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-144
Revised April 3, 2017

**For temporary pits, below-grade tanks, and multi-well fluid management pits,** submit to the appropriate NMOCD District Office.
**For permanent pits** submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

# Pit, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

Type of action:
- ☐ Below grade tank registration
- ☐ Permit of a pit or proposed alternative method
- ☒ Closure of a pit, below-grade tank, or proposed alternative method
- ☐ Modification to an existing permit/or registration
- ☐ Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method

BGT1 Closure Report

***Instructions:*** ***Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request***

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: EPIC ENERGY, LLC OGRID #: 320949
Address: 332 Rd 3100, Aztec, NM 8741
Facility or well name: Kelly Indian #1E
API Number: 30-045-30471 OCD Permit Number:
U/L or Qtr/Qtr E Section 12 Township 27N Range 13W County: San Juan
Center of Proposed Design: Latitude 36.5901833 Longitude -108.1772766 NAD83
Surface Owner: ☐ Federal ☐ State ☐ Private ☒ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F, G or J of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ Multi-Well Fluid Management Low Chloride Drilling Fluid ☐ yes ☐ no
☐ Lined ☐ Unlined Liner type: Thickness mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other Volume: bbl Dimensions: L x W x D

3.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: 95 bbl Type of fluid: Produced Water
Tank Construction material: Steel
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☒ Other
Liner type: Thickness mil ☐ HDPE ☐ PVC ☐ Other

4.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

5.
**Fencing:** Subsection D of 19.15.17.11 NMAC *(Applies to permanent pits, temporary pits, and below-grade tanks)*
☐ Chain link, six feet in height, two strands of barbed wire at top *(Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)*
☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
☒ Alternate. Please specify

6.
**Netting:** Subsection E of 19.15.17.11 NMAC *(Applies to permanent pits and permanent open top tanks)*

☐ Screen ☐ Netting ☐ Other_____

☐ Monthly inspections (If netting or screening is not physically feasible)

7.
**Signs:** Subsection C of 19.15.17.11 NMAC

☒ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☐ Signed in compliance with 19.15.16.8 NMAC

8.
**Variances and Exceptions:**
Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

***Please check a box if one or more of the following is requested, if not leave blank:***

☐ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

9.
**Siting Criteria (regarding permitting):** 19.15.17.10 NMAC

***Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below.*** **Siting criteria does not apply to drying pads or above-grade tanks.**

| | |
|---|---|
| **General siting** | |
| **Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank.**<br>- ☐ NM Office of the State Engineer - iWATERS database search; ☐ USGS; ☐ Data obtained from nearby wells | ☐ Yes ☒ No<br>☐ NA |
| **Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit .**<br>NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | ☐ Yes ☐ No<br>☐ NA |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. **(Does not apply to below grade tanks)**<br>- Written confirmation or verification from the municipality; Written approval obtained from the municipality | ☐ Yes ☐ No |
| Within the area overlying a subsurface mine. **(Does not apply to below grade tanks)**<br>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | ☐ Yes ☐ No |
| Within an unstable area. **(Does not apply to below grade tanks)**<br>- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | ☐ Yes ☐ No |
| Within a 100-year floodplain. **(Does not apply to below grade tanks)**<br>- FEMA map | ☐ Yes ☐ No |
| **Below Grade Tanks** | |
| Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark).<br>- Topographic map; Visual inspection (certification) of the proposed site | ☐ Yes ☒ No |
| Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;.<br>- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site | ☐ Yes ☒ No |
| **Temporary Pit using Low Chloride Drilling Fluid** (maximum chloride content 15,000 mg/liter)<br>Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.)<br>- Topographic map; Visual inspection (certification) of the proposed site | ☐ Yes ☐ No |
| Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application.<br>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | ☐ Yes ☐ No |
| Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application.<br>NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site | ☐ Yes ☐ No |

| | |
|---|---|
| Within 100 feet of a wetland.<br>- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | ☐ Yes ☐ No |
| **Temporary Pit Non-low chloride drilling fluid** | |
| Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).<br>- Topographic map; Visual inspection (certification) of the proposed site | ☐ Yes ☐ No |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.<br>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | ☐ Yes ☐ No |
| 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, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application;<br>- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site | ☐ Yes ☐ No |
| Within 300 feet of a wetland.<br>- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | ☐ Yes ☐ No |
| **Permanent Pit or Multi-Well Fluid Management Pit** | |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).<br>- Topographic map; Visual inspection (certification) of the proposed site | ☐ Yes ☐ No |
| Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.<br>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | ☐ Yes ☐ No |
| Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application.<br>- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site | ☐ Yes ☐ No |
| Within 500 feet of a wetland.<br>- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | ☐ Yes ☐ No |

10.
**Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC
***Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.***

☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

11.
**Multi-Well Fluid Management Pit Checklist:** Subsection B of 19.15.17.9 NMAC
***Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.***

☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ A List of wells with approved application for permit to drill associated with the pit.
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.
**Permanent Pits Permit Application Checklist:** Subsection B of 19.15.17.9 NMAC
***Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including $H_2S$, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

13.
**Proposed Closure:** 19.15.17.13 NMAC
***Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.***

Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☒ Below-grade Tank ☐ Multi-well Fluid Management Pit ☐ Alternative

Proposed Closure Method: ☒ Waste Excavation and Removal
☐ Waste Removal (Closed-loop systems only)
☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ In-place Burial ☐ On-site Trench Burial
☐ Alternative Closure Method

14.
**Waste Excavation and Removal Closure Plan Checklist:** (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.13 NMAC
- ☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15.
**Siting Criteria (regarding on-site closure methods only):** 19.15.17.10 NMAC
***Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.***

| | |
|---|---|
| Ground water is less than 25 feet below the bottom of the buried waste.<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | ☐ Yes ☐ No<br>☐ NA |
| Ground water is between 25-50 feet below the bottom of the buried waste<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | ☐ Yes ☐ No<br>☐ NA |
| Ground water is more than 100 feet below the bottom of the buried waste.<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | ☐ Yes ☐ No<br>☐ NA |
| Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).<br>- Topographic map; Visual inspection (certification) of the proposed site | ☐ Yes ☐ No |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.<br>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | ☐ Yes ☐ No |
| Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application.<br>- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | ☐ Yes ☐ No |
| Written confirmation or verification from the municipality; Written approval obtained from the municipality | ☐ Yes ☐ No |
| Within 300 feet of a wetland.<br>US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | ☐ Yes ☐ No |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance | |

| | |
|---|---|
| adopted pursuant to NMSA 1978, Section 3-27-3, as amended.<br>- Written confirmation or verification from the municipality; Written approval obtained from the municipality | ☐ Yes ☐ No |
| Within the area overlying a subsurface mine.<br>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | ☐ Yes ☐ No |
| Within an unstable area.<br>- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | ☐ Yes ☐ No |
| Within a 100-year floodplain.<br>- FEMA map | ☐ Yes ☐ No |

16.
**On-Site Closure Plan Checklist:** (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
- ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC
- ☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.
**Operator Application Certification:**

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

18.
**OCD Approval:** ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☐ OCD Conditions (see attachment)

Report

**OCD Representative Signature:** Jaclyn Burdine **Approval Date:** 07/21/2022

**Title:** Environmental Specialist-A **OCD Permit Number:** BGT1

19.
**Closure Report (required within 60 days of closure completion):** 19.15.17.13 NMAC

***Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.***

☐ **Closure Completion Date:** 4/19/2022

20.
**Closure Method:**

☒ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)

☐ If different from approved plan, please explain.

21.
**Closure Report Attachment Checklist:** ***Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Proof of Closure Notice (surface owner and division)
- ☐ Proof of Deed Notice (required for on-site closure for private land only)
- ☐ Plot Plan (for on-site closures and temporary pits)
- ☒ Confirmation Sampling Analytical Results (if applicable)
- ☐ Waste Material Sampling Analytical Results (required for on-site closure)
- ☒ Disposal Facility Name and Permit Number
- ☐ Soil Backfilling and Cover Installation
- ☐ Re-vegetation Application Rates and Seeding Technique
- ☐ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude 36.5901833 Longitude -108.1772766 NAD: ☐ 1927 ☒ 1983

22.
**Operator Closure Certification:**
I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

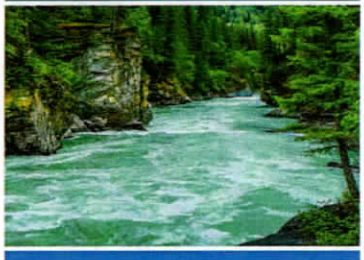
Name (Print): Shawna Martinez Title: Regulatory Tech

Signature: Shawna Martinez Date: 4/29/2022

e-mail address: shawna@walsheng.net Telephone: 505-327-4892

Report to:

Shawna Martinez



5796 U.S. Hwy 64
Farmington, NM 87401

Phone: (505) 632-1881
Envirotech-inc.com

# envirotech

*Practical Solutions for a Better Tomorrow*

## Analytical Report

Epic Energy

| | |
|---|---|
| Project Name: | Kelly Indian 1E BGT |
| Work Order: | E204094 |
| Job Number: | 18012-0006 |
| Received: | 4/19/2022 |

Revision: 1

Report Reviewed By:

Walter Hinchman
Laboratory Director
4/26/22

Envirotech Inc. certifies the test results meet all requirements of TNI unless noted otherwise.
Statement of Data Authenticity: Envirotech Inc, attests the data reported has not been altered in any way.
Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech Inc.
Envirotech Inc, holds the Utah TNI certification NM00979 for data reported.
Envirotech Inc, holds the Texas TNI certification T104704557 for data reported.
Envirotech Inc, holds the NM SDWA certification for data reported. (Lab #NM00979)

Date Reported: 4/26/22

Shawna Martinez
7415 Main Street
Farmington, NM 87402

Project Name: Kelly Indian 1E BGT
Workorder: E204094
Date Received: 4/19/2022 2:34:00PM

Shawna Martinez,

Thank you for choosing Envirotech, Inc. as your analytical testing laboratory for the sample(s) received on, 4/19/2022 2:34:00PM, under the Project Name: Kelly Indian 1E BGT.

The analytical test results summarized in this report with the Project Name: Kelly Indian 1E BGT apply to the individual samples collected, identified and submitted bearing the project name on the enclosed chain-of-custody. Subcontracted sample analyses not conducted by Envirotech, Inc., are attached in full as issued by the subcontract laboratory.

Please review the Chain-of-Custody (COC) and Sample Receipt Checklist (SRC) for any issues reguarding sample receipt temperature, containers, preservation etc. To best understand your test results, review the entire report summarizing your sample data and the associated quality control batch data.

All reported data in this analytical report were analyzed according to the referenced method(s) and are in compliance with the latest NELAC/TNI standards, unless otherwise noted. Samples or analytical quality control parameters not meeting specific QC criteria are qualified with a data flag. Data flag definitions are located in the Notes and Definitions section of this analytical report.

If you have any questions concerning this report, please feel free to contact Envirotech, Inc.

Respectfully,

**Walter Hinchman**
Laboratory Director
Office: 505-632-1881
Cell: 775-287-1762
whinchman@envirotech-inc.com

**Raina Schwanz**
Laboratory Administrator
Office: 505-632-1881
rainaschwanz@envirotech-inc.com

**Alexa Michaels**
Sample Custody Officer
Office: 505-632-1881
labadmin@envirotech-inc.com

Field Offices:

**Southern New Mexico Area**
**Lynn Jarboe**
Technical Representative/Client Services
Office: 505-421-LABS(5227)
Cell: 505-320-4759
ljarboe@envirotech-inc.com

**West Texas Midland/Odessa Area**
**Rayny Hagan**
Technical Representative
Office: 505-421-LABS(5227)

Envirotech Web Address: www.envirotech-inc.com

# Table of Contents

# Sample Summary

| | | | |
|---|---|---|---|
| Epic Energy | Project Name: | Kelly Indian 1E BGT | **Reported:** |
| 7415 Main Street | Project Number: | 18012-0006 | |
| Farmington NM, 87402 | Project Manager: | Shawna Martinez | 04/26/22 15:26 |

| Client Sample ID | Lab Sample ID | Matrix | Sampled | Received | Container |
|---|---|---|---|---|---|
| Kelly Indian 1E | E204094-01A | Soil | 04/19/22 | 04/19/22 | Glass Jar, 4 oz. |

# Sample Data

| | | | |
|---|---|---|---|
| Epic Energy | Project Name: | Kelly Indian 1E BGT | |
| 7415 Main Street | Project Number: | 18012-0006 | **Reported:** |
| Farmington NM, 87402 | Project Manager: | Shawna Martinez | 4/26/2022 3:26:30PM |

## Kelly Indian 1E

**E204094-01**

| Analyte | Result | Reporting Limit | Dilution | Prepared | Analyzed | Notes |
|---|---|---|---|---|---|---|
| **Volatile Organics by EPA 8021B** | mg/kg | mg/kg | Analyst: IY | | | Batch: 2217031 |
| Benzene | ND | 0.0250 | 1 | 04/21/22 | 04/21/22 | |
| Ethylbenzene | ND | 0.0250 | 1 | 04/21/22 | 04/21/22 | |
| Toluene | ND | 0.0250 | 1 | 04/21/22 | 04/21/22 | |
| o-Xylene | ND | 0.0250 | 1 | 04/21/22 | 04/21/22 | |
| p,m-Xylene | ND | 0.0500 | 1 | 04/21/22 | 04/21/22 | |
| Total Xylenes | ND | 0.0250 | 1 | 04/21/22 | 04/21/22 | |
| *Surrogate: 4-Bromochlorobenzene-PID* | | *106 %* | *70-130* | *04/21/22* | *04/21/22* | |
| **Nonhalogenated Organics by EPA 8015D - GRO** | mg/kg | mg/kg | Analyst: IY | | | Batch: 2217031 |
| Gasoline Range Organics (C6-C10) | ND | 20.0 | 1 | 04/21/22 | 04/21/22 | |
| *Surrogate: 1-Chloro-4-fluorobenzene-FID* | | *88.5 %* | *70-130* | *04/21/22* | *04/21/22* | |
| **Nonhalogenated Organics by EPA 8015D - DRO/ORO** | mg/kg | mg/kg | Analyst: JL | | | Batch: 2217021 |
| Diesel Range Organics (C10-C28) | ND | 25.0 | 1 | 04/20/22 | 04/20/22 | |
| Oil Range Organics (C28-C36) | ND | 50.0 | 1 | 04/20/22 | 04/20/22 | |
| *Surrogate: n-Nonane* | | *84.9 %* | *50-200* | *04/20/22* | *04/20/22* | |
| **Anions by EPA 300.0/9056A** | mg/kg | mg/kg | Analyst: CS | | | Batch: 2217029 |
| Chloride | ND | 20.0 | 1 | 04/20/22 | 04/21/22 | |



envirotech Inc.

# QC Summary Data

| | | | |
|---|---|---|---|
| Epic Energy | Project Name: | Kelly Indian 1E BGT | **Reported:** |
| 7415 Main Street | Project Number: | 18012-0006 | |
| Farmington NM, 87402 | Project Manager: | Shawna Martinez | 4/26/2022 3:26:30PM |

## Volatile Organics by EPA 8021B

Analyst: IY

| Analyte | Result | Reporting Limit | Spike Level | Source Result | Rec | Rec Limits | RPD | RPD Limit | Notes |
|---|---|---|---|---|---|---|---|---|---|
| | mg/kg | mg/kg | mg/kg | mg/kg | % | % | % | % | |
| **Blank (2217031-BLK1)** | | | | | | | | | Prepared: 04/21/22 Analyzed: 04/21/22 |
| Benzene | ND | 0.0250 | | | | | | | |
| Ethylbenzene | ND | 0.0250 | | | | | | | |
| Toluene | ND | 0.0250 | | | | | | | |
| o-Xylene | ND | 0.0250 | | | | | | | |
| p,m-Xylene | ND | 0.0500 | | | | | | | |
| Total Xylenes | ND | 0.0250 | | | | | | | |
| *Surrogate: 4-Bromochlorobenzene-PID* | *7.64* | | *8.00* | | *95.5* | *70-130* | | | |
| **LCS (2217031-BS1)** | | | | | | | | | Prepared: 04/21/22 Analyzed: 04/21/22 |
| Benzene | 4.80 | 0.0250 | 5.00 | | 96.0 | 70-130 | | | |
| Ethylbenzene | 4.84 | 0.0250 | 5.00 | | 96.8 | 70-130 | | | |
| Toluene | 4.98 | 0.0250 | 5.00 | | 99.6 | 70-130 | | | |
| o-Xylene | 5.07 | 0.0250 | 5.00 | | 101 | 70-130 | | | |
| p,m-Xylene | 9.98 | 0.0500 | 10.0 | | 99.8 | 70-130 | | | |
| Total Xylenes | 15.1 | 0.0250 | 15.0 | | 100 | 70-130 | | | |
| *Surrogate: 4-Bromochlorobenzene-PID* | *7.80* | | *8.00* | | *97.5* | *70-130* | | | |
| **Matrix Spike (2217031-MS1)** | | | | **Source: E204111-01** | | | | | Prepared: 04/21/22 Analyzed: 04/21/22 |
| Benzene | 4.81 | 0.0250 | 5.00 | ND | 96.3 | 54-133 | | | |
| Ethylbenzene | 4.91 | 0.0250 | 5.00 | ND | 98.2 | 61-133 | | | |
| Toluene | 5.03 | 0.0250 | 5.00 | ND | 101 | 61-130 | | | |
| o-Xylene | 5.14 | 0.0250 | 5.00 | ND | 103 | 63-131 | | | |
| p,m-Xylene | 10.1 | 0.0500 | 10.0 | ND | 101 | 63-131 | | | |
| Total Xylenes | 15.3 | 0.0250 | 15.0 | ND | 102 | 63-131 | | | |
| *Surrogate: 4-Bromochlorobenzene-PID* | *8.02* | | *8.00* | | *100* | *70-130* | | | |
| **Matrix Spike Dup (2217031-MSD1)** | | | | **Source: E204111-01** | | | | | Prepared: 04/21/22 Analyzed: 04/21/22 |
| Benzene | 4.80 | 0.0250 | 5.00 | ND | 96.0 | 54-133 | 0.344 | 20 | |
| Ethylbenzene | 4.86 | 0.0250 | 5.00 | ND | 97.2 | 61-133 | 0.979 | 20 | |
| Toluene | 5.00 | 0.0250 | 5.00 | ND | 100 | 61-130 | 0.707 | 20 | |
| o-Xylene | 5.09 | 0.0250 | 5.00 | ND | 102 | 63-131 | 0.990 | 20 | |
| p,m-Xylene | 10.0 | 0.0500 | 10.0 | ND | 100 | 63-131 | 0.961 | 20 | |
| Total Xylenes | 15.1 | 0.0250 | 15.0 | ND | 101 | 63-131 | 0.971 | 20 | |
| *Surrogate: 4-Bromochlorobenzene-PID* | *7.84* | | *8.00* | | *98.0* | *70-130* | | | |



envirotech Inc.

# QC Summary Data

| | | | |
|---|---|---|---|
| Epic Energy | Project Name: | Kelly Indian 1E BGT | **Reported:** |
| 7415 Main Street | Project Number: | 18012-0006 | |
| Farmington NM, 87402 | Project Manager: | Shawna Martinez | 4/26/2022 3:26:30PM |

## Nonhalogenated Organics by EPA 8015D - GRO

Analyst: IY

| Analyte | Result | Reporting Limit | Spike Level | Source Result | Rec | Rec Limits | RPD | RPD Limit | Notes |
|---|---|---|---|---|---|---|---|---|---|
| | mg/kg | mg/kg | mg/kg | mg/kg | % | % | % | % | |
| **Blank (2217031-BLK1)** | | | | | | | | | Prepared: 04/21/22 Analyzed: 04/21/22 |
| Gasoline Range Organics (C6-C10) | ND | 20.0 | | | | | | | |
| *Surrogate: 1-Chloro-4-fluorobenzene-FID* | *7.15* | | *8.00* | | *89.4* | *70-130* | | | |
| **LCS (2217031-BS2)** | | | | | | | | | Prepared: 04/21/22 Analyzed: 04/21/22 |
| Gasoline Range Organics (C6-C10) | 51.4 | 20.0 | 50.0 | | 103 | 70-130 | | | |
| *Surrogate: 1-Chloro-4-fluorobenzene-FID* | *7.29* | | *8.00* | | *91.1* | *70-130* | | | |
| **Matrix Spike (2217031-MS2)** | | | | **Source: E204111-01** | | | | | Prepared: 04/21/22 Analyzed: 04/21/22 |
| Gasoline Range Organics (C6-C10) | 55.7 | 20.0 | 50.0 | ND | 111 | 70-130 | | | |
| *Surrogate: 1-Chloro-4-fluorobenzene-FID* | *7.17* | | *8.00* | | *89.6* | *70-130* | | | |
| **Matrix Spike Dup (2217031-MSD2)** | | | | **Source: E204111-01** | | | | | Prepared: 04/21/22 Analyzed: 04/21/22 |
| Gasoline Range Organics (C6-C10) | 52.5 | 20.0 | 50.0 | ND | 105 | 70-130 | 5.97 | 20 | |
| *Surrogate: 1-Chloro-4-fluorobenzene-FID* | *7.16* | | *8.00* | | *89.5* | *70-130* | | | |

# QC Summary Data

| | | | |
|---|---|---|---|
| Epic Energy | Project Name: | Kelly Indian 1E BGT | **Reported:** |
| 7415 Main Street | Project Number: | 18012-0006 | |
| Farmington NM, 87402 | Project Manager: | Shawna Martinez | 4/26/2022 3:26:30PM |

## Nonhalogenated Organics by EPA 8015D - DRO/ORO

Analyst: JL

| Analyte | Result mg/kg | Reporting Limit mg/kg | Spike Level mg/kg | Source Result mg/kg | Rec % | Rec Limits % | RPD % | RPD Limit % | Notes |
|---|---|---|---|---|---|---|---|---|---|
| **Blank (2217021-BLK1)** | | | | | | | | | Prepared: 04/20/22 Analyzed: 04/20/22 |
| Diesel Range Organics (C10-C28) | ND | 25.0 | | | | | | | |
| Oil Range Organics (C28-C36) | ND | 50.0 | | | | | | | |
| *Surrogate: n-Nonane* | *41.5* | | *50.0* | | *82.9* | *50-200* | | | |
| **LCS (2217021-BS1)** | | | | | | | | | Prepared: 04/20/22 Analyzed: 04/20/22 |
| Diesel Range Organics (C10-C28) | 496 | 25.0 | 500 | | 99.2 | 38-132 | | | |
| *Surrogate: n-Nonane* | *44.1* | | *50.0* | | *88.1* | *50-200* | | | |
| **Matrix Spike (2217021-MS1)** | | | | **Source: E204098-03** | | | | | Prepared: 04/20/22 Analyzed: 04/20/22 |
| Diesel Range Organics (C10-C28) | 533 | 25.0 | 500 | ND | 107 | 38-132 | | | |
| *Surrogate: n-Nonane* | *47.4* | | *50.0* | | *94.8* | *50-200* | | | |
| **Matrix Spike Dup (2217021-MSD1)** | | | | **Source: E204098-03** | | | | | Prepared: 04/20/22 Analyzed: 04/20/22 |
| Diesel Range Organics (C10-C28) | 540 | 25.0 | 500 | ND | 108 | 38-132 | 1.27 | 20 | |
| *Surrogate: n-Nonane* | *48.8* | | *50.0* | | *97.7* | *50-200* | | | |



envirotech Inc.

# QC Summary Data

| | | | |
|---|---|---|---|
| Epic Energy | Project Name: | Kelly Indian 1E BGT | **Reported:** |
| 7415 Main Street | Project Number: | 18012-0006 | |
| Farmington NM, 87402 | Project Manager: | Shawna Martinez | 4/26/2022 3:26:30PM |

## Anions by EPA 300.0/9056A

Analyst: CS

| Analyte | Result mg/kg | Reporting Limit mg/kg | Spike Level mg/kg | Source Result mg/kg | Rec % | Rec Limits % | RPD % | RPD Limit % | Notes |
|---|---|---|---|---|---|---|---|---|---|
| **Blank (2217029-BLK1)** | | | | | | | | | Prepared: 04/20/22 Analyzed: 04/20/22 |
| Chloride | ND | 20.0 | | | | | | | |
| **LCS (2217029-BS1)** | | | | | | | | | Prepared: 04/20/22 Analyzed: 04/20/22 |
| Chloride | 258 | 20.0 | 250 | | 103 | 90-110 | | | |
| **Matrix Spike (2217029-MS1)** | | | | **Source: E204102-01** | | | | | Prepared: 04/20/22 Analyzed: 04/20/22 |
| Chloride | 265 | 20.0 | 250 | ND | 106 | 80-120 | | | |
| **Matrix Spike Dup (2217029-MSD1)** | | | | **Source: E204102-01** | | | | | Prepared: 04/20/22 Analyzed: 04/20/22 |
| Chloride | 267 | 20.0 | 250 | ND | 107 | 80-120 | 1.10 | 20 | |

QC Summary Report Comment:
Calculations are based off of the raw (non-rounded) data. However, for reporting purposes all QC data is rounded to three significant figures. Therefore, hand calculated values may differ slightly.

# Definitions and Notes

| | | | |
|---|---|---|---|
| Epic Energy | Project Name: | Kelly Indian 1E BGT | |
| 7415 Main Street | Project Number: | 18012-0006 | **Reported:** |
| Farmington NM, 87402 | Project Manager: | Shawna Martinez | 04/26/22 15:26 |

| | |
|---|---|
| ND | Analyte NOT DETECTED at or above the reporting limit |
| NR | Not Reported |
| RPD | Relative Percent Difference |
| DNI | Did Not Ignite |

Note (1): Methods marked with ** are non-accredited methods.

Note (2): Soil data is reported on an "as received" weight basis, unless reported otherwise.

Project Information

Chain of Custody

Page 1 of 1

Client: EPIC ENERGY LLC
Project: KELLY INDIAN 1E BGT
Project Manager: SHANNA MARTINEZ
Address: 322 R. 3100
City, State, Zip AZTEC NM 87410
Phone: 327-4892
Email: SHANNA@WALSHENG.NET
Report due by:

**Bill To**
Attention: EPIC ENERGY LLC
Address:
City, State, Zip
Phone:
Email:

**Lab Use Only**
Lab WO# E204094
Job Number 18012-0006

**TAT**: 1D | 2D | 3D | Standard (X)

**EPA Program**: CWA | SDWA | RCRA

**State**: NM (X) | CO | UT | AZ | TX

**Analysis and Method**

| Time Sampled | Date Sampled | Matrix | No. of Containers | Sample ID | Lab Number | DRO/ORO by 8015 | GRO/DRO by 8015 | BTEX by 8021 | VOC by 8260 | Metals 6010 | Chloride 300.0 | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 9:15A | 4-19-22 | S | 1 | KELLY INDIAN 1E | 1 | X | X | X | | | X | |

**Additional Instructions:**

I, (field sampler), attest to the validity and authenticity of this sample. I am aware that tampering with or intentionally mislabelling the sample location, date or time of collection is considered fraud and may be grounds for legal action. Sampled by: MICHAEL L DEAN

Samples requiring thermal preservation must be received on ice the day they are sampled or received packed in ice at an avg temp above 0 but less than 6 °C on subsequent days

| Relinquished by: (Signature) | Date | Time | Received by: (Signature) | Date | Time |
|---|---|---|---|---|---|
| Michael Dean | 4-19-22 | 2:35pm | Austin Clutts | 4/19/22 | 14:34 |
| Relinquished by: (Signature) | Date | Time | Received by: (Signature) | Date | Time |
| Relinquished by: (Signature) | Date | Time | Received by: (Signature) | Date | Time |

**Lab Use Only**
Received on ice: (Y) N
T1 T2 T3
AVG Temp °C 4

Sample Matrix: S - Soil, Sd - Solid, Sg - Sludge, A - Aqueous, O - Other

Container Type: g - glass, p - poly/plastic, ag - amber glass, v - VOA

Note: Samples are discarded 30 days after results are reported unless other arrangements are made. Hazardous samples will be returned to client or disposed of at the client expense. The report for the analysis of the above samples is applicable only to those samples received by the laboratory with this COC. The liability of the laboratory is limited to the amount paid for on the report.

envirotech

# Envirotech Analytical Laboratory

Printed: 4/19/2022 2:41:19PM

## Sample Receipt Checklist (SRC)

**Instructions: Please take note of any NO checkmarks.**
**If we receive no response concerning these items within 24 hours of the date of this notice, all the samples will be analyzed as requested.**

| | | | | | |
|---|---|---|---|---|---|
| Client: | Epic Energy | Date Received: | 04/19/22 14:34 | Work Order ID: | E204094 |
| Phone: | (505) 327-4892 | Date Logged In: | 04/19/22 14:37 | Logged In By: | Caitlin Christian |
| Email: | shawna@walsheng.net | Due Date: | 04/26/22 17:00 (5 day TAT) | | |

**Chain of Custody (COC)**

| | |
|---|---|
| 1. Does the sample ID match the COC? | Yes |
| 2. Does the number of samples per sampling site location match the COC | Yes |
| 3. Were samples dropped off by client or carrier? | Yes |
| 4. Was the COC complete, i.e., signatures, dates/times, requested analyses? | Yes |
| 5. Were all samples received within holding time? Note: Analysis, such as pH which should be conducted in the field, i.e, 15 minute hold time, are not included in this disucssion. | Yes |

Carrier: Michael Dean

**Comments/Resolution**

**Sample Turn Around Time (TAT)**

| | |
|---|---|
| 6. Did the COC indicate standard TAT, or Expedited TAT? | Yes |

**Sample Cooler**

| | |
|---|---|
| 7. Was a sample cooler received? | Yes |
| 8. If yes, was cooler received in good condition? | Yes |
| 9. Was the sample(s) received intact, i.e., not broken? | Yes |
| 10. Were custody/security seals present? | No |
| 11. If yes, were custody/security seals intact? | NA |
| 12. Was the sample received on ice? If yes, the recorded temp is 4°C, i.e., 6°±2°C Note: Thermal preservation is not required, if samples are received w/i 15 minutes of sampling | Yes |
| 13. If no visible ice, record the temperature. Actual sample temperature: 4°C | |

**Sample Container**

| | |
|---|---|
| 14. Are aqueous VOC samples present? | No |
| 15. Are VOC samples collected in VOA Vials? | NA |
| 16. Is the head space less than 6-8 mm (pea sized or less)? | NA |
| 17. Was a trip blank (TB) included for VOC analyses? | NA |
| 18. Are non-VOC samples collected in the correct containers? | Yes |
| 19. Is the appropriate volume/weight or number of sample containers collected? | Yes |

**Field Label**

| | |
|---|---|
| 20. Were field sample labels filled out with the minimum information: | |
| Sample ID? | Yes |
| Date/Time Collected? | Yes |
| Collectors name? | No |

**Sample Preservation**

| | |
|---|---|
| 21. Does the COC or field labels indicate the samples were preserved? | No |
| 22. Are sample(s) correctly preserved? | NA |
| 24. Is lab filteration required and/or requested for dissolved metals? | No |

**Multiphase Sample Matrix**

| | |
|---|---|
| 26. Does the sample have more than one phase, i.e., multiphase? | No |
| 27. If yes, does the COC specify which phase(s) is to be analyzed? | NA |

**Subcontract Laboratory**

| | |
|---|---|
| 28. Are samples required to get sent to a subcontract laboratory? | No |
| 29. Was a subcontract laboratory specified by the client and if so who? | NA |

Subcontract Lab: na

**Client Instruction**

Signature of client authorizing changes to the COC or sample disposition.

Date

envirotech Inc.

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 EPIC Energy, LLC | OGRID 320949 |
| Contact Name Shawna Martinez | Contact Telephone 505-327-4892 |
| Contact email shawna@walsheng.net | Incident # *(assigned by OCD)* cJK2123055795 |
| Contact mailing address 332 Rd 3100, Aztec, NM 98410 | |

## Location of Release Source

Latitude 36.5901833 Longitude -108.1772766
*(NAD 83 in decimal degrees to 5 decimal places)*

| | |
|---|---|
| Site Name Kelly Indian #1E | Site Type Gas |
| Date Release Discovered N/A | API# *(if applicable)* 30-045-30471 |

| Unit Letter | Section | Township | Range | County |
|---|---|---|---|---|
| E | 12 | 27N | 13W | San Juan |

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)

| | | |
|---|---|---|
| ☐ Crude Oil | Volume Released (bbls) | Volume Recovered (bbls) |
| ☐ Produced Water | Volume Released (bbls) | Volume Recovered (bbls) |
| | 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
Sampling failed previously, now passes Table 1 Standards

Form C-141
Page 6

State of New Mexico
Oil Conservation Division

| | |
|---|---|
| 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 19.15.29.11 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: Shawna Martinez Title: Regulatory Tech

Signature: Shawna Martinez Date: 4/29/2022

email: shawna@walsheng.net Telephone: 505-327-4892

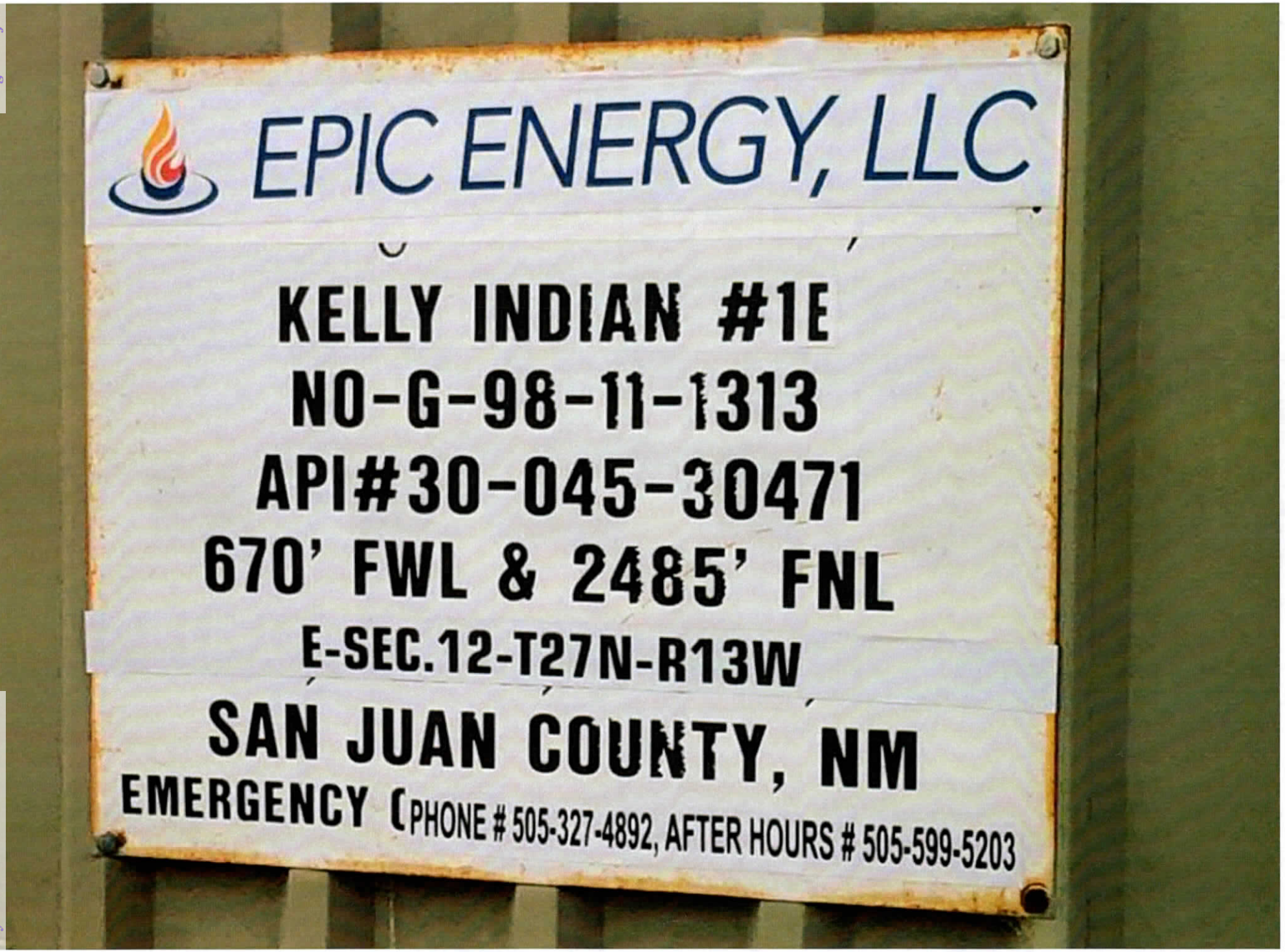
**OCD Only**

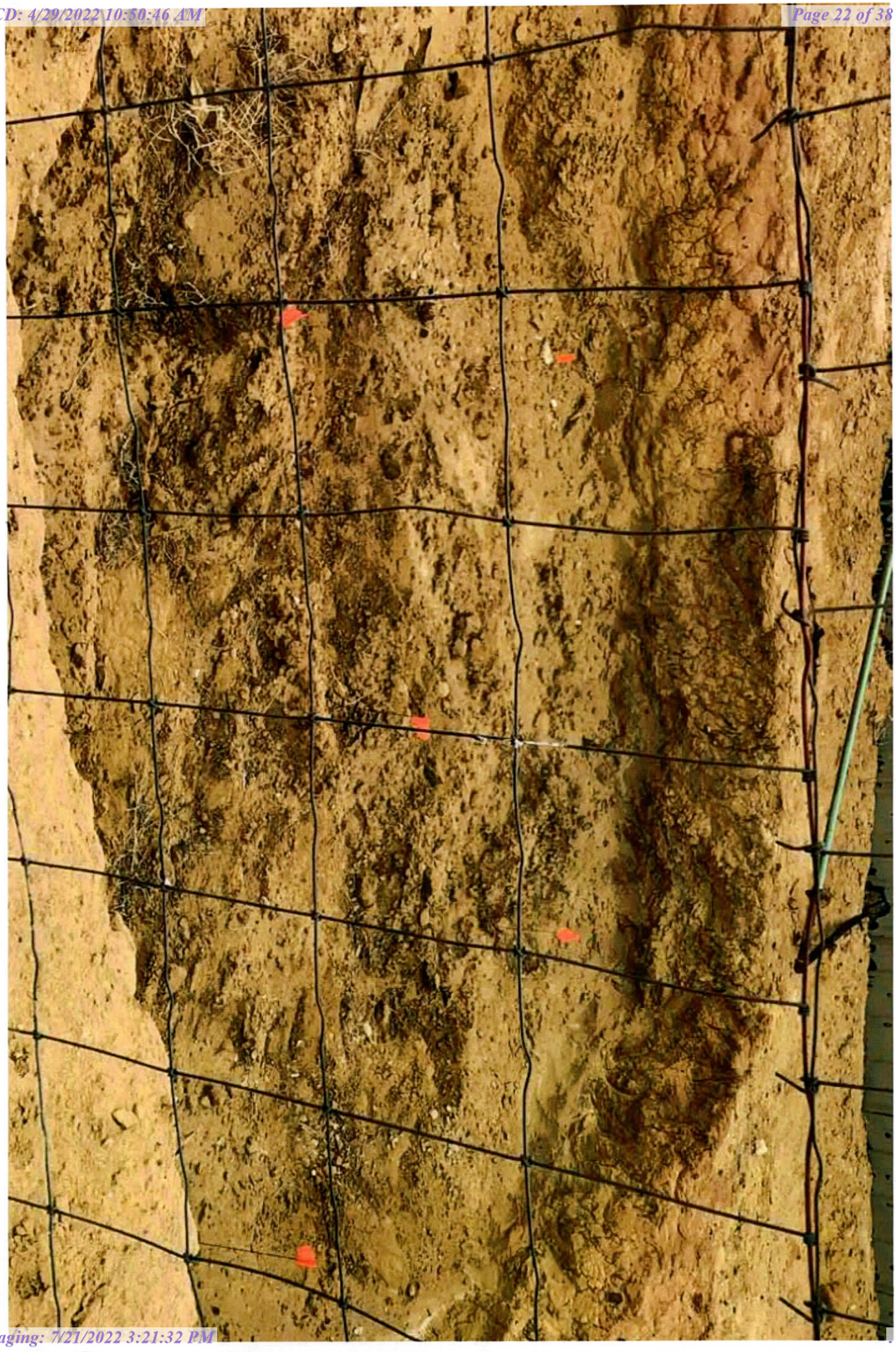
Received by: Date:

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: Date:

Printed Name: Title:





## Shawna Martinez

**From:** Shawna Martinez
**Sent:** Thursday, April 14, 2022 8:09 AM
**To:** Adeloye, Abiodun A; Victoria.Venegas@state.nm.us
**Cc:** Vern Andrews; Jimmie McKinney; Arleen Smith
**Subject:** RE: [EXTERNAL] Compliance cJK2123055795 Kelly Indian #1E

Good morning everyone,

The time for the removal and sampling will be 9:00AM on April 19, 2022.

Thank You,

Shawna Martinez
Regulatory Tech
Walsh Engineering/Epic Energy, LLC
O: 505-327-4892
shawna@walsheng.net

---

**From:** Adeloye, Abiodun A <aadeloye@blm.gov>
**Sent:** Wednesday, April 13, 2022 3:48 PM
**To:** Shawna Martinez <shawna@walsheng.net>; Victoria.Venegas@state.nm.us
**Cc:** Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>; Arleen Smith <arleen@walsheng.net>
**Subject:** RE: [EXTERNAL] Compliance cJK2123055795 Kelly Indian #1E

Hi, Shawna, thank you for the notification. Could you please send the time for the removal and sampling.
Thank you.

**Abiodun Adeloye (Emmanuel), NRS**
*Bureau of Land Management*
*Farmington Field Office*
*6251 College Blvd., Suite A*
*Farmington, NM 87402*
Office Phone: 505-564-7665
Cell Phone: 505-635-0984

---

**From:** Shawna Martinez <shawna@walsheng.net>
**Sent:** Wednesday, April 13, 2022 9:13 AM
**To:** Victoria.Venegas@state.nm.us
**Cc:** Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>; Arleen Smith <arleen@walsheng.net>; Adeloye, Abiodun A <aadeloye@blm.gov>
**Subject:** [EXTERNAL] Compliance cJK2123055795 Kelly Indian #1E

Good morning Victoria,

Walsh Engineering is providing 72-hour notification for confirmation sampling for the BGT being over Table 1 standards per Closure Plan. Jimmie McKinney will be sampling on Tuesday, April 19, 2022.

Kelly Indian #1E API # 30-045-30471.

Please let me know if you have any questions and/or concerns.

Thank You,

Shawna Martinez
Regulatory Tech
Walsh Engineering/Epic Energy, LLC
O: 505-327-4892
shawna@walsheng.net

## Shawna Martinez

**From:** Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
**Sent:** Friday, November 5, 2021 2:15 PM
**To:** Vanessa Fields
**Cc:** Vern Andrews; Jimmie McKinney; John Hampton Jr; Jimmie McKinney; Shawna Martinez
**Subject:** RE: [EXTERNAL] RE: Compliance issues cJK2123055795 Request extension

Good afternoon,

The request for a 30 day extension on compliance cJK2123055795 has been approved, compliance due date has been changed from 11/16/2021 to 12/16/2021.

Thank you,

Jonathan D. Kelly
Compliance Officer
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505) 320-0701
jonathan.kelly@state.nm.us

---

**From:** Vanessa Fields <vanessa@walsheng.net>
**Sent:** Friday, November 5, 2021 2:08 PM
**To:** Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
**Cc:** Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>; John Hampton Jr <jdhampton@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>; Shawna Martinez <shawna@walsheng.net>
**Subject:** RE: [EXTERNAL] RE: Compliance issues cJK2123055795 Request extension

Good afternoon Jonathan,

The BGT was removed and the analytical results are above regulatory standards we have removed to remediation of the BGT. EPIC Energy request a 30 day extension for the final C-144 to be submitted.

Thank you,
**Vanessa Fields**
Regulatory Compliance Manager
Walsh Engineering
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

**From:** Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
**Sent:** Friday, October 22, 2021 11:25 AM
**To:** Vanessa Fields <vanessa@walsheng.net>
**Cc:** Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>; John Hampton Jr <jdhampton@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>; Shawna Martinez <shawna@walsheng.net>
**Subject:** RE: [EXTERNAL] RE: Compliance issues in T27N R13W 8/18/2021 Completed Corrective action

Thank you, all of the compliances listed below have been closed except for cJK2123055795 which will need the receipt of the Action ID from submitting the C-144 BGT Closure report to close it out since the BGT has been closed out as part of the compliance resolution.

Jonathan D. Kelly
Compliance Officer
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505) 320-0701
jonathan.kelly@state.nm.us

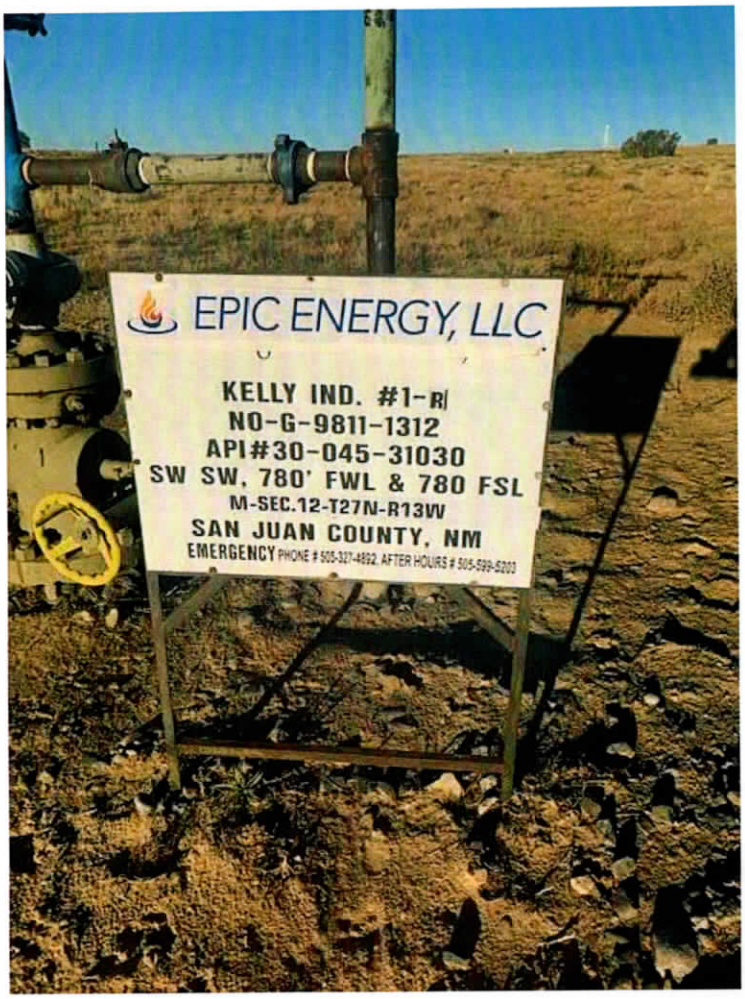
**From:** Vanessa Fields <vanessa@walsheng.net>
**Sent:** Monday, October 18, 2021 10:53 AM
**To:** Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
**Cc:** Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>; John Hampton Jr <jdhampton@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>; Shawna Martinez <shawna@walsheng.net>
**Subject:** [EXTERNAL] RE: Compliance issues in T27N R13W 8/18/2021 Completed Corrective action



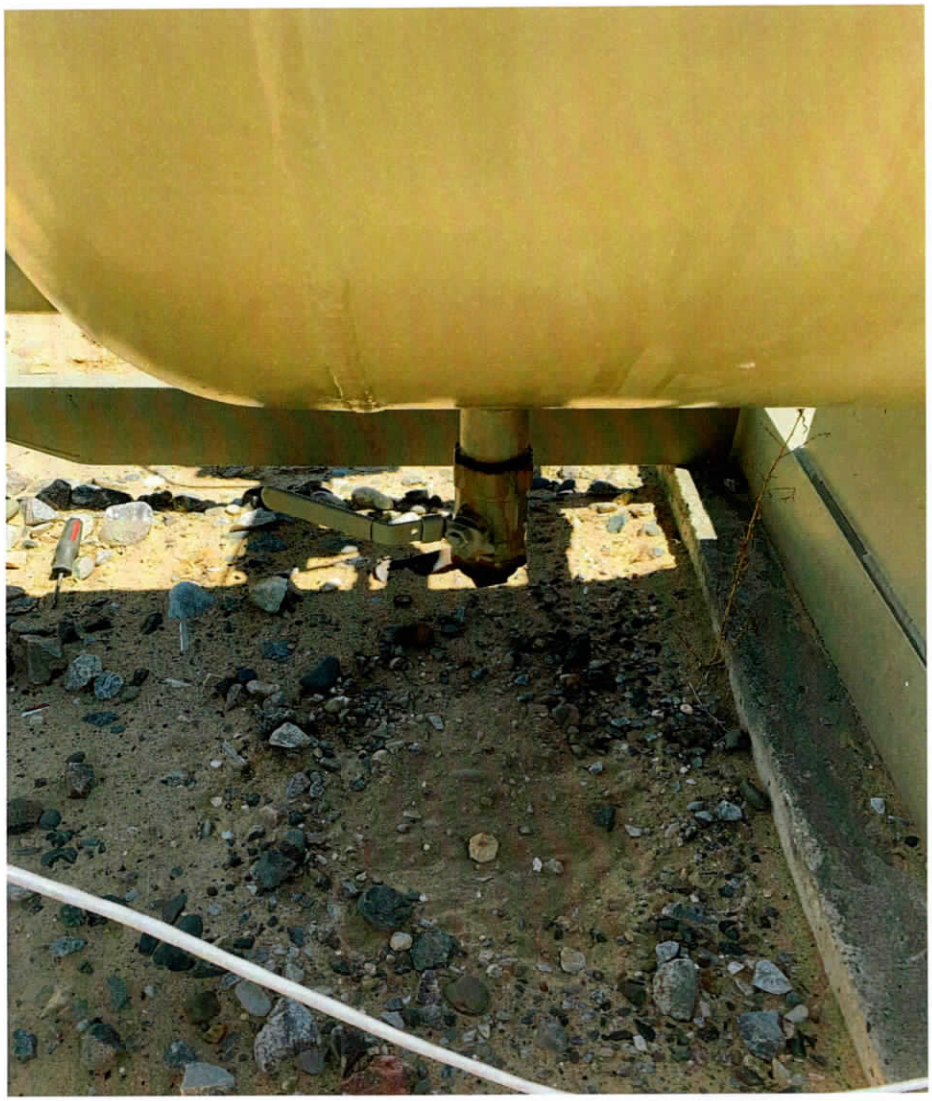
Good morning Jonathan,

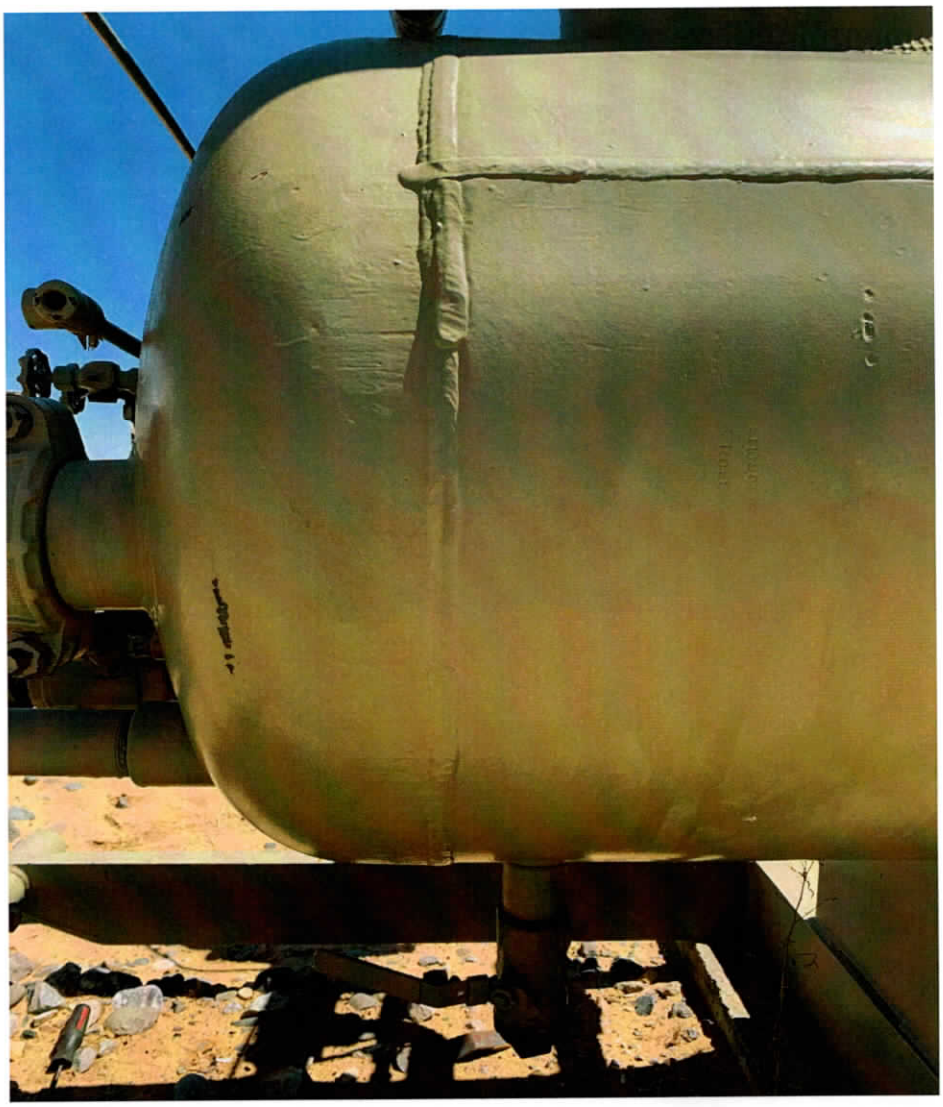
Please see the below referenced compliance issues resolved and further action:

**cJK2123055470 - [30-045-31030] KELLY IND #001R – Multiple patches of exposed pit liner across west side of shared site and north of the #100, area used for grazing, liner needs cleaned up.**


EPIC ENERGY, LLC
KELLY IND. #1-R
NO-G-9811-1312
API#30-045-31030
SW SW, 780' FWL & 780 FSL
M-SEC.12-T27N-R13W
SAN JUAN COUNTY, NM
EMERGENCY PHONE # 505-327-4892, AFTER HOURS # 505-599-6203

**cJK2123055546 - [30-045-31030] KELLY IND #001R - West separator exhibits signs of seeping around access/drain port on vertical portion of unit with staining running down the west side of unit, seep needs fixed and all soil impacts need to be properly addressed per 19.15.29.8.A NMAC.**

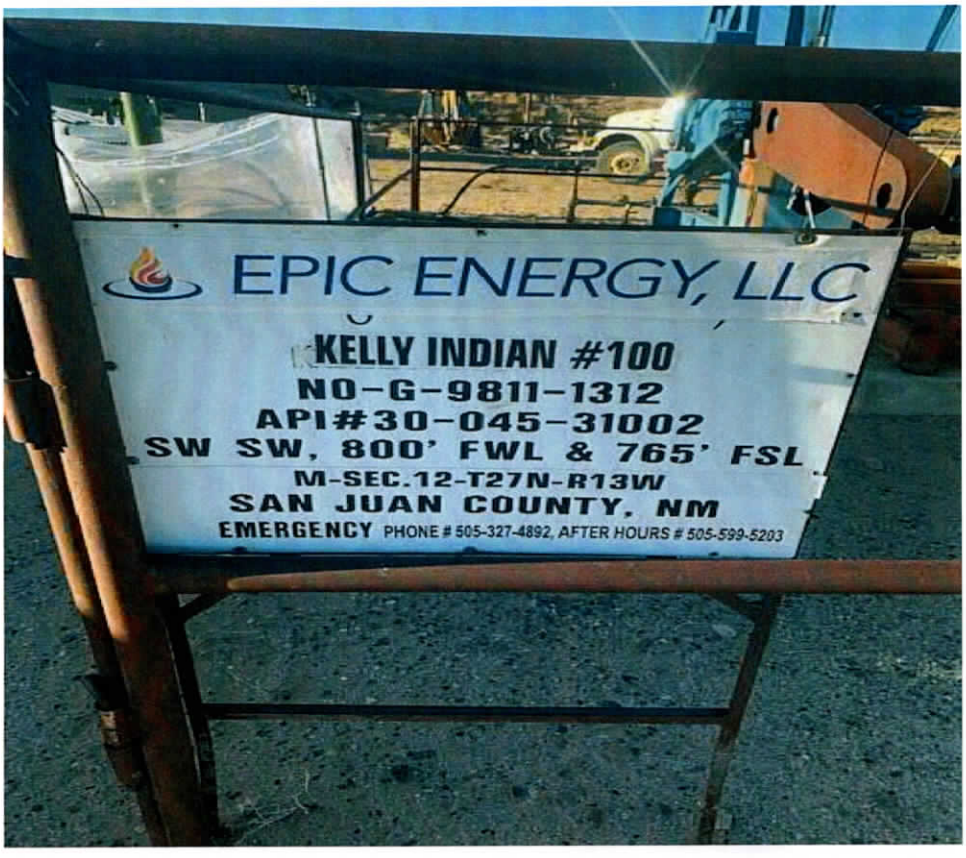




**cJK2123055630 - [30-045-31002] KELLY INDIAN #100 – Hydrocarbon staining around base of open top steel above grade tank from prior overflow, all soil impacts need to be properly addressed per 19.15.29.8.A NMAC.**

On Friday October 15, 2021 Hydrocarbon staining was removed from the open top tank and the tank was removed. Epic Energy remediated the area. Once all impacted soil was removed it totaled 24 cyds. Epic Energy will submit a initial C-141 through E-Permitting and follow 19.15.29.

**cJK2123055691 - [30-045-31002] KELLY INDIAN #100 - Hydrocarbon staining between pump jack motor and pump jack motor day tank, all soil impacts need to be properly addressed per 19.15.29.8.A NMAC.**




**cJK2123055795 - [30-045-30471] KELLY IND #001E – Compressor has a steel single wall single bottom below grade tank with base not visible.**

BGT Was removed on Friday October 15, 2021, analytical results were submitted to Envirotech, if analytical results are below regulatory standards Closure Report will be submitted to NMOCD E-Permitting.

**cJK2123055853 - [30-045-30471] KELLY IND #001E - Fencing on south end of containment area for compressor and below grade tank is open, needs to be closed to comply with 19.15.17 NMAC.**

BGT Was removed on Friday October 15, 2021, analytical results were submitted to Envirotech, if analytical results are below regulatory standards Closure Report will be submitted to NMOCD E-Permitting.

**From:** Vanessa Fields
**Sent:** Wednesday, August 18, 2021 4:07 PM
**To:** Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>; Vern Andrews <vern@walsheng.net>; John Hampton Jr <jdhampton@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
**Subject:** RE: Compliance issues in T27N R13W 8/18/2021

Good afternoon Jonathan,

Thank you for the notification. We will get the referenced items addressed.

Thank you,
**Vanessa Fields**
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

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**From:** Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
**Sent:** Wednesday, August 18, 2021 3:32 PM
**To:** Vanessa Fields <vanessa@walsheng.net>; Vern Andrews <vern@walsheng.net>; John Hampton Jr <jdhampton@walsheng.net>
**Subject:** Compliance issues in T27N R13W 8/18/2021

Good afternoon,

I encountered the following compliance issues in T27N R13W today while inspecting. Compliance is due 11/16/2021.

cJK2123055470 - [30-045-31030] KELLY IND #001R – Multiple patches of exposed pit liner across west side of shared site and north of the #100, area used for grazing, liner needs cleaned up.
cJK2123055546 - [30-045-31030] KELLY IND #001R - West separator exhibits signs of seeping around access/drain port on vertical portion of unit with staining running down the west side of unit, seep needs fixed and all soil impacts need to be properly addressed per 19.15.29.8.A NMAC.
cJK2123055630 - [30-045-31002] KELLY INDIAN #100 – Hydrocarbon staining around base of open top steel above grade tank from prior overflow, all soil impacts need to be properly addressed per 19.15.29.8.A NMAC.
cJK2123055691 - [30-045-31002] KELLY INDIAN #100 - Hydrocarbon staining between pump jack motor and pump jack motor day tank, all soil impacts need to be properly addressed per 19.15.29.8.A NMAC.
cJK2123055795 - [30-045-30471] KELLY IND #001E – Compressor has a steel single wall single bottom below grade tank with base not visible.
cJK2123055853 - [30-045-30471] KELLY IND #001E - Fencing on south end of containment area for compressor and below grade tank is open, needs to be closed to comply with 19.15.17 NMAC.

Please email me notification with photos of the corrected items to help expedite clearing the compliance. Photos for compliance resolution need to be of an adequate quality to show compliance, images below the resolution of 1 Megapixel or 1080 on the larger side will not be accepted as adequate for closure. All well related correspondence must include the API number to the referenced location, any received compliance emails that do not include the API number will not be accepted for Compliance closure.

For all staining related compliances, please include all of the following information as it relates to closing the compliance:

1. Include photo(s) showing the extent that staining was removed to prior to backfill. Please make sure to let areas that have been treated or pressure washed to dry prior to taking the compliance closure photos to help prevent the need for NMOCD follow up inspections to verify.
2. Include details regarding any in place treatments used on any impacts left in place for NMOCD review. Please include details on application methods and rates.

3. Include enough photos to show compliance over entire scope of compliance.

All well signs now need to comply with all requirements of 19.15.16.8 NMAC and must include all ULSTR information, footages, and API numbers that must be fully legible under normal circumstances from 50 ft, signs that do not meet these requirements will be considered out of compliance and corrections will be necessary. Any replacement well signs should be appropriately located on location and follow the requirements of 19.15.16.8 NMAC and other applicable regulatory agency requirements with information complete and correct.

If you have any questions regarding any of the above items, please do not hesitate to contact me.

For field compliance issues that may be delayed due to the public health emergency please contact your OCD field representative prior to the expiration date and request an extension. Include the reason for the delay and the estimated extension timeframe being requested.

Thank you,

Jonathan D. Kelly
Compliance Officer
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505) 320-0701
jonathan.kelly@state.nm.us

**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 102812

## CONDITIONS

| | |
|---|---|
| Operator:<br>EPIC ENERGY, L.L.C.<br>332 Road 3100<br>Aztec, NM 87410 | OGRID:<br>372834 |
| | Action Number:<br>102812 |
| | Action Type:<br>[C-144] Below Grade Tank Plan (C-144B) |

**CONDITIONS**

| Created By | Condition | Condition Date |
|---|---|---|
| jburdine | None | 7/21/2022 |