



December 18, 2025

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

Attention: Britney Hall

Re: Initial C-141
Incident Number nAPP2422050186
Sandpoint Reclamation Facility PWS
Facility ID: fVV2130741319

NMOCD:

The incident occurred October 22, 2023, on site due to a fire at the facility causing a best guess estimate of approximately 682 barrels (bbls) of fluids released. The fluid volume includes produced water, crude oil, and fire suppressants fluids. Of the estimated 682 bbls, approximately 521 bbls of fluid was contained within the tank battery secondary containment and was recovered. An unknown amount was lost in the immediate area around the tank battery due to firefighting activities and fire suppressing fluids.

For reporting, Production Waste Solutions (PWS) will report the spill volume as unknown due to the firefighting activities increase the total spill count to undetermined volume, and will report the fluid recovered as the tank battery volume and 3 compromised tanks of approximately 521 bbl.

Vertex Energy submits this initial C-141 report for the above referenced incident. We respectfully ask NMOCD for approval of the estimated spill volume calculated in good faith.

Closure

All data collected by Vertex is proprietary information of Produced Waste Solutions and will not be shared without express consent of client representatives.

We trust this document meets your present requirements. Should you have any questions regarding its content, please do not hesitate to contact the undersigned at 575.200-6167 or chensley@vertexresource.com.

A handwritten signature in black ink, appearing to read 'Chad Hensley'.

Sincerely,
Chad Hensley

vertex.ca

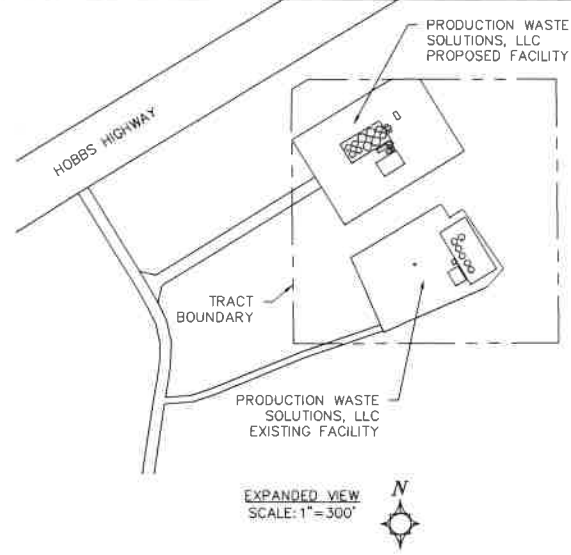
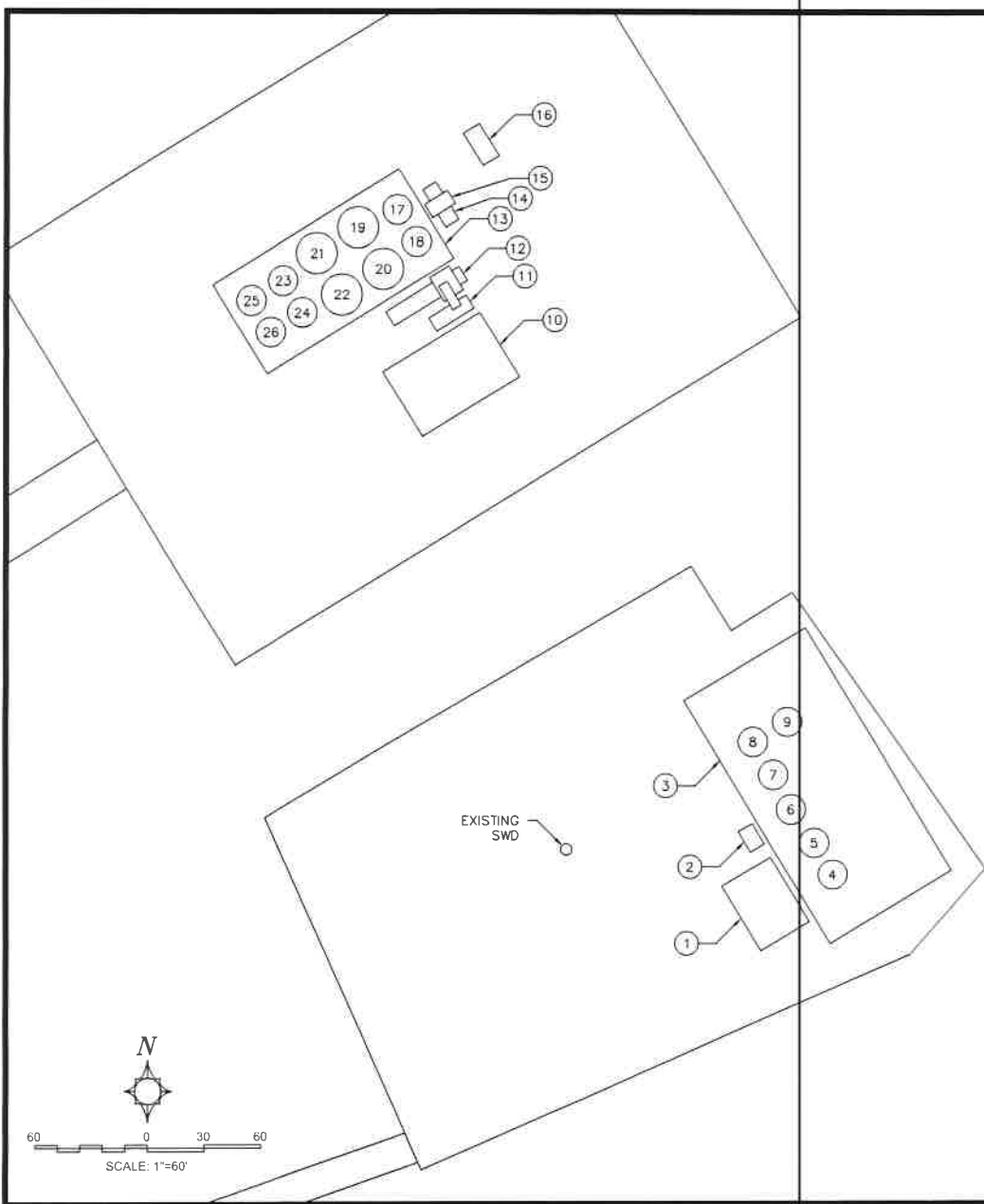
3101 Boyd Drive, Carlsbad, New Mexico 88220, USA | P 575.725.5001



List of Appendices

Appendix A.	Figures
Appendix B.	Spill Calculassions

APPENDIX A



PROPOSED PRODUCTION WASTE SOLUTIONS, LLC EQUIPMENT				
#	DESCRIPTION	DIMENSIONS	MATERIAL	VOLUME
1	UNLOADING BAY	40'x30'x1'	CONCRETE	---
2	BUILDING	12.5'x8.5'x9'	STEEL	---
3	TANK CONTAINMENT	150'x75'x3'	CONCRETE	---
4	PROCESSING TANK	15.5'Øx24'	STEEL	750 BBL
5	PROCESSING TANK	15.5'Øx24'	STEEL	750 BBL
6	PROCESSING TANK	15.5'Øx24'	STEEL	750 BBL
7	SEPARATED WATER TANK	15.5'Øx16'	STEEL	500 BBL
8	SEPARATED WATER TANK	15.5'Øx16'	STEEL	500 BBL
9	SALE OIL TANK	15.5'Øx16'	STEEL	500 BBL
10	UNLOADING BAY	60'x40'x1'	CONCRETE	---
11	SOLIDS ROLL-OFF BOX	23'x8'x4.5'	STEEL	96 BBL
12	SHAKER/UNLOADING TANK	45'x8.5'x8'	STEEL	500 BBL
13	TANK CONTAINMENT	115'x55'x3'	CONCRETE	---
14	SOLIDS ROLL-OFF BOX	23'x8'x4.5'	STEEL	96 BBL
15	CENTRIFUGE	1.5'Øx6'	STEEL	1 BBL
16	HEATER	20'x10'x8'	STEEL	6 BBL
17	PROCESSING TANK	15.5'Øx16'	STEEL	500 BBL
18	PROCESSING TANK	15.5'Øx24'	STEEL	750 BBL
19	UNLOADING TANK	21.5'Øx16'	STEEL	1000 BBL
20	UNLOADING TANK	21.5'Øx16'	STEEL	1000 BBL
21	UNLOADING TANK	21.5'Øx16'	STEEL	1000 BBL
22	UNLOADING TANK	21.5'Øx16'	STEEL	1000 BBL
23	SEPARATED WATER TANK	15.5'Øx16'	STEEL	500 BBL
24	CLEAN WATER TANK	15.5'Øx16'	STEEL	500 BBL
25	SALE OIL TANK	15.5'Øx16'	STEEL	500 BBL
26	SALE OIL TANK	15.5'Øx16'	STEEL	500 BBL



500 Moseley Road
Cross Roads, Texas 76227
Phone (940) 387-9805
www.kje-us.com

FACILITY SCHEMATIC DIAGRAM
CLOSURE COST ESTIMATE
PRODUCTION WASTE SOLUTIONS, LLC & OVERFLOW ENERGY, LLC
EDDY COUNTY, NEW MEXICO

DATE: 09/13/2021
VERSION: 1.0
THIS DRAWING IS FOR PERMIT PURPOSES ONLY.
REVISIONS:
SHEET: **A1**

APPENDIX B

Soil Type	Porosity	Length	Width	Depth (.083 per inch)	Cubic Feet	Estimate d Barrels	Soil Type
Clay	0.15			0.083	0.083	0.00	Clay
Peat	0.40			0.083	0.083	0.01	Peat
Glacial Sediments	0.13			0.083	0.083	0.00	Glacial Sediments
Sandy Clay	0.12			0.083	0.083	0.00	Sandy Clay
Silt	0.16			0.083	0.083	0.00	Silt
Loess	0.25			0.083	0.083	0.00	Loess
Fine Sand	0.16			0.083	0.083	0.00	Fine Sand
Medium Sand	0.25			0.083	0.083	0.00	Medium Sand
Coarse Sand	0.26			0.083	0.083	0.00	Coarse Sand
Gravelly Sand	0.26			0.083	0.083	0.00	Gravelly Sand
Fine Gravel	0.26			0.083	0.083	0.00	Fine Gravel
Medium Gravel	0.20			0.083	0.083	0.00	Medium Gravel
Coarse Gravel	0.18	230	270	0.083	5154.3	165.38	Coarse Gravel
Sandstone	0.25			0.083	0.083	0.00	Sandstone
Siltstone	0.18			0.083	0.083	0.00	Siltstone
Shale	0.05			0.083	0.083	0.00	Shale
Limestone	0.13			0.083	0.083	0.00	Limestone
Basalt	0.19			0.083	0.083	0.00	Basalt
Volcanic Tuff	0.20			0.083	0.083	0.00	Volcanic Tuff
Standing Liquids	X	130	90	0.25	2925	521.39	Standing Liquids

1	2	3	4	5	6
0.083	0.166	0.250	0.332	0.415	0.500
7	8	9	10	11	12
0.581	0.664	0.750	0.830	0.913	1.000

Total Estimated Volume released: Unknown

Total Volume Recovered 521 bbl

Total Volume Lost Unknown

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 536277

QUESTIONS

Operator: PRODUCTION WASTE SOLUTIONS LLC 1101 SE Mustang Dr Andrews, TX 79714	OGRID: 371912
	Action Number: 536277
	Action Type: [C-141] Initial C-141 (C-141-v-Initial)

QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2422050186
Incident Name	NAPP2422050186 SANDPOINT @ FVV2130741319
Incident Type	Fire
Incident Status	Initial C-141 Received
Incident Facility	[FVV2130741319] SANDPOINT RECLAMATION FACILITY PWS

Location of Release Source

Please answer all the questions in this group.

Site Name	SANDPOINT
Date Release Discovered	10/22/2023
Surface Owner	State

Incident Details

Please answer all the questions in this group.

Incident Type	Fire
Did this release result in a fire or is the result of a fire	Yes
Did this release result in any injuries	No
Has this release reached or does it have a reasonable probability of reaching a watercourse	No
Has this release endangered or does it have a reasonable probability of endangering public health	No
Has this release substantially damaged or will it substantially damage property or the environment	No
Is this release of a volume that is or may with reasonable probability be detrimental to fresh water	No

Nature and Volume of Release

Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.

Crude Oil Released (bbls) Details	Cause: Fire Unknown Crude Oil Released: 0 BBL (Unknown Released Amount) Recovered: 52 BBL Lost: -52 BBL.
Produced Water Released (bbls) Details	Cause: Fire Unknown Produced Water Released: 0 BBL (Unknown Released Amount) Recovered: 469 BBL Lost: -469 BBL.
Is the concentration of chloride in the produced water >10,000 mg/l	No
Condensate Released (bbls) Details	Not answered.
Natural Gas Vented (Mcf) Details	Not answered.
Natural Gas Flared (Mcf) Details	Not answered.
Other Released Details	Not answered.
Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)	Not answered.

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QUESTIONS, Page 2

Action 536277

QUESTIONS (continued)

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QUESTIONS

Nature and Volume of Release (continued)	
Is this a gas only submission (i.e. only significant Mcf values reported)	No, according to supplied volumes this does not appear to be a "gas only" report.
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	Yes
Reasons why this would be considered a submission for a notification of a major release	From paragraph A. "Major release" determine using: (1) an unauthorized release of a volume, excluding gases, of 25 barrels or more; (2) an unauthorized release of a volume that: (a) results in a fire or is the result of a fire; (?) reported amounts release resulting in negative volume.
With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e. gas only) are to be submitted on the C-129 form.	

Initial Response

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

The source of the release has been stopped	True
The impacted area has been secured to protect human health and the environment	True
Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices	True
All free liquids and recoverable materials have been removed and managed appropriately	True
If all the actions described above have not been undertaken, explain why	Not answered.

Per Paragraph (4) of Subsection B of 19.15.29.8 NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please prepare and attach a narrative of actions to date in the follow-up C-141 submission. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC), please prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.

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.

I hereby agree and sign off to the above statement	Name: Linette Ramirez Title: Regulatory Admin Email: linette@productionwaste.com Date: 12/18/2025
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QUESTIONS, Page 3

Action 536277

QUESTIONS (continued)

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	Action Type: [C-141] Initial C-141 (C-141-v-Initial)

QUESTIONS

Site Characterization	
<i>Please answer all the questions in this group (only required when seeking remediation plan approval and beyond). This information must be provided to the appropriate district office no later than 90 days after the release discovery date.</i>	
What is the shallowest depth to groundwater beneath the area affected by the release in feet below ground surface (ft bgs)	Between 100 and 500 (ft.)
What method was used to determine the depth to ground water	NM OSE iWaters Database Search
Did this release impact groundwater or surface water	No
What is the minimum distance, between the closest lateral extents of the release and the following surface areas:	
A continuously flowing watercourse or any other significant watercourse	Between 1000 (ft.) and ½ (mi.)
Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)	Between ½ and 1 (mi.)
An occupied permanent residence, school, hospital, institution, or church	Greater than 5 (mi.)
A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes	Between 200 and 300 (ft.)
Any other fresh water well or spring	Between 200 and 300 (ft.)
Incorporated municipal boundaries or a defined municipal fresh water well field	Greater than 5 (mi.)
A wetland	Between 1000 (ft.) and ½ (mi.)
A subsurface mine	Between 1 and 5 (mi.)
An (non-karst) unstable area	Between 200 and 300 (ft.)
Categorize the risk of this well / site being in a karst geology	Medium
A 100-year floodplain	Between 1 and 5 (mi.)
Did the release impact areas not on an exploration, development, production, or storage site	No

Remediation Plan	
<i>Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.</i>	
Requesting a remediation plan approval with this submission	No
<i>The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.</i>	

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CONDITIONS

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CONDITIONS

Created By	Condition	Condition Date
bhall	Initial C-141 approved. Please be advised that the site characterization information provided on the digital C-141 form is not approved as the applicable attachments were not included. Please include the required attachments for the siting criteria when the remediation plan is submitted.	12/19/2025
bhall	Submit a complete and accurate remediation plan by 1/19/2026.	12/19/2025