LINER INSPECTION AND CLOSURE REPORT REPORTABLE RELEASE

Spur Energy Partners

Shelby 23 Tank Battery Incident ID: NAPP2202848888 Eddy County, NM

Prepared by:



Paragon Environmental LLC 1601 N. TURNER ST. STE.500 Hobbs, NM 88240 575-964-7814

GENERAL DETAILS

This report was prepared by Paragon Environmental LLC (Paragon) in response to the release for Spur Energy Partners (Spur) at the **Shelby 23 Tank Battery (Shelby)**.

Site Coordinates: Latitude: 32.636495 Longitude: -104.449015

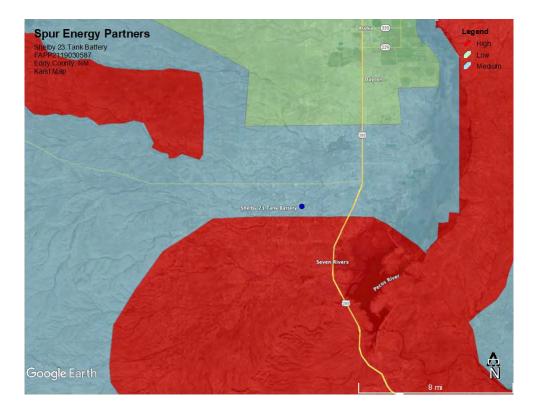
Unit UL A, Section 26, Township 19S, Range 25E

Incident ID: NAPP2202848888

REGULATORY FRAMEWORK

<u>Depth to Groundwater</u>: According to the New Mexico State of Engineers Office, the nearest water data is less than 1/2 of a mile away and is 40 feet below ground surface (BGS). See Appendix A for details.

<u>Soil Survey:</u> Per the New Mexico Bureau of Geology and Mineral Resources, the geology is in the Piedmont alluvial deposits (Holocene to lower Pleistocene)-Includes deposits of higher gradient tributaries bordering major stream valleys, alluvial veneers of the piedmont slope, and alluvial fans. May locally include uppermost Pliocene deposits (QP). According to the United States Department of Agriculture Natural Resources Conservation Service soil survey, the soil in this area is comprised of the Reagan-Upton association, with 0 to 9 percent slopes. The drainage courses in this area is well-drained. The karst geology in the area of the Shelby is not in a High Karst area. See the map below.



RELEASE DETAILS

This incident occurred due to the internal corrosion of a valve. This resulted in the release of 12 bbls of Produced Water that was contained in the Falcon Lined Containment. A vacuum truck was dispatched and recovered the 12 bbls of fluids.

Date of Spill: 01/15/2022

Type of Spill: □ Crude Oil □ Produced Water □ Condensate □ Other (Specify):

<u>Comments:</u> Reportable release. Released: 8 bbls of Produced Water Recovered: 8 bbls of Produced Water

INITIAL SITE ASSESSMENT

On July 12, 2022, Paragon went to the Shelby and conducted an initial assessment. There was obvious staining on the liner from the spill. There was nothing outside the containment that showed any signs that the liner had been breached. Therefore, no samples were taken. See the site map below showing the affected area.



REMEDIATION ACTIVITIES

On July 18, 2022, Paragon returned to the site with equipment and personnel to conduct cleanup activities. We initially sprayed the affected area with surface cleaner. We then power washed and squeegeed the runoff to where the vacuum truck could capture the fluids.

On July 20, 2022, Paragon returned to the site to conduct a liner inspection. A 48-hour notification was sent out to the NMOCD on July 18, 2022. The liner inspection concluded that the liner was all intact and in good condition. The integrity of the liner appears to have the ability to contain spills. See Appendix D for the email notification and liner report.

CLOSURE REQUEST

After careful review, Paragon requests that the incident, NAPP2202848888, be closed. Spur has complied with the applicable closure requirements. If you have any questions or need additional information, please contact Chris Jones at 575-964-7814 or chris@paragonenvironmental.net.

Respectfully,

Chris Jones

Environmental Professional Paragon Environmental LLC

Attachments

Figures:

- 1- Topo Map
- 2- Aerial Map

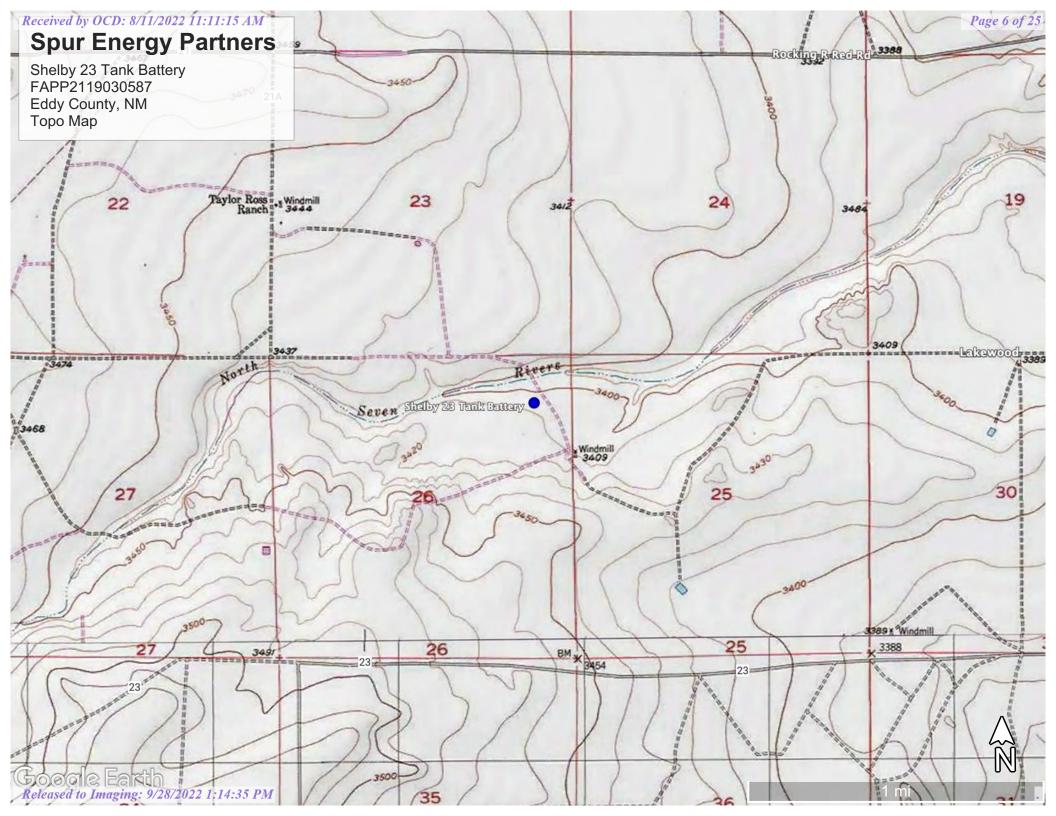
Appendices:

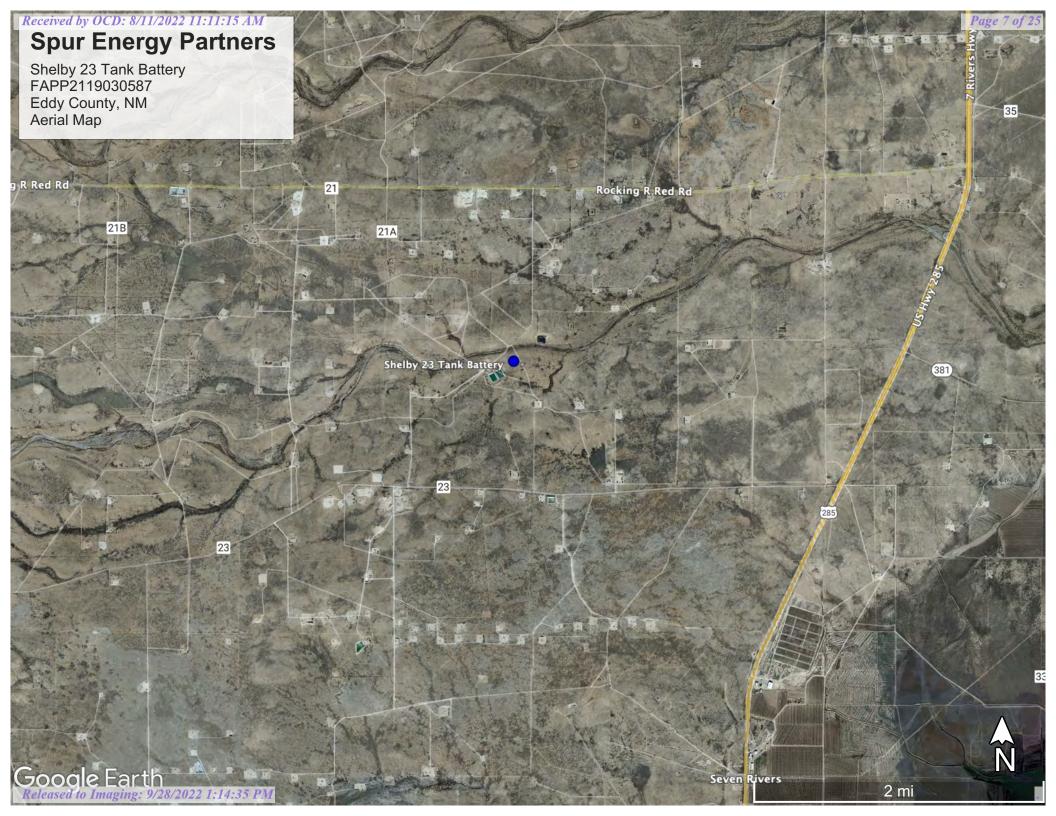
- Appendix A- Referenced Water Data
- Appendix B- Soil Survey & FEMA Flood Map
- Appendix C- C-141
- Appendix D- Email and Liner Inspection



Figures:

1-Topo Map 2- Aerial Map







Appendix A Referenced Water Data:

New Mexico State of Engineers Office



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW#### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced,

O=orphaned,

C=the file is

(quarters are 1=NW 2=NE 3=SW 4=SE)

closed) (quarters are smallest to largest)

(NAD83 UTM in meters) (In feet)

		POD													
		Sub-		Q	Q ()								V	Vater
POD Number	Code	basin	County	64	16 4	l Se	c Tv	WS	Rng	X	Y	DistanceDep	thWellDep	thWater Co	olumn
<u>RA 10496</u>		RA	ED	3	3 4	1 25	5 19	9S	25E	552801	3609865*	1687	110	40	70
RA 10155		RA	ED	4	3 4	1 25	5 19	9S	25E	553001	3609865*	1826	225	60	165

Average Depth to Water:

50 feet

Minimum Depth:

40 feet

Maximum Depth:

60 feet

Record Count: 2

<u>UTMNAD83</u> Radius Search (in meters):

Easting (X): 551679.968

Northing (Y): 3611126.352

Radius: 2000

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, or suitability for any particular purpose of the data.

8/9/22 8:07 PM

WATER COLUMN/ AVERAGE DEPTH TO WATER



Appendix B Soil Survey:

U.S.D.A.

FEMA Flood Map

Eddy Area, New Mexico

RE—Reagan-Upton association, 0 to 9 percent slopes

Map Unit Setting

National map unit symbol: 1w5d Elevation: 1,100 to 5,400 feet

Mean annual precipitation: 6 to 14 inches
Mean annual air temperature: 60 to 64 degrees F

Frost-free period: 180 to 240 days

Farmland classification: Farmland of statewide importance

Map Unit Composition

Reagan and similar soils: 70 percent Upton and similar soils: 25 percent Minor components: 5 percent

Estimates are based on observations, descriptions, and transects of

the mapunit.

Description of Reagan

Setting

Landform: Fan remnants, alluvial fans Landform position (three-dimensional): Rise

Down-slope shape: Convex, linear

Across-slope shape: Linear

Parent material: Alluvium and/or eolian deposits

Typical profile

H1 - 0 to 8 inches: loam H2 - 8 to 60 inches: loam

Properties and qualities

Slope: 0 to 3 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Well drained

Runoff class: Low

Capacity of the most limiting layer to transmit water (Ksat): Moderately high to high (0.60 to 2.00 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: None Frequency of ponding: None

Calcium carbonate, maximum content: 40 percent

Maximum salinity: Very slightly saline to moderately saline (2.0 to

8.0 mmhos/cm)

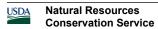
Sodium adsorption ratio, maximum: 1.0

Available water supply, 0 to 60 inches: Moderate (about 8.2

inches)

Interpretive groups

Land capability classification (irrigated): 2e Land capability classification (nonirrigated): 6e



Hydrologic Soil Group: B

Ecological site: R070DY153NM - Loamy

Hydric soil rating: No

Description of Upton

Setting

Landform: Ridges, fans

Landform position (three-dimensional): Side slope, rise

Down-slope shape: Convex Across-slope shape: Convex

Parent material: Residuum weathered from limestone

Typical profile

H1 - 0 to 9 inches: gravelly loam H2 - 9 to 13 inches: gravelly loam H3 - 13 to 21 inches: cemented

H4 - 21 to 60 inches: very gravelly loam

Properties and qualities

Slope: 0 to 9 percent

Depth to restrictive feature: 7 to 20 inches to petrocalcic

Drainage class: Well drained

Runoff class: High

Capacity of the most limiting layer to transmit water (Ksat): Low to

moderately high (0.01 to 0.60 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: None Frequency of ponding: None

Calcium carbonate, maximum content: 75 percent

Maximum salinity: Nonsaline to very slightly saline (0.0 to 2.0

mmhos/cm)

Sodium adsorption ratio, maximum: 1.0

Available water supply, 0 to 60 inches: Very low (about 1.4 inches)

Interpretive groups

Land capability classification (irrigated): None specified

Land capability classification (nonirrigated): 7s

Hydrologic Soil Group: D

Ecological site: R070DY159NM - Shallow Loamy

Hydric soil rating: No

Minor Components

Atoka

Percent of map unit: 3 percent

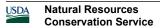
Ecological site: R042XC007NM - Loamy

Hydric soil rating: No

Pima

Percent of map unit: 2 percent

Ecological site: R042XC017NM - Bottomland



Map Unit Description: Reagan-Upton association, 0 to 9 percent slopes---Eddy Area, New Mexico

Hydric soil rating: No

Data Source Information

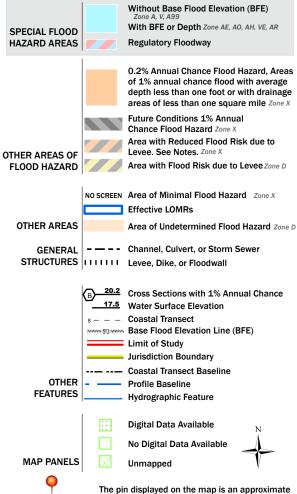
Soil Survey Area: Eddy Area, New Mexico Survey Area Data: Version 17, Sep 12, 2021

Received by OCD: 8/11/2022 11:11:15 AM National Flood Hazard Layer FIRMette





SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT



This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 8/5/2022 at 2:39 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

point selected by the user and does not represent

an authoritative property location.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.





Appendix C:

C-141

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	NAPP2202848888
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party Spur Energy Partners				OGRID 3	328947		
Contact Name Chad Hensley				Contact Telephone 346-339-1494			
Contact email chensley@spurenergy.com					Incident #	# NAPP2202848888	
Contact mail Houston, TX		919 Milam Street	Suite 2475				
Location of Release Source							
Latitude 32.636495 (NAD 83 in decimal d					Longit grees to 5 deci	itude -104.449015	
Site Name Sh	elby 23 Tan	ık Battery			Site Type Production Facility		
Date Release	Discovered	01-15-22			API# 30-0	015-43396	
			T _				
Unit Letter	Section	Township	Range		Cou	unty	
A	26	19S	25E	Edd	y		
	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 Release	ed (bbls)			Volume Recovered (bbls)	
Produced	Water	Volume Release	ed 8 (bbls)			Volume Recovered 8 (bbls)	
		Is the concentra produced water	tion of dissolved >10,000 mg/l?	chlorid	oride in the Yes No		
☐ Condensa	ite	Volume Release	ed (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 Rel	Cause of Release. Equipment failure resulted in the release of 8 bbls of produced water inside the falcon lined containment.						

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Incident ID	NAPP2202848888
District RP	
Facility ID	
Application ID	

Was this a major release as defined by 19.15.29.7(A) NMAC?	If YES, for what reason(s) does the respon	sible party consider this a major release?		
☐ Yes ⊠ No				
If YES, was immediate no	otice given to the OCD? By whom? To wh	om? When and by what means (phone, email, etc)?		
	Initial Re	esponse		
The responsible p	party must undertake the following actions immediately	unless they could create a safety hazard that would result in injury		
The source of the rele	ease has been stopped.			
The impacted area ha	is been secured to protect human health and	the environment.		
		ikes, absorbent pads, or other containment devices.		
<u> </u>	ecoverable materials have been removed and			
If all the actions described	d above have <u>not</u> been undertaken, explain v	vhy:		
Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.				
regulations all operators are public health or the environr failed to adequately investig	required to report and/or file certain release notified ment. The acceptance of a C-141 report by the O ate and remediate contamination that pose a threat	best of my knowledge and understand that pursuant to OCD rules and fications and perform corrective actions for releases which may endanger CD does not relieve the operator of liability should their operations have at to groundwater, surface water, human health or the environment. In responsibility for compliance with any other federal, state, or local laws		
Printed Name: Chad Hens	sley	Title: HSE Coordinator		
Signature:		Date:		
email: chensley@spurene	ergy.com	Telephone: 346-339-1494		
OCD Only				
Received by:Jocelyn	Harimon	Date: 08/11/2022		

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Incident ID	NAPP2202848888	
District RP		
Facility ID		
Application ID		

Site Assessment/Characterization

This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

What is the shallowest depth to groundwater beneath the area affected by the release?	40 (ft bgs)			
Did this release impact groundwater or surface water?				
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?				
Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)?				
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?				
Are the lateral extents of the release 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?	☐ Yes ⊠ No			
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	☐ Yes ⊠ No			
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	☐ Yes ⊠ No			
Are the lateral extents of the release within 300 feet of a wetland?				
Are the lateral extents of the release overlying a subsurface mine?				
Are the lateral extents of the release overlying an unstable area such as karst geology?				
Are the lateral extents of the release within a 100-year floodplain?				
Did the release impact areas not on an exploration, development, production, or storage site?	☐ Yes ⊠ No			
Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of scontamination associated with the release have been determined. Refer to 19.15.29.11 NMAC for specifics.				
Characterization Report Checklist: Each of the following items must be included in the report.				
Characterization Report Checkist: Each of the following items must be included in the report. Scaled site map showing impacted area, surface features, subsurface features, delineation points, and monitoring wells. Field data Data table of soil contaminant concentration data Depth to water determination Determination of water sources and significant watercourses within ½-mile of the lateral extents of the release Boring or excavation logs Photographs including date and GIS information Topographic/Aerial maps Laboratory data including chain of custody				

If the site characterization report does not include completed efforts at remediation of the release, the report must include a proposed remediation plan. That plan must include the estimated volume of material to be remediated, the proposed remediation technique, proposed sampling plan and methods, anticipated timelines for beginning and completing the remediation. The closure criteria for a release are contained in Table 1 of 19.15.29.12 NMAC, however, use of the table is modified by site- and release-specific parameters.

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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 ite	ems 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 must be notified 2 days prior to liner inspection)	of the liner integrity if applicable (Note: appropriate OCD District office
☐ Laboratory analyses of final sampling (Note: appropriate ODC	District office must be notified 2 days prior to final sampling)
□ Description of remediation activities	
may endanger public health or the environment. The acceptance of a	ediate contamination that pose a threat to groundwater, surface water, C-141 report does not relieve the operator of responsibility for ions. The responsible party acknowledges they must substantially ditions that existed prior to the release or their final land use in
Printed Name: Chad Hensley	Title: HSE Coordinator
Signature:	Date: 08/11/2022
email: chensley@spurenergy.com	Telephone: 346-339-1494
OCD Only	
Received by:	Date:08/11/2022
	f liability should their operations have failed to adequately investigate and ater, human health, or the environment nor does not relieve the responsible r regulations.
Closure Approved by:	Date:09/28/2022



Appendix D:

Liner Inspection

Email Notification



Paragon Environmental LLC

Liner Inspection Form

Company Name: SPUR ENERGY PARTNERS

Site: Shelby 23 Tank Battery

Lat/Long: 32.6684265, -104.4068375

NMOCD Incident ID: nAPP2202848888

Incident Date: 01/15/22

2-Day Notification

Sent: 07/18/2022

Inspection Date: 07/21/2022

Liner Type: Earthen w/liner Earthen no liner Polystar

Steel w/poly liner

Steel w/spray epoxy

No Liner

Other:

Visualization	Yes	No	Comments
Is there a tear in the liner?		X	
Are there holes in the liner?		X	
Is the liner retaining any fluids?		X	
Does the liner have integrity to contain a leak?	X		

Comments:			
Comments.			

Inspector Name: Tristan Jones

Subject: Liner Inspections

Date: Monday, July 18, 2022 at 7:04:13 PM Mountain Daylight Time

From: Chris Jones

To: OCDOnline@state.nm.us, Bratcher, Mike, EMNRD, Hamlet, Robert, EMNRD, Nobui, Jennifer,

EMNRD

CC: Chad Hensley, Braidy Moulder

Attachments: image001.jpg

Mike,

This is to inform you all that Paragon will be conducting Liner Inspections on behalf of Spur Energy on 7-20-22 beginning at 800 am MST at the following locations going in this order.

HEARSE 36 STATE COM BATTERY- nAPP2113945611- 32.61025,-104.43676

Shelby 23 Tank Battery- nAPP2202848888- 32.636495,-104.449015

Bradley 8 Fee #2- nRM2020535132- 32.6684265,-104.4068375

SECREST ET AL #001- nAPP2118846106- 32.6808357,-104.41922

Clydesdale 1 Fee #6H Battery- nAPP2130547657- 32.68579,-104.4303

These are all in a general location from each other and should be an easy day of it. If you have any questions or show up at a site we are not at feel free to give me a call and verify.

Thank You,

Chris Jones Environmental Professional 1601 N. Turner Ste. 500 Hobbs, NM 88240 chris@paragonenvironmental.net 575-631-6977 cell



"We do not inherit the Earth from our ancestors; we borrow it from our children." Chief Seattle



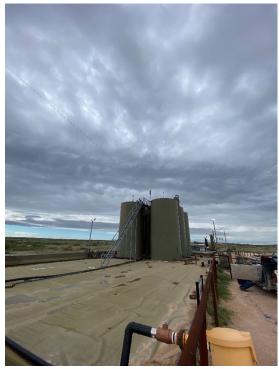
Photographic Documentation

Liner Inspection









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

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 133122

CONDITIONS

Operator:	OGRID:
Spur Energy Partners LLC	328947
9655 Katy Freeway	Action Number:
Houston, TX 77024	133122
	Action Type:
	[C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
jnobui	Closure Approved.	9/28/2022