

Liner Inspection and Closure Request

BTA Oil Producers, LLC North Ridge West Lea County, New Mexico Unit Letter "C", Section 35, Township 22 South, Range 34 East Latitude 32.352762 North, Longitude 103.443902 West NMOCD Incident # nAPP2321222850

Prepared For:

BTA Oil Producers 104 S. Pecos St. Midland, TX 79701

Prepared By:

Hungry Horse, LLC 4024 Plains Hwy Lovington, NM 88260 Office: (575) 393-3386

August 2023

Bradley Wells

Bradley Wells Project Manager bwells@hungry-horse.com

Daniel Dominguez Environmental Manager ddominguez@hungry-horse.com

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Oil Conservation Division

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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?	🗌 Yes 🛛 No
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?	🗌 Yes 🛛 No
Are the lateral extents of the release overlying a subsurface mine?	🗌 Yes 🛛 No
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 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
- \boxtimes Depth to water determination
- Determination of water sources and significant watercourses within ¹/₂-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.

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ny knowledge and understand that pursuant to OCD rules and s and perform corrective actions for releases which may endanger as not relieve the operator of liability should their operations have bundwater, surface water, human health or the environment. In ibility for compliance with any other federal, state, or local laws <u>Environmental Manager</u> <u>8-23-23</u> none: <u>432-312-2203</u>
Date: <u>8/23/2023</u>

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Oil Conservation Division

<u>Remediation Plan Checklist</u>: Each of the following items must be included in the plan.

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Remediation Plan

Detailed description of proposed remediation technique Scaled sitemap with GPS coordinates showing delineation points \boxtimes 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: Kelton Beaird Environmental Manager Title: Date: 8-23-23 Signature: Telephone: 432-312-2203 email: kbeaird@btaoil.com OCD Only Received by: Shelly Wells Date: 8/23/2023 Approved Approved with Attached Conditions of Approval Denied Deferral Approved Signature: Date:

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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.

<u>Closure Report Attachment Checklist</u>: Each of the following it	tems must be included in the closure report.
\square A scaled site and sampling diagram as described in 19.15.29.1	1 NMAC
Photographs of the remediated site prior to backfill or photos must be notified 2 days prior to liner inspection)	of the liner integrity if applicable (Note: appropriate OCD District office
Laboratory analyses of final sampling (Note: appropriate ODC	C District office must be notified 2 days prior to final sampling)
Description of remediation activities	
and regulations all operators are required to report and/or file certai may endanger public health or the environment. The acceptance of should their operations have failed to adequately investigate and ren human health or the environment. In addition, OCD acceptance of	ations. The responsible party acknowledges they must substantially nditions that existed prior to the release or their final land use in
Signature:	Date: 8-23-23
email: kbeaird@btaoil.com	Telephone: 432-312-2203
OCD Only	
Received by: Shelly Wells	Date: <u>8/23/2023</u>
	of liability should their operations have failed to adequately investigate and water, human health, or the environment nor does not relieve the responsible or regulations.
Closure Approved by: Nelson Velez	Date:11/17/2023
Printed Name: Nelson Velez	Title: Environmental Specialist - Adv

Received by OCD: 8/23/2023 5:05:09 AM



The following *Liner Inspection and Closure Request* serves as a condensed update on field activities undertaken at the afore referenced Site.

Background:

The site is located in Unit Letter C (NE/NW), Section 35, Township 22 South, Range 34 East, approximately eighteen miles southwest of Eunice, in Lea County, New Mexico. The site is located on New Mexico State Trust land. Topographic Map, OSE POD Locations Map, and USGS Well Locations Map are included as Figure 1, Figure 2, and Figure 3, respectively.

The release occurred within a metal containment lined with poly liner; Latitude 32.352762 North, Longitude 103.443902 West. The Initial NMOCD Form C-141 indicated that on July 30, 2023 approximately 40 bbls of produced water were released due a hole in the KC nipple on pump #2. A crew was dispatched to the site with a vacuum truck. The pump was repaired and 40 bbls of fluid were recovered. Previously submitted pages of the NMOCD Form C-141 are available on the NMOCD Imaging System. NMOCD Form Initial C-141 is also included as Attachment VI.

NMOCD Site Classification:

A search of the New Mexico Office of the State Engineer (NMOSE) and United States Geological Survey (USGS) groundwater databases was completed in an effort to determine the horizontal distance to known water sources within a half mile radius of the Release Site. Approximate depth to groundwater was determined using maintained and published water well data. Karst mapping indicates the site is not located in a Karst designated area. Karst and Wetland Maps are provided as Attachment I. Depth to groundwater information is provided as Attachment IV and the results are depicted on Figures 2 & 3.

No water wells were located within a half mile of the release area. Utilizing this information, the NMOCD Closure Criteria for the Site is depicted in the table below. However, due to the release being contained within a lined containment area and all fluid was recovered, a liner inspection was scheduled.

Depth to Groundwater	Constituent	Method	Limit
	Chloride	EPA 300.0 or SM4500 CLB	600 mg/kg
	TPH (GRO + DRO + MRO)	EPA SW-846 Method 8015M Ext	100 mg/kg
<50'	GRO + DRO	EPA SW-846 Method 8015M Ext	N/A
	BTEX	EPA SW-846 Methods 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Methods 8021B or 8260B	10 mg/kg



Liner Inspection:

The release of 40 bbls of produced water occurred on July 30, 2023, due to a hole in the KC nipple on pump #2. A crew with a vacuum truck were contacted to recover the fluids and repair the pump. Vacuum truck recovered 40 bbls of fluid. The released did not leave the lined containment, hit pad, or go offsite. On August 15, 2023, Hungry Horse LLC notified NMOCD that a liner inspection would be conducted on August 18, 2023. Email correspondence is provided as Attachment II.

On August 18, 2023, Hungry Horse personnel arrived on location to inspect the liner. The liner and metal containment were thoroughly inspected form edge to edge, as well as around the tanks and process equipment installed on the liner itself. The liner was found to be in place, intact, with no visible, breaks, or tears. There was no evidence of the release escaping the metal containment area. A completed Liner Inspection Form is attached as Attachment V and Photographs are provided as Attachment III.

Closure Request:

The Liner Inspection and correspondence with NMOCD were conducted in accordance with applicable NMOCD Regulations.

Based upon the reported volume recovered from the release and a thorough liner inspection with photographs demonstrating an intact, untorn, unbroken liner with no evidence of release escaping containment, BTA Oil Producers LLC respectfully requests closure of the North Ridge West location, incident nAPP2321222850.

Limitations:

Hungry Horse, LLC, has prepared this *Liner Inspection and Closure Request* to the best of its ability. No other warranty, expressed or implied, is made or intended. Hungry Horse has examined and relied upon documents referenced in the report and on oral statements made by certain individuals. Hungry Horse has not conducted an independent examination of the facts contained in referenced materials and statements. Hungry Horse has presumed the genuineness of these documents and statements and that the information provided therein is true and accurate. Hungry Horse notes that the facts and conditions referenced in this report may change over time, and the conclusions and recommendations set forth herein are applicable only to the facts and conditions as described at the time of this report.



Distribution:

BTA Oil Producers, LLC

104 S. Pecos St. Midland, TX 79701

New Mexico Energy, Minerals and Natural Resources Department

Oil Conservation Division, District 2 811 S. First St. Artesia, NM 88210

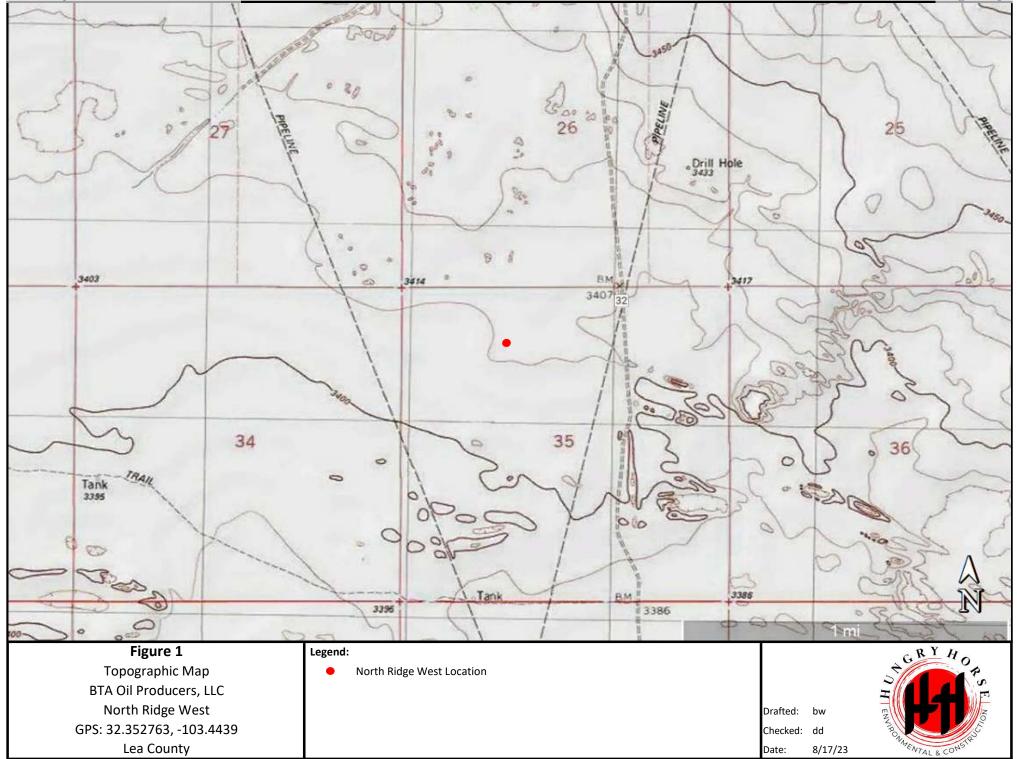
New Mexico State Land Office 914 N. Linam St. Hobbs, NM 88240

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Figures

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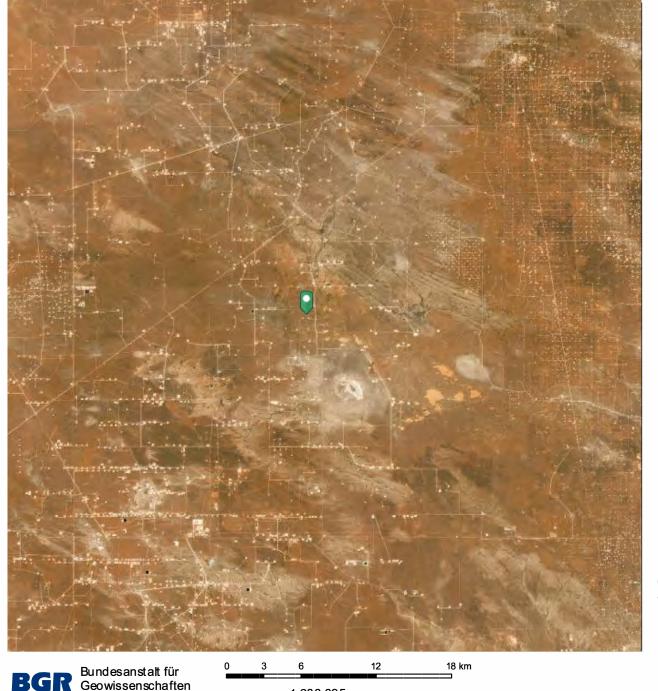
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Attachment I Karst and Wetland Maps



1:288.895

North Ridge West

Karst springs Discontinuous carbonate rocks Spring with low • flow discharge ≥ 2 m³/s Continuous evaporite rocks Spring with low flow discharge . Discontinuous < 2 m³/s evaporite rocks Submarine Mixed . spring carbonate and evaporite rocks ۲ Thermal spring Water abstraction ٠ structure in karst aquifer Ω Cave systems Border between exposed and 4 non-exposed karstifiable rocks Selected city, partly dependent on groundwater Boundary of continuous permafrost Continuous ice sheet Karstifiable rocks (potential karst aquifer) Continuous carbonate rocks

Koordinatensystem: WGS 1984 Web Datum: WGS 1984 Mercator Auxiliary Sphere Projektion: Mercator Auxiliary Sphere Exportdatum: 17.08.2023

und Rohstoffe

U.S. Fish and Wildlife Service

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August 21, 2023

Wetlands

- Estuarine and Marine Deepwater
- Estuarine and Marine Wetland
- **Freshwater Pond**

Freshwater Emergent Wetland

Freshwater Forested/Shrub Wetland

Lake Other Riverine

North Ridge West

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

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Attachment II NMOCD Correspondence

Daniel Dominguez

From:	Wells, Shelly, EMNRD <shelly.wells@emnrd.nm.gov></shelly.wells@emnrd.nm.gov>
Sent:	Tuesday, August 15, 2023 8:54 AM
То:	Daniel Dominguez
Cc:	Bratcher, Michael, EMNRD; Velez, Nelson, EMNRD
Subject:	RE: [EXTERNAL] Liner Inspection

Good morning Daniel,

The OCD has received your notification. 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.

Thank you,

Shelly

Shelly Wells * Environmental Specialist-Advanced Environmental Bureau EMNRD-Oil Conservation Division 1220 S. St. Francis Drive|Santa Fe, NM 87505 (505)469-7520<u>|Shelly.Wells@emnrd.nm.gov</u> http://www.emnrd.state.nm.us/OCD/

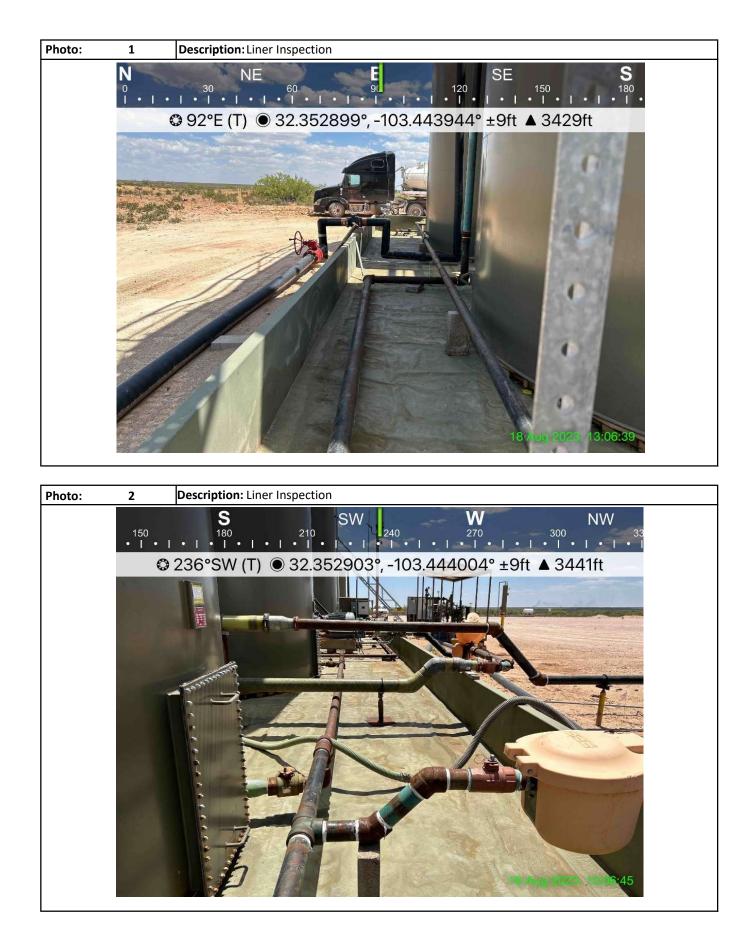
From: Daniel Dominguez <ddominguez@hungry-horse.com> Sent: Tuesday, August 15, 2023 6:43 AM To: Enviro, OCD, EMNRD <OCD.Enviro@emnrd.nm.gov> Subject: [EXTERNAL] Liner Inspection

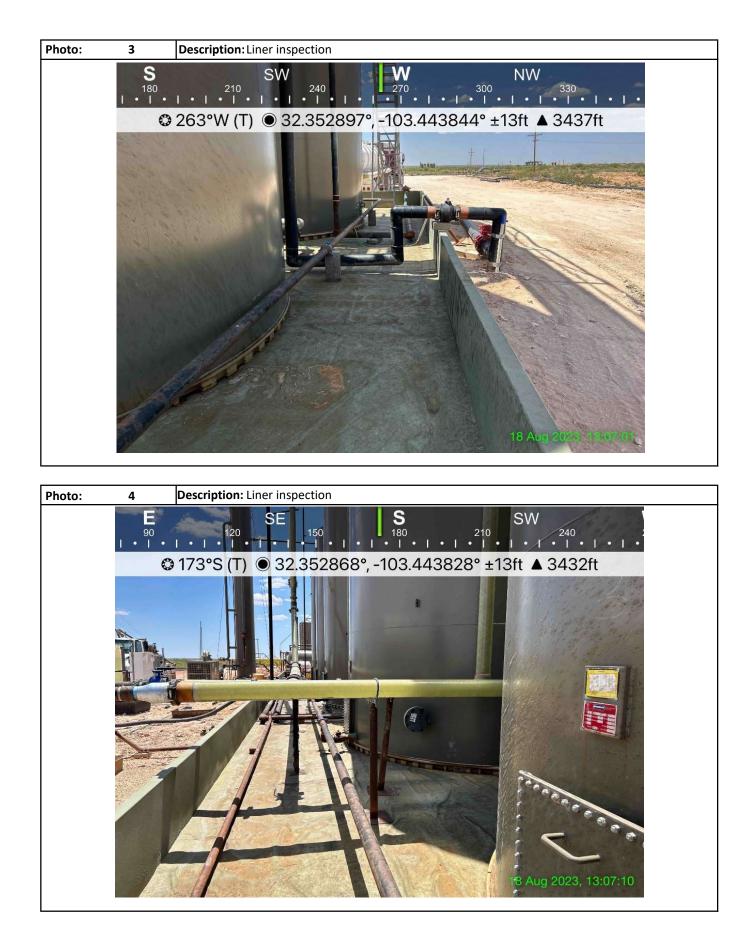
CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

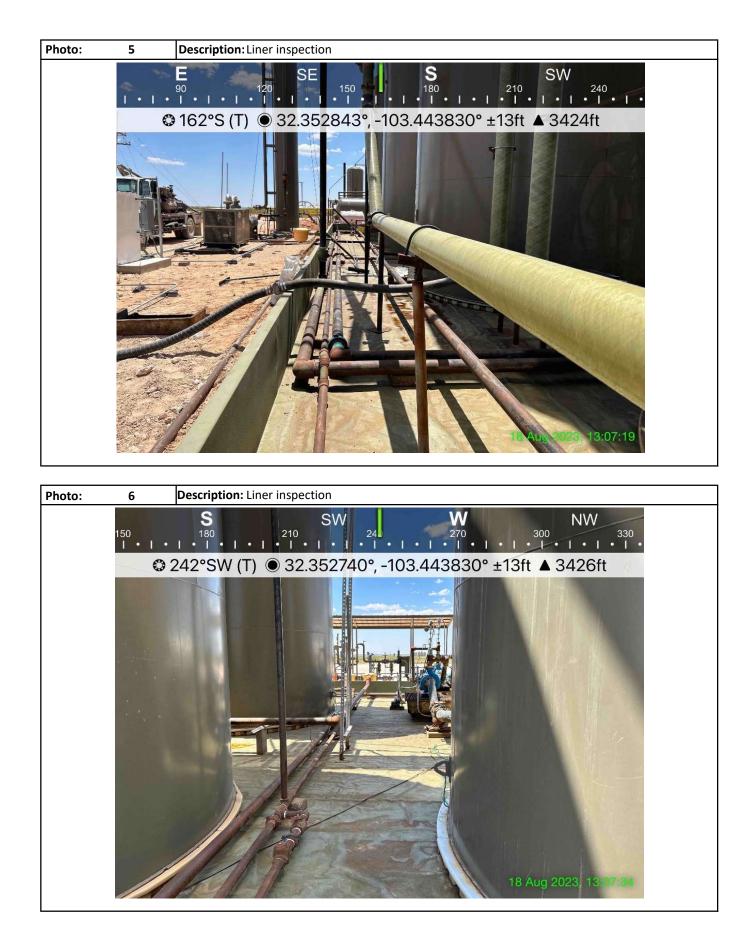
We will be conducting a liner inspection at the North Ridge West (nAPP2321222850) on Friday August 18, 2023 at 1 pm. This is our 2 day notice.

Daniel Dominguez Environmental Manager Hungry Horse, LLC (mobile) 575-408-3134 ddominguez@hungry-horse.com

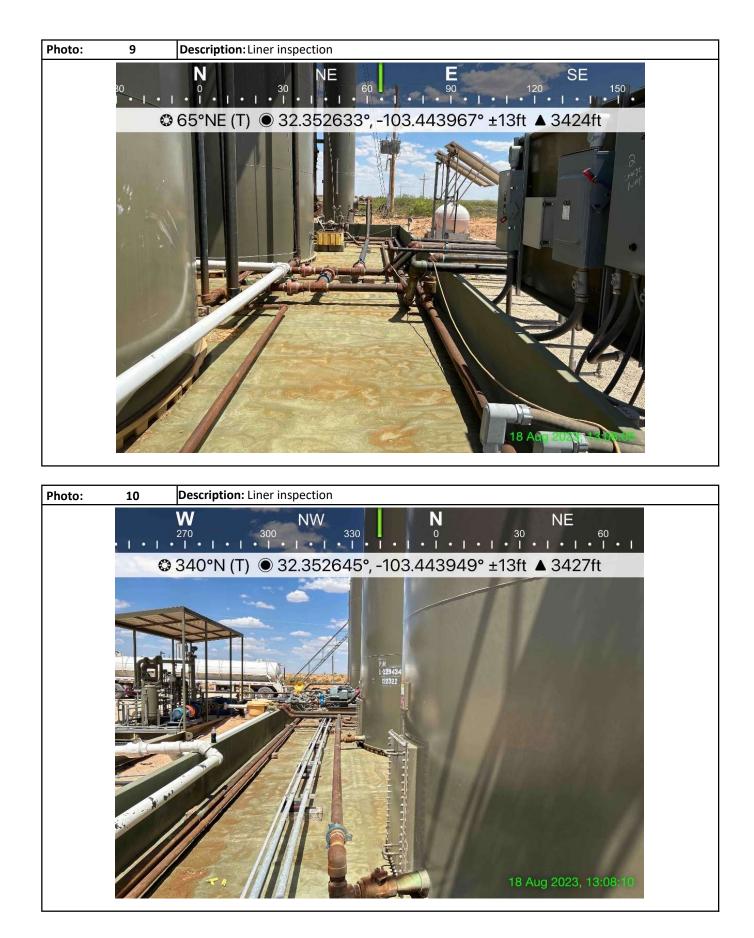
Attachment III Site Photographs













Attachment IV Depth to Groundwater



New Mexico Office of the State Engineer Wells with Well Log Information

				No wells found.	
<u>UTMNAD83 Rad</u> Easting (X):	ius Search (in meters): 646424.18	Northing (Y):	3580602.1	Radius: 805	
The data is furnished by th particular purpose of the da		the recipient with	the expressed understanding that the	ne OSE/ISC make no	warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for

8/18/23 2:21 PM

WELLS WITH WELL LOG INFORMATIO

Attachment V Liner Inspection Report

Liner Inspection Form	Liner	Inspection	Form
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Client	BTA Oil Producers, LLC
Site Name	North Ridge West
Lat/Long	32.352538, -103.444192
Release Date	30-Jul-23
Incident Number	nAPP2321222850
NMOCD Notified	15-Aug-23
Inspection Date	8/18/23



Observations	Yes	No	Comments
Is the liner present?	\propto		
Is the liner torn?		\checkmark	
Are there visible holes in the liner?		X	
Is the liner retaining any liquids?		\checkmark	
Does it appear the liner had the abillity to contain the leak?	\checkmark		

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Attachment VI NMOCD Form Initial 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	nAPP2321222850
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party: BTA Oil Producers, LLC	OGRID: 260297
Contact Name: Kelton Beaird	Contact Telephone: 432-312-2203
Contact email: kbeaird@btaoil.com	Incident # (assigned by OCD)
Contact mailing address: 104 S. Pecos St., Midland, TX 79701	

Location of Release Source

Latitude: 32.352538

Longitude: -103.444192

(NAD 83 in decimal degrees to 5 decimal places)

Site Name: North Ridge West	Site Type: Production facility
Date Release Discovered: 7-30-2023	API# (if applicable)

Unit Letter	Section	Township	Range	County
С	35	22S	34E	Lea

Surface Owner: State Federal Tribal Private (Name: _

Nature and Volume of Release

Mate	rial(s) Released (Select all that apply and attach calculations or specific Volume Released (bbls)	Volume Recovered (bbls)
Produced Water	Volume Released (bbls) 40	Volume Recovered (bbls) 40
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	Yes No
Condensate	Volume Released (bbls)	Volume Recovered (bbls)
Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
Other (describe)	Volume/Weight Released (provide units) Fire, 0	Volume/Weight Recovered (provide units)

Cause of Release:

A hole formed on the KC nipple from pump #2 releasing fluid inside the lined secondary containment. All fluids were recovered.

Page 2

Was this a major	If YES, for what reason(s) does the responsible party consider this a major release?		
release as defined by	25 bbls. or greater		
19.15.29.7(A) NMAC?			
🛛 Yes 🗌 No			
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?			
By Kelton Beaird to ocd.enviro, Mike Bratcher, Robert Hamlet on 7-31-2023 by email.			

Initial Response

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

 \square The source of the release has been stopped.

 \boxtimes 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.

My X · (_)	Environmental Manager	Date: 7-31-2023
Signature:		Date:
email: kbeaird@btaoil.com	Telephone: 432-312-2203	
OCD Only		
Received by: <u>Shelly Wells</u>		Date: <u>7/31/2023</u>

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

Operator:	OGRID:
BTA OIL PRODUCERS, LLC	260297
104 S Pecos	Action Number:
Midland, TX 79701	245864
	Action Type:
	[C-141] Release Corrective Action (C-141)

CONDITIONS

Created By Condition scwells None

CONDITIONS

Action 245864

Condition Date

7/31/2023

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

Operator:	OGRID:
BTA OIL PRODUCERS, LLC	260297
104 S Pecos	Action Number:
Midland, TX 79701	255709
	Action Type:
	[C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
nvelez	None	11/17/2023

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Action 255709