

INFORMATION ONLY

Penroc Oil Corporation
Langlie Jal Unit #032
Producing Well - Flowline Failure

Preliminary Delineation Report Case Number: 1R-4617

Section 06, T25S, R37E
Detailed coordinates in report.

Date of Incident
02/15/2017

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I Company Contacts

Representative MY “Merch” Merchant, Penroc Oil Corporation
(575)-631-7450
mymerch@penrocoil.com

Representative Kyle Townsend, Consultant
(713)-305-9886
kyle@pogooilandgas.com

II Background

Per the C-141, the failure of the well’s buried flowline caused an unauthorized release of oil, produced water, and gas. This caused the liquids to surface and created a pool of fluid near the failure point, with runoff in an eastern direction. Ranch Supervisor for Woolworth Trust, Bob Haddox, discovered the release and contacted the proper field personnel. Field personnel responded immediately by shutting in all five wells that have flowlines in that portion of the field. This stopped the release and it was discovered that the Langlie Jal #032 flowline was the issue. The area impacted was approximately 2,400 square feet. The NMOCD was notified on 2/15/2017 and the C-141 was filed 2/16/2017. NMOCD assigned remediation case number 1R-4617 to this event. NMOCD correspondence up to this point have been with Ms. Olivia Yu in Hobbs, New Mexico. The purpose of this document is to provide preliminary delineation workplan of the release to the NMOCD and BLM and provide a basis for moving forward with remediation processes and an eventual closure of this case once the sample results have been received and reviewed and complete delineation has been established.

III Overview of Delineation Process

Field personnel assessed the horizontal extent of the spill and took the appropriate photos and measurements. This collected data was then used to create the scaled digital maps seen in the latter portion of this report. To assess the vertical extent of this release, sample points around and inside the spill line have been identified and these samples will be taken and undergo third-party lab testing via Cardinal Labs in Hobbs to determine delineation and the proper remediation actions moving forward. A subsequent delineation report will be submitted once sample results have been returned. Along with this data, research regarding depth to groundwater in the area of the release was conducted and can be found in a latter portion of this report.

IV Sampling Table

Sample ID	Lat (NAD83)	Long (NAD 83)	Depth	Chlorides	BTEX	TPH
1	32.163485	-103.202553	2’	TBD	TBD	TBD
2	32.163506	-103.202317	2’	TBD	TBD	TBD

3	32.163503	-103.202106	2'	TBD	TBD	TBD
4	32.163451	-103.202324	2'	TBD	TBD	TBD
5	32.163476	-103.202431	2'	TBD	TBD	TBD
6	32.163483	-103.202225	2'	TBD	TBD	TBD

- TBD*: To be determined once we receive results from Cardinal Labs
- Sample depths may be taken deeper during field collection if it appears visually necessary during process.

This table will be completed in the subsequent delineation report, and will include chain of command/possession of the samples. Please see section VI for Sample ID mapping.

V Depth to Groundwater Research

Using the New Mexico state search for groundwater research, no results were found for this area. However, the Chevron-Texaco mapping does have an evaluation. Conservatively, groundwater is located at 70' at the location of this release. There are no surface water bodies in the area of this release.



New Mexico Office of the State Engineer **Water Column/Average Depth to Water**

No records found.

Basin/County Search:

Basin: Jal

County: Lea

UTMNAD83 Radius Search (in meters):

Easting (X): 669492.64

Northing (Y): 3559971.49

Radius: 5000



New Mexico Office of the State Engineer **Water Column/Average Depth to Water**

No records found.

Basin/County Search:

Basin: Jal

County: Lea

UTMNAD83 Radius Search (in meters):

Easting (X): 669492.64

Northing (Y): 3559971.49

Radius: 3000

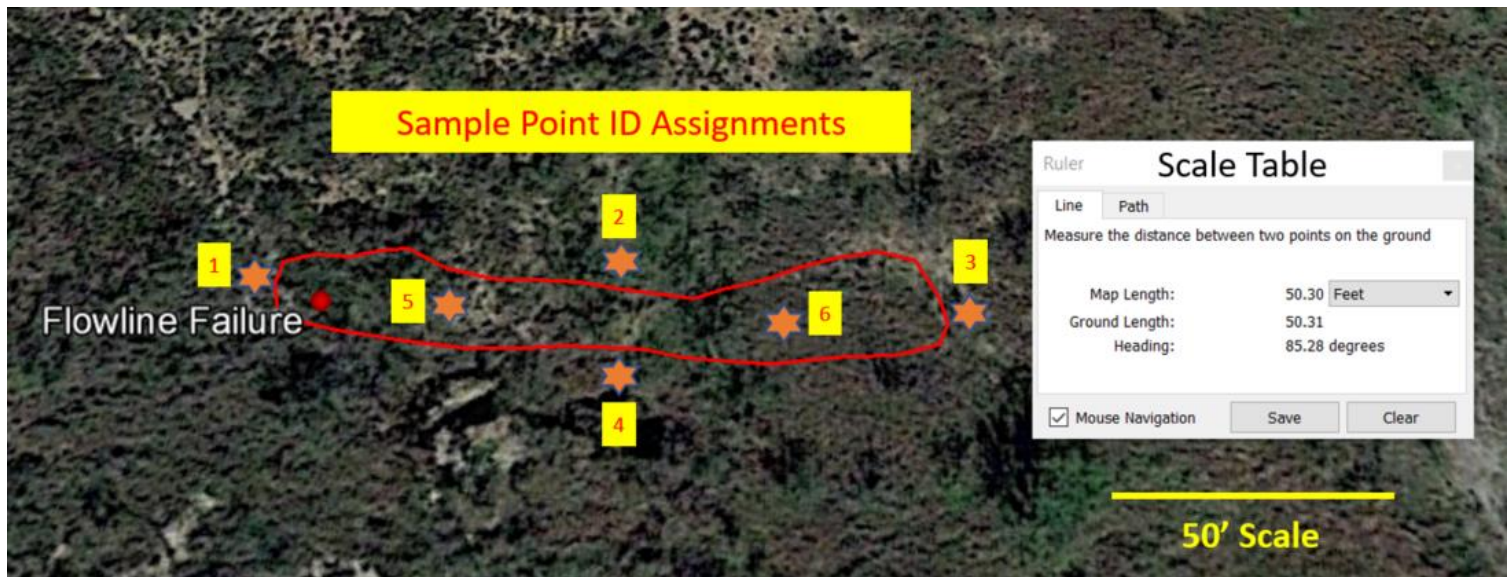
VI Digital Mapping/Coordinates of Release/Sample Point Locations

Location of Flowline Failure:

Latitude: 32.163470

Longitude: -103.202511

Google Earth Imagery Date: 11/22/2016



Sample Points ★

Flowline Failure

Red: Spill Outline
Red Dot: Flowline Failure Point
Orange: 130 Feet
Blue: 17 Feet
Green: 22 Feet

Scale Table	
Line	Path
Measure the distance between two points on the ground	
Map Length:	50.30 Feet
Ground Length:	50.31
Heading:	85.28 degrees
<input checked="" type="checkbox"/> Mouse Navigation	Save
	Clear

50' Scale

© 2016 Google

Google Earth

VII Conclusion

Based on the C-141 documentation along with the preliminary delineation work provided above, Penroc Oil Corporation will provide a subsequent delineation report along with a proposed remediation workplan once sampling analyses has been completed. The operator respectfully request the NMOCD's to review the data provided to date and provide insight on remediation plans once the subsequent sampling report is submitted.

VIII Initially Reviewed C-141

HOBBS OCD
FEB 16 2017
RECEIVED

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

PENROC OIL CORPORATION ☒ Initial Report ☐ Final Report

Name of Company Penroc Oil Corporation	Contact M.Y. Merchant
Address PO Box 2769, Hobbs, NM 88241	Telephone No. 575-492-1236
Facility Name Langlie-Jal Unit #032	Facility Type Producing Well

Surface Owner Woolworth Trust	Mineral Owner Multiple Ownerships	API No. 30-025-11481
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LOCATION OF RELEASE

Unit Letter C	Section 06	Township 25S	Range 37E	Feet from the 660	North/South Line North	Feet from the 1920	East/West Line West	County Lea
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Latitude 32.1647224 Longitude -103.204071 NAD83

NATURE OF RELEASE

Type of Release Oil / Gas / Produced Water	Volume of Release 4 bbl of water, 6 bbl of oil, and minimal gas	Volume Recovered 0 at time of report
Source of Release Barred flowline failure	Date and Hour of Occurrence 2/15/17 at approx. 1:00 PM	Date and Hour of Discovery 2/15/17 at 1:30 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Maxey Brown	
By Whom? M.Y. Merchant	Date and Hour 2/15/17 at 4:00 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.* Please see attached documentation		
Describe Area Affected and Cleanup Action Taken.* Please see attached documentation		
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: 	OIL CONSERVATION DIVISION	
Printed Name: Kyle Townsend	Approved by Environmental Specialist: 	
Title: Agent	Approval Date: 2/21/2017	Expiration Date:
E-mail Address: kyle@pogonilandgas.com	Conditions of Approval: see attached directive	Attached <input checked="" type="checkbox"/>
Date: 2/15/17	Phone: 713-305-9886	

* Attach Additional Sheets If Necessary

1RP-4617

nOY1705232245

pOY1705238770

Langlie Jal Unit #032 C-141 Attachment:

API 30-025-11481

Penroc Oil Corporation

2/15/2017

Describe the cause of the problem and remedial action taken:

- Due southwest of the Langlie Jal Unit #032, the well's individual flowline is partially buried in route to its testing facility. The partially buried portion of this flowline ruptured causing a release of oil, produced water, and a minimal amount of gas. The liquids from this release created a typical crater seen with other buried flowline failures and fluid began to spread across the immediate area of the rupture until discovery and isolation occurred. There were no signs of valve-position misplacement along the flow path, so it appears the flowline was weathered from long-term use, resulting in this failure. To remediate future failures of this nature, field personnel will be continually urged to inspect the condition of flowlines visible on the surface and routinely pressure test lines that appear overly weathered or aged in anyway. The well will remain shut in to prevent any further releases until the needed repairs are completed, contaminated soil is removed and trucked to disposal site (Sundance), soil tested per NMOCD requirements, and clean soil is brought in to replace.

Describe the area affected and cleanup action taken:

- The area affected was brushy pasture approximately eighty yards from the main lease road. Clean up action to be taken will be to remove the contaminated top soil via backhoe and place onto a tarp. This soil will be removed and taken to an approved disposal site (Sundance). Soil samples will be caught and tested to ensure that the soil is no longer contaminated. After clean-up, clean topsoil will be laid down to replace what was removed.

IX Appendix

The following are photos taken immediately after the unauthorized release occurred and the wells in the area were shut in to prevent any further release of oil, produced water, or gas. Pictures are in order from west (where flowline failed) to east.







