

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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DEC 31 2012

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Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company	Celero Energy II, LP	Contact	Lisa Hunt
Address	400 W. Illinois Ste. 1601, Midland, Tx 79701	Telephone No.	(432) 686-1883
Facility Name	Glad Wallace #2	Facility Type	Well
Surface Owner	Dean Kinsolving	Mineral Owner	
		Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	31	11S	38E	1650'	South	1650'	East	Lea

Latitude N 33.31980° Longitude W 103.13354°

NATURE OF RELEASE

Type of Release: Produced water	Volume of Release	100-150 bbls	Volume Recovered	40 bbls
Source of Release	Date and Hour of Occurrence	10/13/09 AM	Date and Hour of Discovery	10/13/09 AM
Flowline leak	Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not required	If YES, To Whom?	Geoffrey Leking
By Whom? Lisa Hunt	Date and Hour	10/14/09 11:00 AM	If YES, Volume Impacting the Watercourse.	N/A
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

If a Watercourse was Impacted, Describe Fully.*

N/A

Describe Cause of Problem and Remedial Action Taken.*

Flowline busted. Doing immediate remediation by scraping up 8-12 inches of dirt off affected area and stockpiling it on plastic on caliche pad.

Describe Area Affected and Cleanup Action Taken.*

Between October and November 2012, Tetra Tech removed 1,666 cubic yards of soil from the former pit (100' by 125' by 4' area). The soils were transported offsite for disposal at Gandy Marley of Tatum, NM. The site was lined with a 20 mil polyethylene liner and backfilled with clean soil to surface grade.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOC 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.

OIL CONSERVATION DIVISION

Signature: <i>Evan Wauhob</i>	Approved by District Supervisor:	
Printed Name: Evan Wauhob	Approval Date:	Expiration Date:
Title: Superintendent	Conditions of Approval:	Attached <input type="checkbox"/>
E-mail Address: ewauhob@celeroenergy.com		
Date: 12/21/12	Phone: (432) 686-1883	

* Attach Additional Sheets If Necessary

District I
625 N. French Dr., Hobbs, NM 88240
District II
301 W. Grand Avenue, Artesia, NM 88210
District III
000 Rio Brazos Road, Aztec, NM 87410
District IV
220 S. St. Francis Dr., Santa Fe, NM 87505

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

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OCT 16 2009

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Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	CELERO ENERGY II, LP	Contact	Lisa Hunt
Address	400 W. Illinois, Ste. 1601 Midland, TX 79701	Telephone No.	(432)686-1883
Facility Name	Glad Wallace #2	Facility Type	Well
Surface Owner	Dean Kinsolving	Mineral Owner	
		Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	31	11S	38E	1650'	South	1650'	East	Lea

Latitude _____ Longitude _____ API# 30.025-07115.00.00

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	100-150 bbls	Volume Recovered	40 bbls
Source of Release	Flowline	Date and Hour of Occurrence	10/13/09	Date and Hour of Discovery	10/13/09pm
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Geoffrey Leking		
By Whom?	Lisa Hunt	Date and Hour	10/14/09 11:00 am		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

WATER @ 36'

Describe Cause of Problem and Remedial Action Taken.*
Flowline busted. Doing immediate remediation by scraping up 8-12 inches of dirt off affected area & stock piling it on plastic on caliche pad.

Describe Area Affected and Cleanup Action Taken.*
150 x 150 area affected. Tetra Tech will be running the assessment and taking soil samples.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD 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 NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD 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.

Signature: <i>Lisa Hunt</i>	OIL CONSERVATION DIVISION	
Printed Name: Lisa Hunt	Approved by District Supervisor: <i>Geoffrey Leking</i>	
Title: Regulatory Analyst	Approval Date: 10/19/09	Expiration Date: 12/21/09
E-mail Address: LHunt@celeroenergy.com	Conditions of Approval: DELINEATE TO CLEAN + 1. SUBMIT FINAL C-141 BY 12/21/09.	Attached <input type="checkbox"/>
Date: 10/14/2009	Phone: (432)686-1883	IRP-09-11-2329
Attach Additional Sheets If Necessary		

f GRL 0930936024



TETRA TECH

REVIEWED 2/26/12 - ASKED FOR PHOTOS OF
FIELD WORK
Geoffrey Leking
Environmental Specialist
NMOCD-DIST 1

HOBBS OCD

December 21, 2012

DEC 31 2012

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Mr. Geoffrey Leking
Environmental Engineer Specialist
Oil Conservation Division, District 1
1625 North French Drive
Hobbs, New Mexico 88240

Re: Closure Report for the Celero Energy II LP, Wallace Well #2, Unit J, Section 31, Township 11 South, Range 38 East, Lea County, New Mexico, NMOCD Lease #30-0250-07115, (1RP 2329).

Mr. Leking:

Tetra Tech, Inc. was contacted by Celero Energy II, LP (Celero) to assess a spill from the Wallace Well #2, located in Unit J, Section 31, Township 11 South, Range 38 East, Lea County, New Mexico (Site). The spill site coordinates are N 33.31980°, W 103.13354°. The site location is shown on Figures 1 and 2.

Background

According to the State of New Mexico C-141 Initial Report, the leak was discovered on October 13, 2009. A flow line, located north of the well pad, leaked in the pasture releasing 100-150 barrels of produced water. A vacuum truck was used to recover 40 barrels of fluids. The release impacted an area approximately 150' x 150'. Celero immediately scraped 8" to 12" of impacted soil and hauled the material to Gandy Marley, Inc. for disposal. The initial and final Form C-141 is enclosed in Appendix B.

Groundwater

According to published data, the NMOSE iWaters database showed an average depth to water of 45' below ground surface in Section 31, Township 11 South, Range 38 East. Copies of available groundwater data are included in Appendix A.

Regulatory

A risk-based evaluation was performed for the Site in accordance with the New Mexico Oil Conservation Division (NMOCD) Guidelines for Remediation of Leaks, Spills and Releases, dated August 13, 1993. The guidelines require a risk-based evaluation of the site to determine recommended remedial action levels (RRAL) for benzene, toluene, ethylbenzene and xylene (collectively referred to as BTEX) and total petroleum hydrocarbons (TPH) in soil. The proposed RRAL for benzene was determined to be 10 parts per million (ppm) or milligrams per kilogram (mg/kg) and 50 ppm for total BTEX

Tetra Tech

1910 North Big Spring, Midland, TX 79705

Tel 432.682.4559

Fax 432.682.3946

www.tetrattech.com



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(sum of benzene, toluene, ethylbenzene, and xylene). Based upon the depth to groundwater (<50'), the proposed RRAL for TPH is 100 mg/kg.

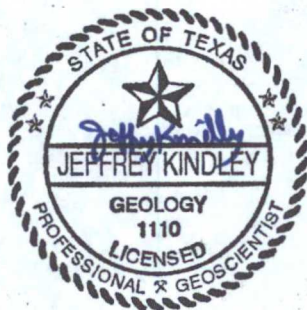
Work Plan

In a September 20, 2012 meeting between Tetra Tech and Geoffrey Leking of the NMOCD, Mr. Leking instructed Tetra Tech that he would accept closure of the site, if Celero would remove the remaining 2 to 3 feet of bottom soil (total depth of 3 to 4 feet below ground surface) in the 100 foot x 125 foot impact area over the reserve pit. In order to prevent further vertical migration of the soils, a 20-mil polyethylene liner (of the same dimensions) was proposed for installation at 4 feet bgs and the site was to be backfilled to surface grade with clean soils.

Implementation of Work Plan

Between October 26 and November 13, 2012, Tetra Tech was onsite to oversee the excavation and removal of the soils within the former pit. The soils were excavated to a maximum depth of 4 feet below ground surface, leveled and a 20-mil polyethylene liner measuring 100 feet by 125 feet (dimensions of the pit) was installed at the base of the excavation. Upon completion of the excavation, the site was backfilled with caliche base material to a depth of 1.5 feet below ground surface (bgs). From 1.5 feet bgs to the surface, soil was added in order to enhance native vegetation growth. A total of 1,666 cubic yards of soil were removed from the pit and transported offsite for disposal at the Gandy Marley facility in Tatum, New Mexico.

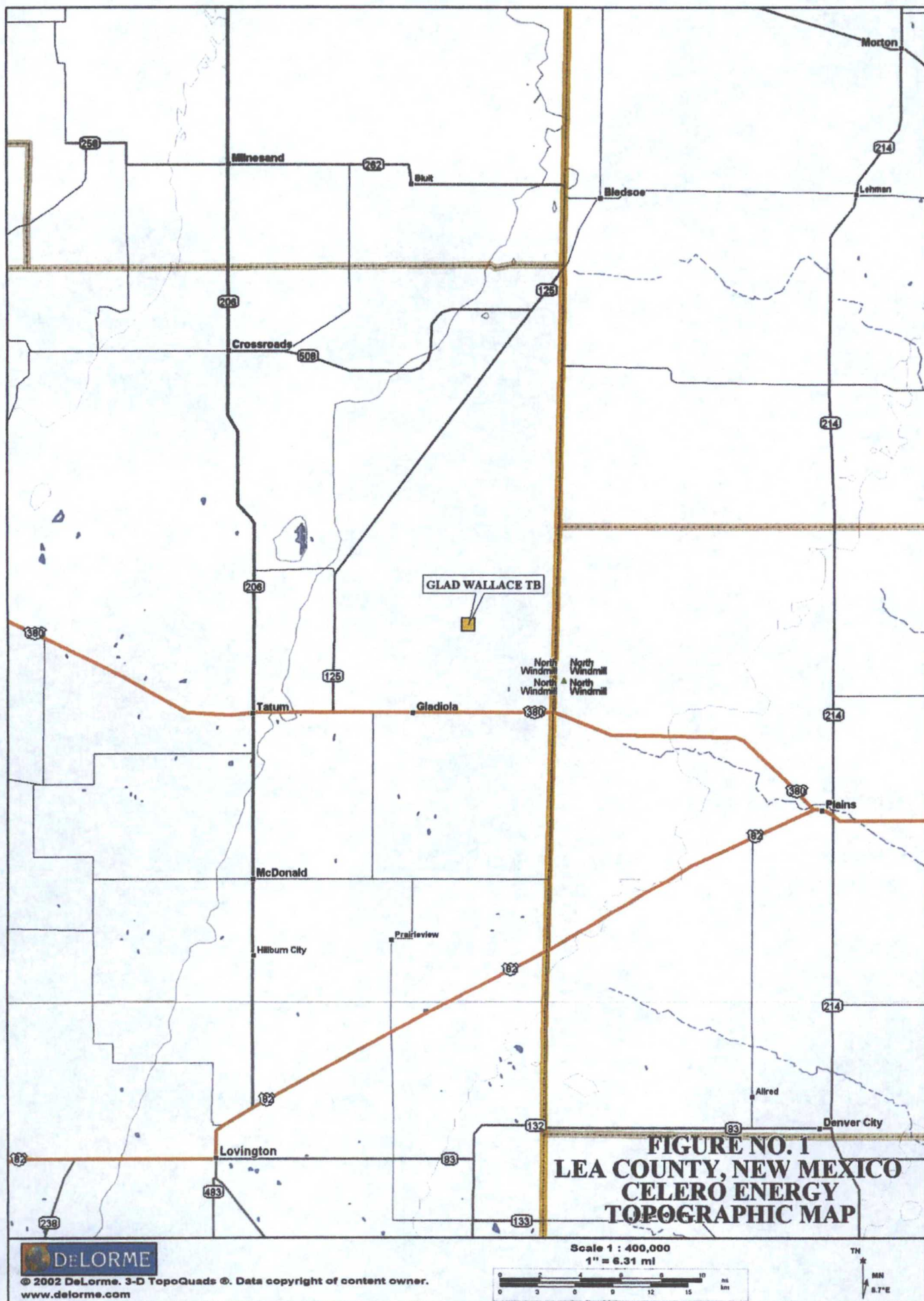
With the completion of the excavation and backfilling at the site, Celero has completed the agreed upon work plan as per the September 20, 2012 meeting. As such, Celero respectfully requests that the NMOCD consider closure of NMOCD Lease #30-0250-07115 (1RP 2329). If you require any additional information or have any questions concerning this work plan, please call at (432) 682-4559.

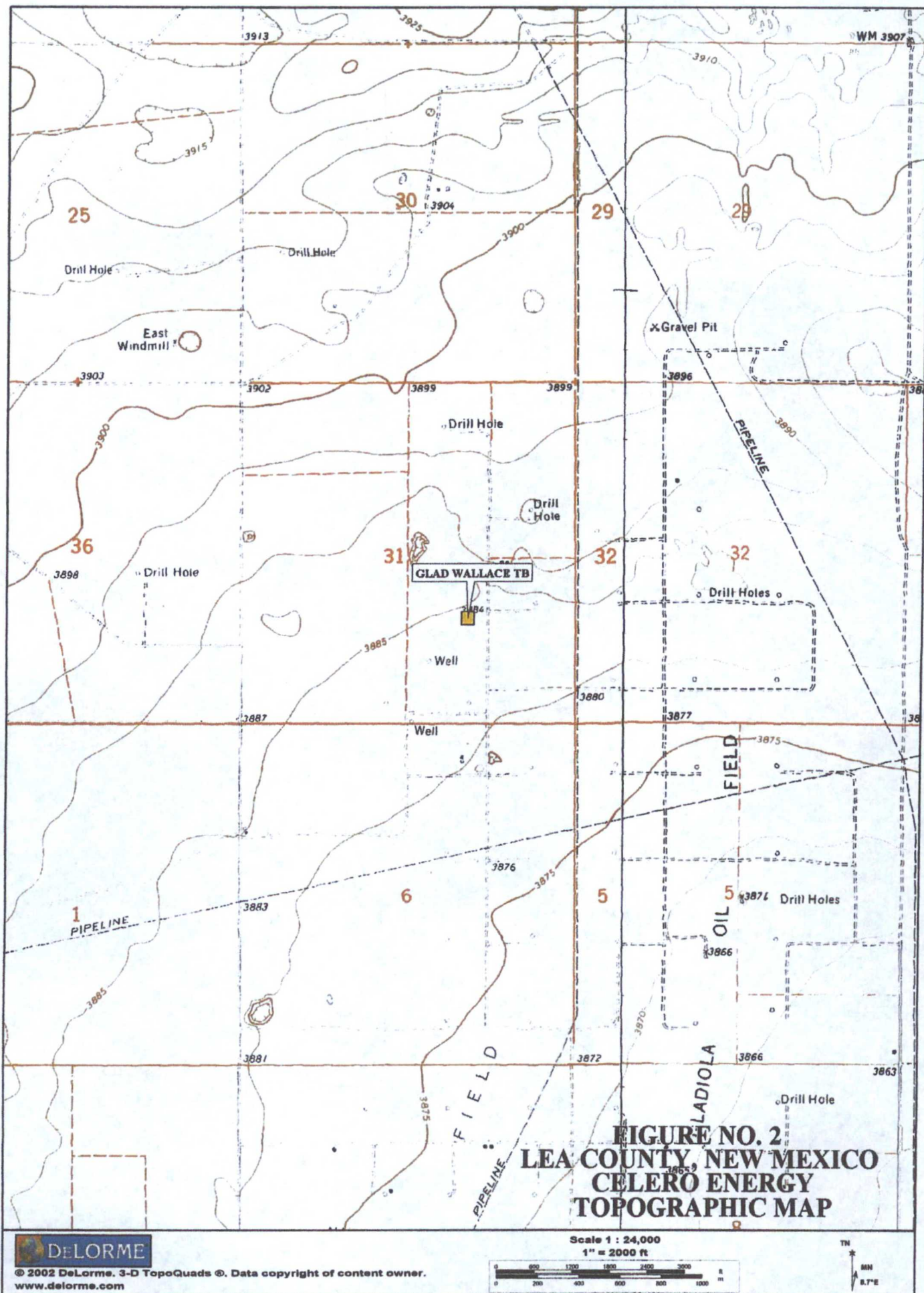


Respectfully submitted,
TETRA TECH

Jeffrey Kindley
Jeffrey Kindley, P.G.
Senior Project Manager

cc: Bruce Woodard – Celero
Evan Wahob - Celero





Water Well Data
Average Depth to Groundwater (ft)
Celero - Glad Wallace Well #2

11 South			36 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

11 South			37 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

11 South			38 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31Site	32	33	34	35	36

12 South			36 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

12 South			37 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

12 South			38 East		
6	42	5	4	3	2
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

13 South			36 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

13 South			37 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

13 South			38 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

- 88 New Mexico State Engineers Well Reports
- 105 USGS Well Reports
- 90 Geology and Groundwater Conditions in Southern Lea, County, NM (Report 6)
 Geology and Groundwater Resources of Eddy County, NM (Report 3)
- 34 NMOCD - Groundwater Data

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Photo 1. View of excavated pit and beginnings of backfilling of site.



Photo 2. View of the backfilling of the Glad Wallace pit.

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Photo 3. View of backfilling of site.



Photo 4. View of backfilling of site.

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Photo 5. View of the completed backfill pit.



Photo 6. View of backfilled pit.

CELINDA ALAN WALLACE WELL #2



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