



6 February 2016

Mr. Jaime Keyes
Environmental Specialist
NMOCD
1625 N. French Drive
Hobbs, New Mexico 88240

**Re: Initial C-141
Vanguard
Elliott B Federal
UL-I, Section 6, Township 22 South, Range 37 East
Lea County, New Mexico**

Mr. Keyes:

Environmental Plus, Inc. (EPI), on behalf of Mr. JT Terry, Vanguard, submits the attached form C-141 for the above-referenced leak site, located on land owned by Vanguard.

The site is located approximately 3 miles southwest of Eunice, New Mexico (reference *Figure 1*). A search for water wells was completed utilizing the New Mexico Office of the State Engineer's website and a United States Geological Survey (USGS) database. A total of three (3) wells are located in the area surrounding the release site (reference *Table 1*). No wells (domestic, agriculture or public) and no bodies of surface water exist within a 1,000-foot radius of the release site (reference *Figure 2*). Groundwater data indicated the average water depth is approximately 70 feet below ground surface (bgs). The attached site information and ranking form ranks the site in accordance with the New Mexico Oil Conservation Division (NMOCD) Guidelines for Remediation of Leaks, Spills and Releases (August 13, 1993).

The release occurred when the water transfer pump failed which cause the tanks to run over. Approximately 1,200 bbls of water and oil were released with approximately 1,150 bbls picked up by vacuum trucks (reference *Figure 3* and attached photographs). Based on available information, it was projected distance between impacted soil and groundwater is approximately 70 vertical feet. Utilizing this information, NMOCD Recommended Remedial Action Levels (RRALs) for this Site were determined as follows:

| Parameter | Recommended Remedial Action Level |
|-----------|-----------------------------------|
| Benzene | 10 parts per million |
| BTEX | 50 parts per million |
| TPH | 1,000 parts per million |
| Chloride | 500 parts per million |

Should you have any questions or concerns please feel free to contact me at (575) 394-3481 or via e-mail at ddominguezepi@gmail.com or Mr. JT Terry at (432) 362-2209 or via e-mail at jterry@vnrlc.com. All official communication should be addressed to:

Mr. JT Terry
Vanguard
4001 Penbrook, Suite 201
Odessa, Texas 79762

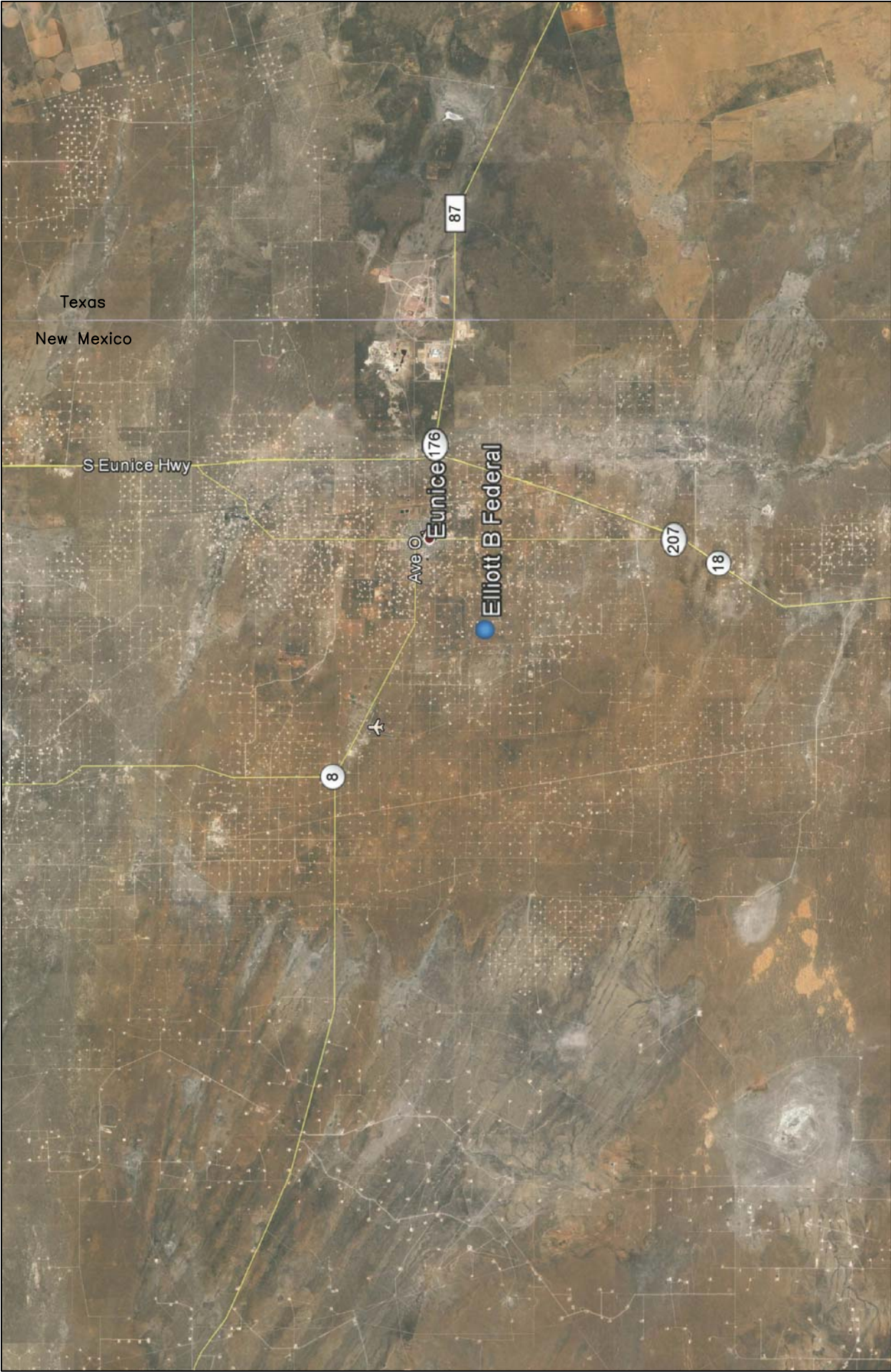
Sincerely,

ENVIRONMENTAL PLUS, INC.

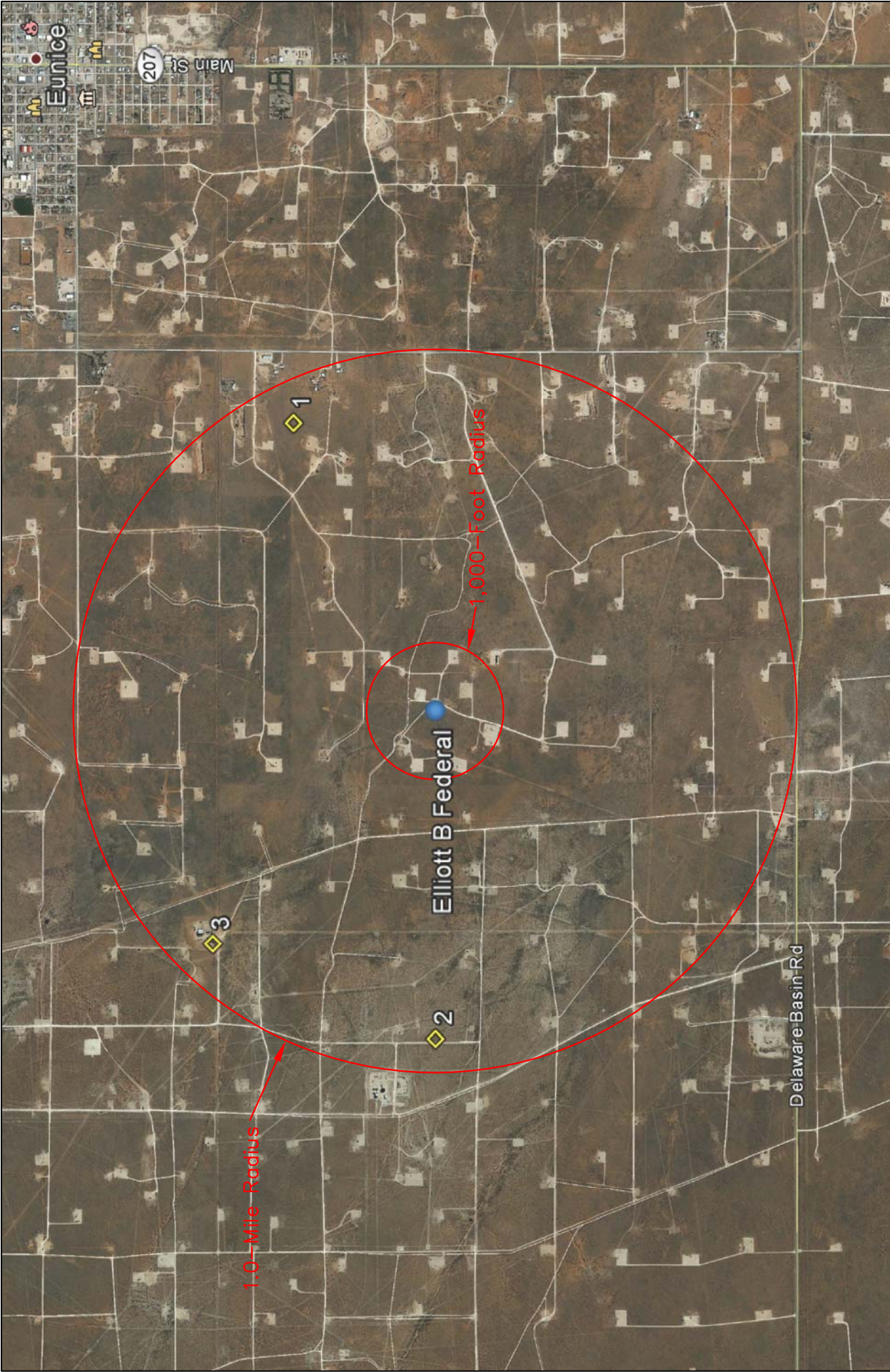
Daniel Dominguez
Environmental Consultant

cc: JT Terry, Production Foreman - Vanguard
File

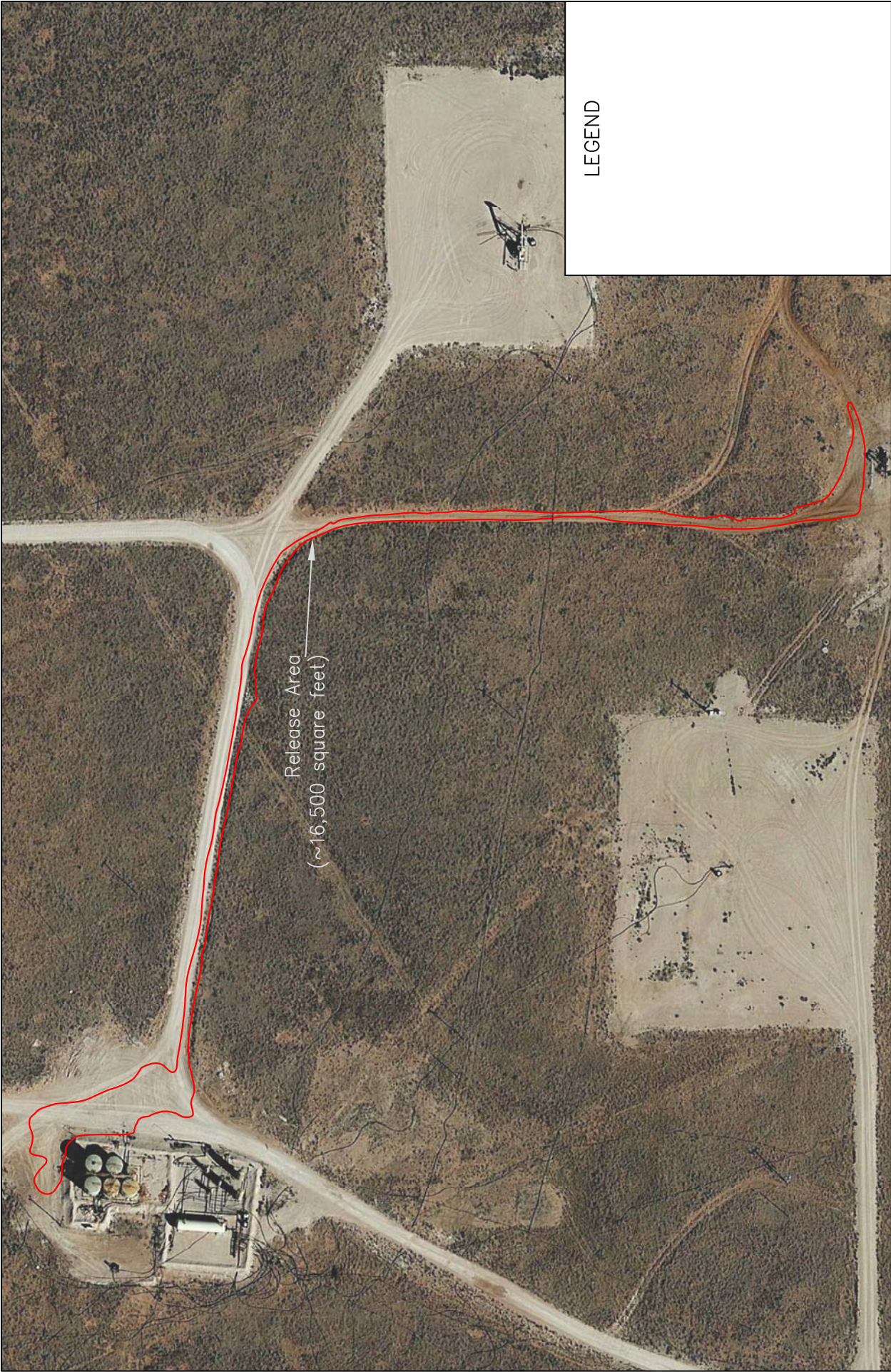
FIGURES



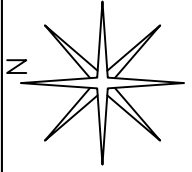
| | | | | | |
|---|---|--|-----------------|--|---|
| Figure 1 Area Map Vanguard Elliott B Federal | Lea County, New Mexico NE 1/4 of SE 1/4, Sec. 6, T22S, R37E N 32° 25' 2.41" W 103° 11' 52.22" Elevation: 3,446 feet amsl | DWG By: D Dominguez February 2016 | REVISED: | |  |
| | | 0 3 6 | SHEET 1 of 1 | | |
| | |  Miles | | | |



| | | | | | |
|--|---|--|---|--|----------|
| Figure 2 Site Location Map Vanguard Elliott B Federal | Lea County, New Mexico NE 1/4 of SE 1/4, Sec. 6, T22S, R37E N 32° 25' 2.41" W 103° 11' 52.22" Elevation: 3,446 feet amsl | | DWG By: D Dominguez February 2016 | | REVISED: |
| | | | 0 2,000 4,000 | | SHEET |
| | | |  Feet | | 1 of 1 |



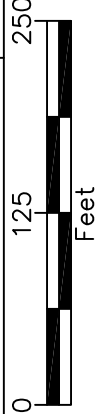
LEGEND



REVISED:

DWG By: D Dominguez
February 2016

SHEET
1 of 1



Lea County, New Mexico
NE 1/4 of SE 1/4, Sec. 6, T22S, R37E
N 32° 25' 2.41" W 103° 11' 52.22"
Elevation: 3,446 feet amsl

Figure 3
Site Map
Vanguard
Elliott B Federal

TABLES

TABLE 1

Well Data

Vanguard - Elliott B Federal

| Ref # | Well Number | Use | Diversion ^A | Owner | q64 | q16 | q4 | Sec | Twsp | Rng | Easting | Northing | Date Measured | Surface Elevation ^B | Depth to Water (ft bgs) |
|-------|-------------|-----|------------------------|-------------------------|-----|-----|----|-----|------|-----|---------|----------|---------------|--------------------------------|----------------------------|
| 1 | CP 00666 | DOM | 3 | LARRY HENSON | | | 2 | 5 | 22S | 37E | 671055 | 3588939 | 27-Aug-84 | 3,448 | 79 |
| 2 | L 09966 | PRO | 0 | DELTA DRILLING | 1 | 2 | 2 | 2 | 17S | 37E | 667627 | 3588089 | 25-Nov-87 | 3,505 | 70 |
| 3 | CP 01448 | MON | 0 | REGENCY ENERGY PARTNERS | 4 | 4 | 4 | 36 | 21S | 36E | 668136 | 3589337 | 05-Jan-15 | 3,486 | -- |

* = Data obtained from the New Mexico Office of the State Engineer Website (http://iwaters.ose.state.nm.us:7001/iWATERS/wr_RegisServlet1) and USGS Database

^A = In acre feet per annum

^B = Elevation interpolated from USGS topographical map based on referenced location.

DOM = 72-12-1 Domestic one household

PRO = 72-12-1 Prospecting or development of Natural Resource

MON = Monitoring Well

quarters are 1=NW, 2=NE, 3=SW, 4=SE; quarters are smallest to biggest

-- = Data not provided on the NM iwaters website

ATTACHMENTS

ATTACHMENT I
PHOTOGRAPHS



Photograph #1- Release with in containment berm.



Photograph #2- Northerly view over release area.



Photograph #3- Looking north across release area.



Photograph #4- Looking east across release area.



Photograph #5- Looking south across release area.



Photograph #6- Looking south across release area.

ATTACHMENT II
INFORMATION AND RANKING
INITIAL C-141

| | | | |
|---|---------------------------------|---|---|
| Information and Ranking | Incident Date: 2-4-16 | NMOCD Notified: 2-5-16 | |
| | | | |
| Site: Elliott B Federal | | Assigned Site Reference #: | |
| Company: Vanguard | | | |
| Street Address: | | | |
| Mailing Address: 4001 Penbrook Suite 201 | | | |
| City, State, Zip: Odessa, Texas 79762 | | | |
| Representative: JT Terry | | | |
| Representative Telephone: (432) 362 – 2209 | | | |
| Telephone: | | | |
| Fluid volume released (bbls): 1,200 bbls | | Recovered (bbls): 1,150 bbls | |
| >25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days. (Also applies to unauthorized releases >500 mcf Natural Gas) | | | |
| 5-25 bbls: Submit form C-141 within 15 days (Also applies to unauthorized releases of 50-500 mcf Natural Gas) | | | |
| Leak, Spill, or Pit (LSP) Name: Elliott B Federal | | | |
| Source of contamination: Tank Battery | | | |
| Land Owner, i.e., BLM, ST, Fee, Other: Fee | | | |
| LSP Dimensions: | | | |
| LSP Area: ~ 16,500 sq. ft. | | | |
| Location of Reference Point (RP): | | | |
| Location distance and direction from RP: | | | |
| Latitude: N 32° 25' 2.41" | | | |
| Longitude: W 103° 11' 52.22" | | | |
| Elevation above mean sea level: 3,446 feet | | | |
| Feet from Section Line: | | | |
| Feet from Section Line: | | | |
| Location- Unit or ¼¼: NE¼ of the SE¼ | | Unit Letter: I | |
| Location- Section: 6 | | | |
| Location- Township: T22S | | | |
| Location- Range: R37E | | | |
| Surface water body within 1000' radius of site: none | | | |
| Domestic water wells within 1000' radius of site: none | | | |
| Agricultural water wells within 1000' radius of site: none | | | |
| Public water supply wells within 1000' radius of site: none | | | |
| Depth from land surface to ground water (DG): ~ 70' | | | |
| Depth of contamination (DC): unknown | | | |
| Depth to ground water (DG – DC = DtGW): ~ 70' | | | |
| 1. Ground Water | | 2. Wellhead Protection Area | 3. Distance to Surface Water Body |
| If Depth to GW <50 feet: <i>20 points</i> | | If <1000' from water source, or; <200' from private domestic water source: <i>20 points</i> | <200 horizontal feet: <i>20 points</i> |
| If Depth to GW 50 to 99 feet: <i>10 points</i> | | | 200-100 horizontal feet: <i>10 points</i> |
| If Depth to GW >100 feet: <i>0 points</i> | | If >1000' from water source, or; >200' from private domestic water source: <i>0 points</i> | >1000 horizontal feet: <i>0 points</i> |
| <i>Site Rank (1+2+3) = 10 + 0 + 0 = 10</i> | | | |
| Total Site Ranking Score and Acceptable Concentrations | | | |
| Parameter | >19 | 10-19 | 0-9 |
| Benzene ¹ | 10 ppm | 10 ppm | 10 ppm |
| BTEX ¹ | 50 ppm | 50 ppm | 50 ppm |
| TPH | 100 ppm | 1,000 ppm | 5,000 ppm |
| Chloride | 250 ppm | 500 ppm | 1,000 ppm |
| ¹ 100 ppm field VOC headspace measurement may be substituted for lab analysis | | | |

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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

| | | |
|--|----------------------------|----------------------|
| Name of Company: Vanguard | Contact: JT Terry | |
| Address: 4001 Penbrook, Suite 201, Odessa, Texas 79762 | Telephone No. 432-362-2209 | |
| Facility Name: Elliott B Federal | Facility Type: Battery | |
| Surface Owner: Vanguard | Mineral Owner: | API No. 30-025-10076 |

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|--------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|
| Unit Letter I | Section 6 | Township 22S | Range 37E | Feet from the | North/South Line | Feet from the | East/West Line | County Lea |
|------------------|--------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|

Latitude: N 32.417329° Longitude: W 103.197841°

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release: produced water and oil | Volume of Release: ~1,200 bbls | Volume Recovered: ~1,150 bbls |
| Source of Release: tanks overrun | Date and Hour of Occurrence: 2-4-16 @ unknown | Date and Hour of Discovery: 2-5-16 @ unknown |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Kellie Jones, OCD | |
| By Whom? EPI | Date and Hour: 2-5-16 @ 12:21 pm | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse: Not Applicable | |

If a Watercourse was Impacted, Describe Fully.* Not Applicable

Describe Cause of Problem and Remedial Action Taken.*

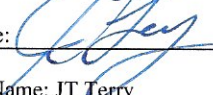

The water transfer pump failed and the tanks were run over with fluid. Vacuum trucks were called in to draw up standing fluid.

Describe Area Affected and Cleanup Action Taken.*

The spill impacted approximately 16,500 sq. ft. of lease road. The majority of the water and oil was contained within the berms. However the containment was run over on the north end releasing an unknown amount of water and oil. Vacuum trucks collected approximately 1,150 bbls of water and oil from within containment and the lease road. The stained soil has been scraped up and placed on plastic.

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.

OIL CONSERVATION DIVISION

| | | |
|--|---|---|
| Signature:  | Approved by Environmental Specialist:  | |
| Printed Name: JT Terry | Approval Date: 02/10/2016 | Expiration Date: 04/10/2016 |
| Title: Production Foreman | Conditions of Approval: | |
| E-mail Address: jterry@vnrlc.com | Discrete site samples only. Delineate and remediate per NMOCD guidelines. | Attached <input type="checkbox"/> IRP 4177 |
| Date: 2-9-16 | Phone: 432-362-2209 | |

* Attach Additional Sheets If Necessary

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