240
chris@paragonenvironmental.net
575-631-6977 cell



“We do not inherit the Earth
from our ancestors; we borrow
it from our children.”
Chief Seattle



Paragon Environmental LLC

Liner Inspection Form

Company Name: Spur Energy

Site: Stonewall 9 Fee #1H

Lat/Long: 32.66874,-104.39443

NMOCD Incident ID

& Incident Date: NRM2034259537 11/25/2020

2-Day Notification

Sent: Yes on 6-13-23

Inspection Date: 6-16-23

Liner Type: Earthen w/liner

Earthen no liner

Polystar

Steel w/poly liner

Steel w/spray epoxy

No Liner

Other: _____

Visualization	Yes	No	Comments
Is there a tear in the liner?		x	
Are there holes in the liner?		x	
Is the liner retaining any fluids?		x	
Does the liner have integrity to contain a leak?	x		

Comments: _____

Inspector Name: Jeremy Maner



Photographic Documentation





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 231633

CONDITIONS

Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	OGRID: 328947
	Action Number: 231633
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
scwells	None	8/28/2023