

SITE INFORMATION

Closure Report
Blue Steel 21 Fed Com
Incident ID: nAPP2328443918
Unit A Sec 28 T23S R29E
32.2797505°, -103.9840404°
Eddy County, New Mexico

Produced Water Release

Point of Release: Water Tank Pump Failure

Release Date: 10.10.23

Volume Released: 40 Barrels of Produced Water Volume Recovered: 40 Barrels of Produced Water

CARMONA RESOURCES



Prepared for: Marathon Oil Company 990 Town and Country Blvd, Houston, Texas 77024

Prepared by: Carmona Resources, LLC 310 West Wall Street Suite 500 Midland, Texas 79701



TABLE OF CONTENTS

1.0 SITE INFORMATION AND BACKGROUND

- 2.0 SITE CHARACTERIZATION AND GROUNDWATER
- 3.0 NMAC REGULATORY CRITERIA
- 4.0 LINER INSPECTION ACTIVITIES

5.0 CONCLUSIONS

FIGURES

FIGURE 1	OVERVIEW	FIGURE 2	TOPOGRAPHIC
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FIGURE 3 SECONDARY CONTAINMENT MAP

APPENDICES

APPENDIX A PHOTOS

APPENDIX B INITIAL AND FINAL C-141/NMOCD CORRESPONDENCE

APPENDIX C SITE CHARACTERIZATION AND GROUNDWATER

PRECIPITATION/RAINFALL DATA

APPENDIX D



November 2, 2023

Oil Conservation Division, District 2 811 S. First Street Artesia, New Mexico 88210

Re: Closure Report

Blue Steel 21 Fed Com Marathon Oil Company Incident ID: nAPP2328443918

Site Location: Unit A, S28, T23S, R29E (Lat 32,2797505°, Long -103.9840404°)

Eddy County, New Mexico

Mr. Bratcher:

On behalf of Marathon Oil Company, Carmona Resources, LLC has prepared this letter to document the Blue Steel 21 Fed Com site activities. The site is located at 32.2797505°, -103.9840404° within Unit A, S28, T23S, R29E, in Eddy County, New Mexico (Figures 1 and 2).

1.0 Site Information and Background

Based on the initial C-141 obtained from the New Mexico Oil Conservation Division (NMOCD), the incident was discovered on October 10, 2023, due to a failure on a water tank pump. The incident resulted in the release of approximately forty (40) barrels of produced water, with forty (40) barrels of produced water recovered. See Figure 3. The initial C-141 form is attached in Appendix B.

2.0 Site Characterization and Groundwater

The site is located within a medium karst area. Based on a review of the New Mexico Office of State Engineers and USGS databases, one known water source is within a 0.50-mile radius of the location. The well is located approximately .05 miles west of the site in S28, T23S, R29E and was drilled in 2000. The well has a reported groundwater depth of 18 feet below the ground surface (ft bgs). A copy of the associated point of diversion is attached in Appendix C.

3.0 NMAC Regulatory Criteria

Per the NMOCD regulatory criteria established in 19.15.29.12 NMAC, the following criteria were utilized in assessing the site.

- Benzene: 10 milligrams per kilogram (mg/kg).
- Benzene, toluene, ethylbenzene, and total xylenes (BTEX): 50 mg/kg.
- TPH: 100 mg/kg (GRO + DRO + MRO).
- Chloride: 600 mg/kg.



4.0 Liner Inspection Activities

On October 24, 2023, Carmona Resources, LLC conducted liner inspection activities to assess the liner's integrity within the facility. Before performing the liner inspection, the NMOCD division office was notified via email on October 20, 2023, per Subsection D of 19.15.29.12 NMAC. See Appendix B. Carmona Resources, LLC personnel inspected the liner visually and found the liner to be intact with no integrity issues. Refer to the Photolog.

Based on precipitation data obtained from the NOAA and NWS websites, it has been observed that the site received a total of 1 to 2 inches of rainfall between October 24 and October 31, 2023. For additional details, please refer to photographic documentation in Appendix A and rainfall data in Appendix D.

5.0 Conclusions

Based on the liner inspection throughout the facility, no further actions are required at the site. The final C-141 is attached, and COG formally requests the closure of the spill. If you have any questions regarding this report or need additional information, please contact us at 432-813-1992.

Sincerely,

Carmona Resources, LLC

Mike Carmona

Environmental Manager

Clinton Merritt Sr. Project Manager

FIGURES

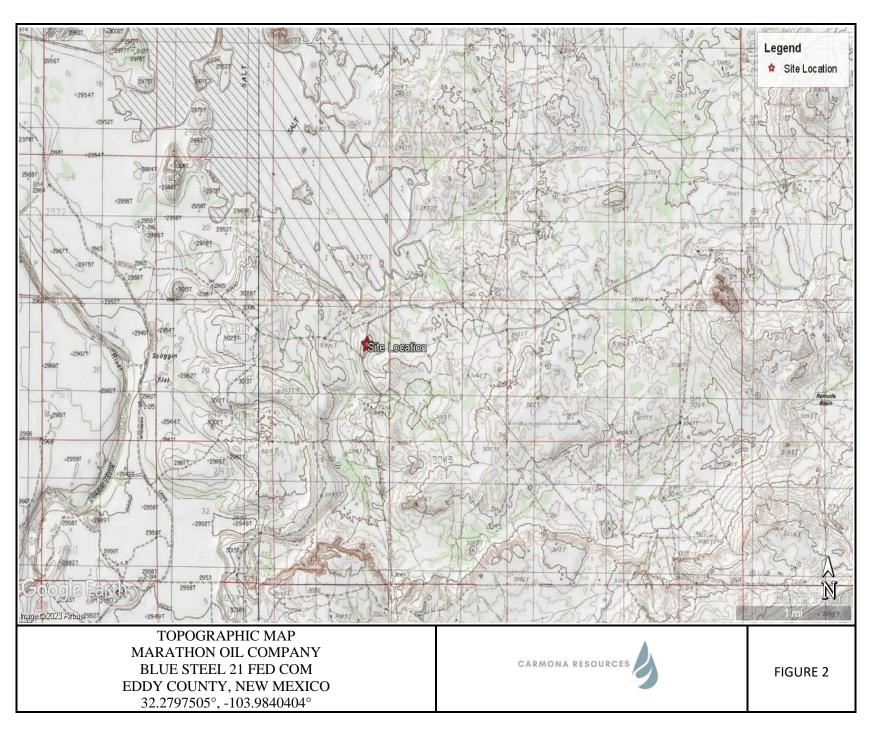
CARMONA RESOURCES



MARATHON OIL COMPANY BLUE STEEL 21 FED COM EDDY COUNTY, NEW MEXICO 32.2797505°, -103.9840404°



FIGURE 1





APPENDIX A

CARMONA RESOURCES

PHOTOGRAPHIC LOG

Marathon Oil Company

Photograph No. 1

Facility: Blue Steel 21 Fed Com

County: Eddy County, New Mexico

Description:

View Southeast, area of tank batteries.



Photograph No. 2

Facility: Blue Steel 21 Fed Com

County: Eddy County, New Mexico

Description:

View Southwest, area of tank batteries.



Photograph No. 3

Facility: Blue Steel 21 Fed Com

County: Eddy County, New Mexico

Description:

View South, area between tank batteries.



PHOTOGRAPHIC LOG

Marathon Oil Company

Photograph No. 4

Facility: Blue Steel 21 Fed Com

County: Eddy County, New Mexico

Description:

View Southwest, area of lined facility.



Photograph No. 5

Facility: Blue Steel 21 Fed Com

County: Eddy County, New Mexico

Description:

View Southwest, area of separators.



Photograph No. 6

Facility: Blue Steel 21 Fed Com

County: Eddy County, New Mexico

Description:

View South, area between separators.



APPENDIX B

CARMONA RESOURCES

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 1220 S. St. Francis Dr., Santa Fe, NM 87505

28

23S

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	nAPP2328443918
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party Marathon Oil Permian LLC	OGRID 372098
Contact Name Melodie Sanjari	Contact Telephone 575-988-8753
Contact email msanjari@marathonoil.com	Incident # (assigned by OCD)
Contact mailing address 4111 S. Tidwell Rd., Carlsbad, NM 8220	

Location of Release Source

Latitude	Latitude 32.2797505 Longitude -103.9840404 (NAD 83 in decimal degrees to 5 decimal places)					
Site Nan	ne Blue Steel 21	Fed Com		Site Type Oil & Gas Fa	ecility	
Date Rel	lease Discovered	: 10/10/2023		API# (if applicable)		
Unit Le	tter Section	Township	Range	County		

Surface Owner	:: State	Federal T1	ribal Private (I	Nama:)
Surface Owner	. State	reuciai 11	ibai Fiivate (I	vame.)

29E

Nature and Volume of Release

Eddy

Material	(s) Released (Select all that apply and attach calculations or specific	justification for the volumes provided below)
Crude Oil	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)	Volume/Weight Recovered (provide units)
Cause of Release		
L A WTP failure resulted i	n the release of produced water within the lined second	ary containment. The numn was isolated, and all

A WTP failure resulted in the release of produced water within the lined secondary containment. The pump was isolated, and all standing fluid was recovered. A notice will be sent out prior to a liner integrity inspection.

Received by OCD: 11/2/2023 1:46:10 PM1 State of New Mexico
Page 2 Oil Conservation Division

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Incident ID	nAPP2328443918
District RP	
Facility ID	
Application ID	

Was this a major	If YES, for what reason(s) does the respon	sible party consider this a major release?
release as defined by	Volume.	
19.15.29.7(A) NMAC?		
⊠ Yes □ No		
	otice given to the OCD? By whom? To who	om? When and by what means (phone, email, etc)?
NOR submitted 10/11		
	Initial Re	sponse
The responsible p	party must undertake the following actions immediately	unless they could create a safety hazard that would result in injury
The source of the rele	ease has been stopped.	
The impacted area ha	s been secured to protect human health and	he environment.
Released materials ha	ave been contained via the use of berms or d	kes, absorbent pads, or other containment devices.
	ecoverable materials have been removed and	•
•	d above have <u>not</u> been undertaken, explain w	
	<u></u>	
Dor 10 15 20 9 D (4) NIM	AC the responsible party may commence re	mediation immediately after discovery of a release. If remediation
has begun, please attach	a narrative of actions to date. If remedial e	fforts have been successfully completed or if the release occurred ease attach all information needed for closure evaluation.
		est of my knowledge and understand that pursuant to OCD rules and
		ications and perform corrective actions for releases which may endanger CD does not relieve the operator of liability should their operations have
failed to adequately investigated	ate and remediate contamination that pose a threa	t to groundwater, surface water, human health or the environment. In
addition, OCD acceptance of and/or regulations.	f a C-141 report does not relieve the operator of r	esponsibility for compliance with any other federal, state, or local laws
Printed Name:Mel	odie Sanjari	Title: Environmental Professional
Signature: Melod	lie Sanjari	Date: 10/11/2023
email: <u>msanjari@</u> marat	thonail cam	Telephone: <u>575-988-8753</u>
cman. <u>msanjan@mara</u>	<u> </u>	Telephone <u>575-760-6755</u>
OCD Only		
Received by: Shelly W	ells	Date: 10/12/2023
Received by. Shelly W	CID	Duc. 10/12/2020

1/2/2023 1:46:10 PM4	Pag
	CO'S TRUCKING, LLC
	Shop: 1012 Haston Road - Cartsbad, NM 88226
	Nº 243310
Date	23
Company	Marathan oil
Location Blue 5	teel 21 WA fee #2H
Deliver to	
Seal on	Seal Off
Top Gauge	Bottom Gauge
Tank No. 24	Tank Size
START TIME 5 00 PM	END TIME LO DO PM HOURS 5
☐ Fresh Water	Barrels
☐ Brine Water	Barrels
☐ Produced Water	Barrels
Other	Barrels
☐ 3rd Party	Hours @
KCL	Barrels
	, , ,
1 grove to 1	ocation from the
yard.	
1 cleaned insio	le containents vacuumed
nrater	
working in loca	401
Door to come	
	/ TAX

Work Performed By Car 185 Rab ago

Signature There was no person to sing **



TOTAL

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 274652

CONDITIONS

Operator:	OGRID:
MARATHON OIL PERMIAN LLC	372098
990 Town & Country Blvd.	Action Number:
Houston, TX 77024	274652
	Action Type:
	[C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
scwells	None	10/12/2023

Received by OCD: 11/2/2023 1:46:10 PM Form C-141 State of New Mexico Page 3 Oil Conservation Division

	Page 17 of 30
Incident ID	
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?	(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?						
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?						
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?						
Are the lateral extents of the release overlying an unstable area such as karst geology?						
Are the lateral extents of the release within a 100-year floodplain?						
Did the release impact areas not on an exploration, development, production, or storage site?						
Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of so 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.

Received by OCD: 11/2/2023 1:46:10 PM Form C-141 State of New Mexico Page 4 Oil Conservation Division

	Page 18 of 3	30
Incident ID		
District RP		
Facility ID		
Application ID		

I hereby certify that the information given above is true and complete to the regulations all operators are required to report and/or file certain release no public health or the environment. The acceptance of a C-141 report by the failed to adequately investigate and remediate contamination that pose a the addition, OCD acceptance of a C-141 report does not relieve the operator of and/or regulations.	tifications and perform corrective actions for releases which may endanger OCD does not relieve the operator of liability should their operations have reat to groundwater, surface water, human health or the environment. In
Printed Name:	Title:
Signature:	Date:
email:	Telephone:
OCD Only	
Received by: Shelly Wells	Date: <u>11/2/2023</u>

Received by OCD: 11/2/2023 1:46:10 PM Form C-141 State of New Mexico Page 6 Oil Conservation Division

	Page 19 of 30
Incident ID	
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 19.15.29.1	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 certain may endanger public health or the environment. The acceptance of	nediate contamination that pose a threat to groundwater, surface water, a C-141 report does not relieve the operator of responsibility for tions. The responsible party acknowledges they must substantially neditions that existed prior to the release or their final land use in CD when reclamation and re-vegetation are complete.
Signature:	Date:
email:	Telephone:
OCD Only	
Received by: Shelly Wells	Date: 11/2/2023
	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:	Date:
Printed Name:	Title:

From: Rodgers, Scott, EMNRD

Sent: Friday, October 20, 2023 11:09 AM

To: Clint Merritt; Hamlet, Robert, EMNRD; Wells, Shelly, EMNRD; Bratcher, Michael, EMNRD

Cc: Mike Carmona; Melodie Sanjari; Conner Moehring; Devin Dominguez **Subject:** RE: [EXTERNAL] Blue Steel 21 Fed Com Liner Inspection Notification

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.

Scott Rodgers ● Environmental Specialist
Environmental Bureau
EMNRD - Oil Conservation Division
8801 Horizon Blvd. NE, Suite 260 | Albuquerque, NM 87113
505.469.1830 | scott.rodgers@emnrd.nm.gov
http://www.emnrd.nm.gov/ocd



From: Clint Merritt < Merritt C@carmonaresources.com>

Sent: Friday, October 20, 2023 9:47 AM

To: Enviro, OCD, EMNRD < OCD. Enviro@emnrd.nm.gov>

Cc: Mike Carmona < Mcarmona@carmonaresources.com >; Melodie Sanjari

<msanjari@marathonoil.com>; Conner Moehring <Cmoehring@carmonaresources.com>; Devin

Dominguez < Ddominguez@carmonaresources.com >

Subject: [EXTERNAL] Blue Steel 21 Fed Com Liner Inspection Notification

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

Good Morning,

On behalf of Marathon Oil, Carmona Resources will conduct a liner inspection at the below-referenced site on 10/24/23 around 10:30 AM. Mountain Time. Please let me know if you have any questions.

Blue Steel 21 Fed Com Incident ID: nAPP2328443918 32.2797505,-103.9840404 Eddy County, New Mexico

Clinton Merritt 310 West Wall Street, Suite 500 Midland TX, 79701 M: 432-813-9044

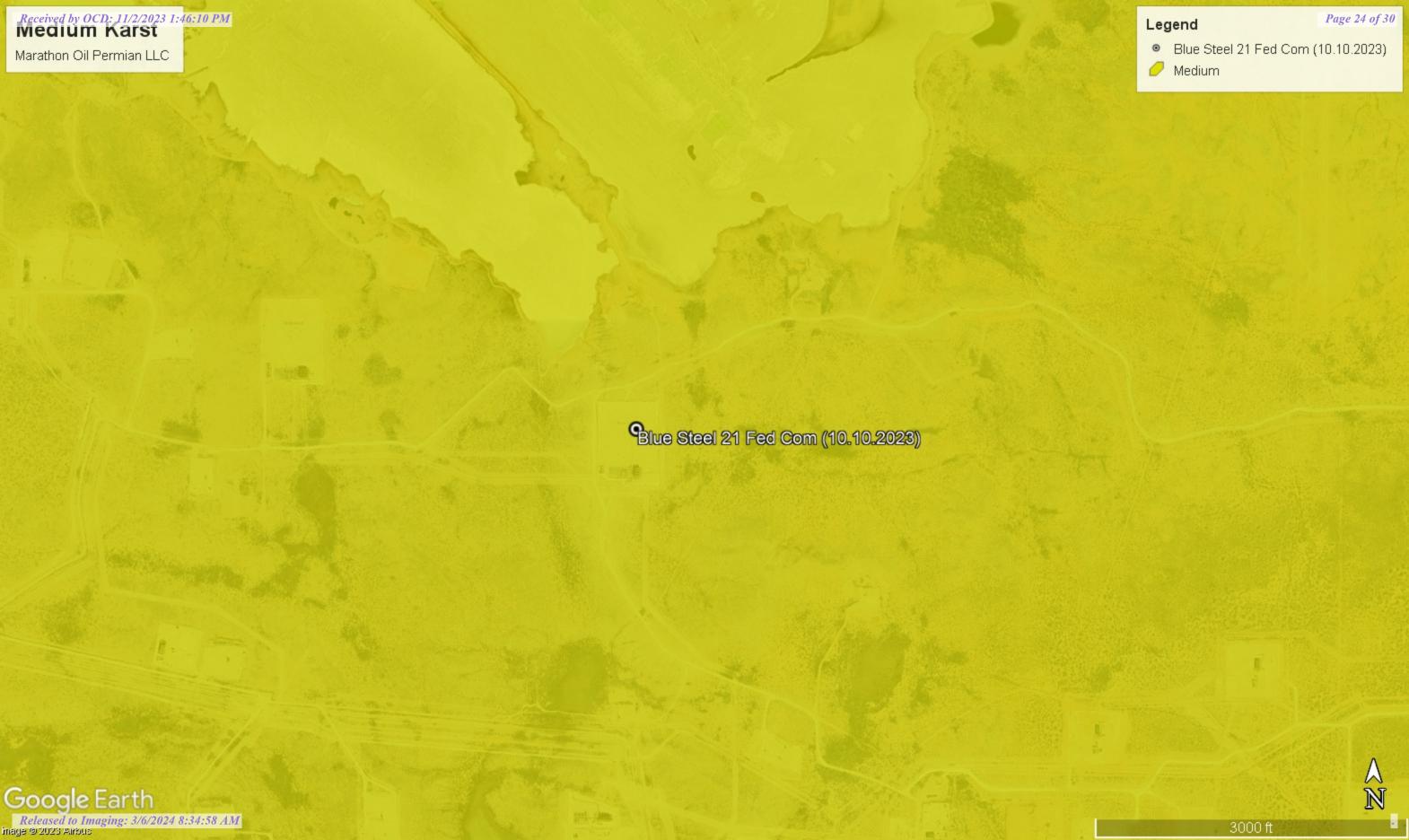
 $\underline{MerrittC@carmonaresources.com}$



APPENDIX C

CARMONA RESOURCES







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-		QQ	Q							Depth	Depth	Water
POD Number	Code basin	County	64 16	4	Sec	Tws	Rng	X	Υ	Distance	Well	Water (Column
<u>C 02707</u>	С	ED		2	28	23S	29E	595535	3571868* 🌕	140	40	18	22
C 01627	С	ED	1 4	4	28	23S	29E	595649	3570959* 🌕	938	170		
C 02721	CUB	ED	2	3	21	23S	29E	594915	3572879* 🌍	1239	150		
<u>C 02797</u>	CUB	ED	2	3	22	23S	29E	596540	3572895* 🌍	1322	200		
C 02613	CUB	ED	4 4	2	20	23S	29E	594203	3573176* 🌍	1947	400		
<u>C 02720</u>	CUB	ED	2	1	21	23S	29E	594911	3573690* 🌕	1947	150		
C 03057 EXPLORE	CUB	ED	4 1	1	21	23S	29E	594605	3573586*	1997	150		

Average Depth to Water:

18 feet

Minimum Depth:

18 feet

Maximum Depth:

18 feet

Record Count: 7

UTMNAD83 Radius Search (in meters):

Easting (X): 595672 Northing (Y): 3571897 Radius: 2000

*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.



New Mexico Office of the State Engineer

Point of Diversion Summary

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

(quarters are smallest to largest)

(NAD83 UTM in meters)

Well Tag **POD Number** Q64 Q16 Q4 Sec Tws Rng

 \mathbf{X}

C 02707

23S 29E 595535 3571868*

Driller License:

1348

Driller Company:

TAYLOR WATER WELL SERVICE

Driller Name:

Drill Start Date: 06/09/2000 **Drill Finish Date:**

06/09/2000

Plug Date:

Log File Date:

08/28/2000

PCW Rcv Date:

Source:

Shallow

Pump Type:

Pipe Discharge Size:

Estimated Yield:

700 GPM

Casing Size:

2.38

Depth Well:

40 feet

Depth Water:

18 feet

Water Bearing Stratifications:

Bottom Description Top 36

78 Limestone/Dolomite/Chalk

Casing Perforations:

Bottom Top 35

40

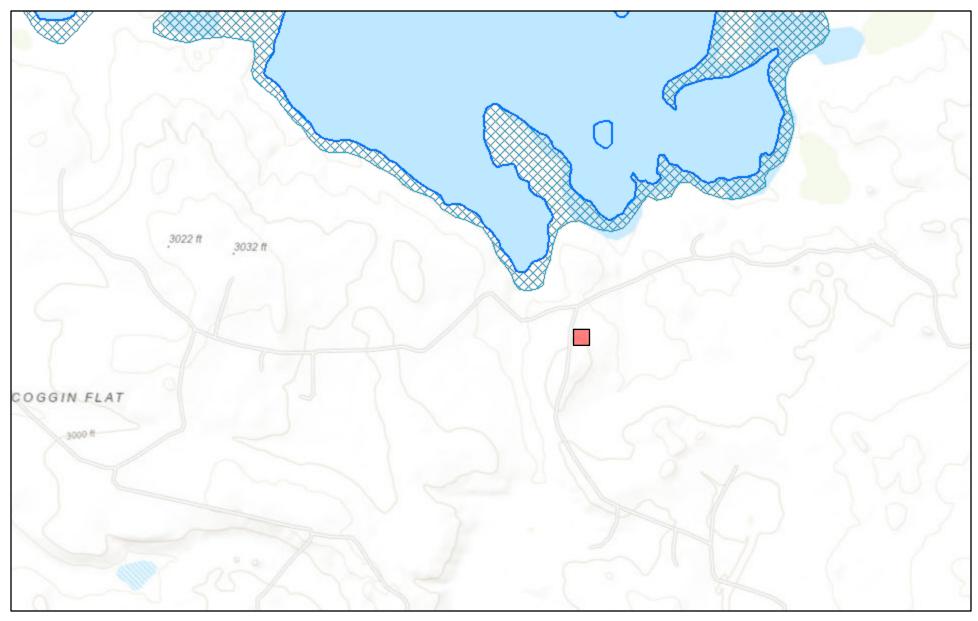
The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

10/18/23 12:53 PM

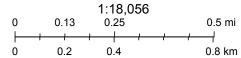
POINT OF DIVERSION SUMMARY

^{*}UTM location was derived from PLSS - see Help

New Mexico NFHL Data



October 18, 2023



FEMA, Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey,

APPENDIX D

CARMONA RESOURCES

Observed Precipitation









Albuquerque, NM: Last 7-Day Observed Precipitation Valid on: October 31, 2023 12:00 UTC What is UTC time? Map Help

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 282234

CONDITIONS

Operator:	OGRID:
MARATHON OIL PERMIAN LLC	372098
990 Town & Country Blvd.	Action Number:
Houston, TX 77024	282234
	Action Type:
	[C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
rhamlet	We have received your Remediation Closure Report for Incident #NAPP2328443918 BLUE STEEL FED, thank you. This Remediation Closure Report is approved. Please make sure all fluids are removed from the liner before photos are taken.	3/6/2024