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Closure Report

State 36 #001
Eddy County, New Mexico
API ID # 30-015-21198
Incident # NMCS0217558047

Prepared For:

Matador Resources
5347 N. 26th Street 2nd Floor
Artesia, NM 88210

Prepared By:

Talon/LPE
408 W. Texas Avenue
Artesia, New Mexico 88210

January 31, 2023



NMOCD

506 W. Texas Ave
Artesia, NM 88210

Subject: **Closure Report**
State 36 #001
Eddy County, New Mexico
API # 30-015-21198
Incident # nMCS0214156799

To Whom It May Concern,

Matador Resources contracted Talon/LPE (Talon) to perform a liner inspection at the above referenced location. The inspection and photo documentation are presented herein.

Site Information

The State 36 #001 is located approximately 5 miles east of Carlsbad, New Mexico. The legal location for this release is Unit Letter L, Section 36, Township 21 South and Range 27 East in Eddy County, New Mexico. More specifically the latitude and longitude for the release are 32.4347382 and -104.1496201. A Site Location Map is presented in [Appendix I](#).

Remedial Actions

On January 18, 2023, Talon mobilized personnel to the site to conduct a liner inspection. The liner was photographed [Appendix II](#), inspected, and certified intact [Appendix III](#). Talon in good faith concludes that the location meets the closure criteria required by NMOCD to close this incident [Appendix IV](#).

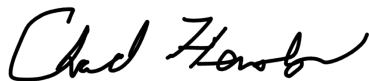
Closure

Based on this site characterization, remedial actions completed, and analytical results, we request that no further actions be required and that closure with regard to this incident be granted.

Should you have any questions or if further information is required, please do not hesitate to contact our office at 575-746-8768.

Respectfully submitted,

Talon/LPE



Chad Hensley
Environmental Project Manager

David Adkins
Regional Manager

Attachments:

Appendix I	Site Plans
Appendix II	Photo Documentation
Appendix III	Liner Integrity Certification Form
Appendix IV	C-141 and Correspondence



Appendix I

Site Maps



Image Source: Google Earth



Drafted: 2/10/2023

1 in = 40 ft

Drafted By: JAI

Matador Resources
State 36 #001
Eddy County, New Mexico
Site Assessment Map



Appendix II

Photographic Documentation



Photograph No.1 Description:

Left of containment stairs.

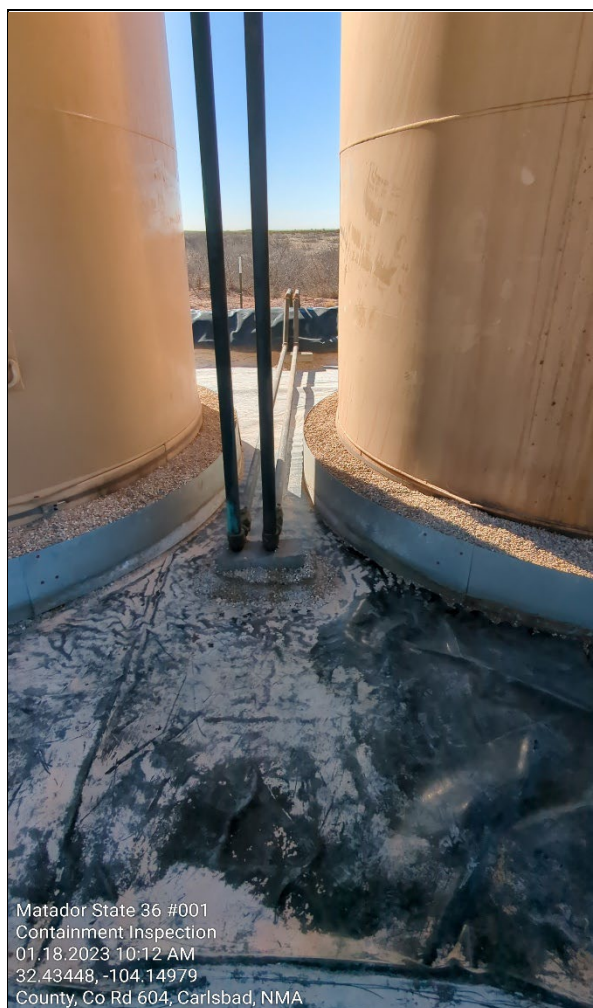


Photograph No.2 Description:

View right of containment stairs.



Matador Production
State 36 #001 Liner inspection



Matador State 36 #001
Containment Inspection
01.18.2023 10:12 AM
32.43448, -104.14979
County, Co Rd 604, Carlsbad, NMA

Photograph No.3 Description:

Between tanks.



Matador State 36 #001
Containment Inspection
01.18.2023 10:12 AM
32.43447, -104.14986
County, Co Rd 604, Carlsbad, NMA

Photograph No.4 Description:

Containment, far side of stairs.



Matador State 36 #001
Containment Inspection
01.18.2023 10:12 AM
32.43443, -104.14984
County, Co Rd 604, Carlsbad, NMA

Photograph No.5 Description:

Back view of containment.



Appendix III

Liner Integrity Certification

Liner Integrity Certification

The following serves to verify that the affected liner has been inspected and found to be in serviceable condition in accordance with 19.15.29.11 A.(5)(a)(i-ii) of the New Mexico Administrative Code.

Facility ID: fAPP2203442038

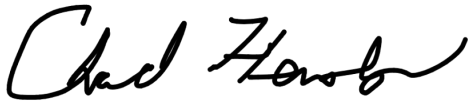
Date: 1/18/2023

Incident ID(s): nMCS0214156799

- ☒ Responsible Party has visually inspected the liner.
- ☒ Liner remains intact and was able to contain the leak in question.
- ☒ At least two business days' notice was given to the appropriate division district office before conducting the liner inspection.
- ☒ Photographs illustrating liner integrity are included.

Notes: None

Chad Hensley

A handwritten signature in black ink that reads "Chad Hensley". The signature is written in a cursive, flowing style.



Appendix IV

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	NMCS0214156799
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party	Matador Resources	OGRID	228937
Contact Name	Clinton Talley	Contact Telephone	337-319-8398
Contact email	clinton.talley@matadorresources.com	Incident # (assigned by OCD)	NMCS0214156799
Contact mailing address	5347 N. 26th St. 2nd Floor, Artesia, NM 88210		

Location of Release Source

Latitude 32.4347382 Longitude -104.1496201
(NAD 83 in decimal degrees to 5 decimal places)

Site Name	STATE 36 #001	Site Type	Gas
Date Release Discovered	03/05/2002	API# (if applicable)	30-015-21198

Unit Letter	Section	Township	Range	County
L	36	21S	27E	Eddy

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)

<input type="checkbox"/> Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
<input checked="" type="checkbox"/> Produced Water	Volume Released (bbls) 66 bbl	Volume Recovered (bbls) 66bbl
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Condensate	Volume Released (bbls)	Volume Recovered (bbls)
<input type="checkbox"/> Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
<input type="checkbox"/> Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)

Cause of Release

STOCKTANK LEAKED THROUGH 3"X2" SWEDGE ON DRAIN LINE.

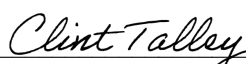
State of New Mexico
Oil Conservation Division

Incident ID	NMCS0214156799
District RP	
Facility ID	
Application ID	

Was this a major release as defined by 19.15.29.7(A) NMAC? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, for what reason(s) does the responsible party consider this a major release? 66 bbls release
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?	

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

<input checked="" type="checkbox"/> The source of the release has been stopped. <input checked="" type="checkbox"/> The impacted area has been secured to protect human health and the environment. <input checked="" type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices. <input checked="" type="checkbox"/> All free liquids and recoverable materials have been removed and managed appropriately.	
If all the actions described above have <u>not</u> been undertaken, explain why:	
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.	
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.	
Printed Name: <u>Clinton Talley</u>	Title: <u>EHS</u>
Signature: <u></u>	Date: <u>03/22/2023</u>
email: <u>clinton.talley@matadorresources.com</u>	Telephone: <u>337-319-8398</u>
<u>OCD Only</u>	
Received by: <u>Jocelyn Harimon</u>	Date: <u>04/10/2023</u>

Incident ID	NMCS0214156799
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?	N/A (ft bgs)
Did this release impact groundwater or surface water?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of a wetland?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release overlying a subsurface mine?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release overlying an unstable area such as karst geology?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within a 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Did the release impact areas not on an exploration, development, production, or storage site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soil contamination 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.*

- ☐ 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.

State of New Mexico
Oil Conservation Division

Page 4

Incident ID	NMCS0214156799
District RP	
Facility ID	
Application ID	

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.

Printed Name: Clinton Talley Title: EHS
Signature: *Clint Talley* Date: 03/22/2023
email: clinton.talley@matadorresources.com Telephone: 337-319-8398

OCD Only

Received by: Jocelyn Harimon Date: 04/10/2023

Incident ID	NMCS0214156799
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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: Clinton Talley Title: EHS
Signature: *Clinton Talley* Date: 03/22/2023
email: clinton.talley@matadorresources.com Telephone: 337-319-8398

OCD Only

Received by: Jocelyn Harimon Date: 04/10/2023

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: *Jocelyn Harimon* Date: 04/10/2023
Printed Name: Jocelyn Harimon Title: environmental Specialist

From: [Enviro, OCD, EMNRD](#)
To: [Chad Hensley](#)
Cc: [Bratcher, Michael, EMNRD](#); [Hamlet, Robert, EMNRD](#)
Subject: RE: [EXTERNAL] Liner Inspection at the State 36 #001
Date: Friday, January 13, 2023 11:17:49 AM
Attachments: [image003.png](#)

This message originated from an **External Source**. Please use proper judgment and caution when opening attachments, clicking links, or responding to this email.

Chad,

Thank you for the notification. Please include a copy of this and all notifications in the remedial and/or closure reports to ensure the notifications are documented in the project file.

JH

Jocelyn Harimon • Environmental Specialist
Environmental Bureau
EMNRD - Oil Conservation Division
1220 South St. Francis Drive | Santa Fe, NM 87505
(505)469-2821 | Jocelyn.Harimon@emnrd.nm.gov
<http://www.emnrd.nm.gov>



From: Chad Hensley <chensley@talonlpe.com>
Sent: Friday, January 13, 2023 10:35 AM
To: Enviro, OCD, EMNRD <OCD.Enviro@emnrd.nm.gov>
Cc: Clinton Talley <clinton.talley@matadorresources.com>; Arsenio Jones <arsenio.jones@matadorresources.com>; David J. Adkins <dadkins@talonlpe.com>
Subject: [EXTERNAL] Liner Inspection at the State 36 #001

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

To whom it may concern,

Talon LPE on behalf of Matador Production Company will be performing a liner inspection on 1/17/2023 at 10:30am

Well: State 36 #001.
API: 30-015-21198
Incident number: nMCS0214156799
Lat/Long: 32.4347382,-104.1496201

Cheers,

Chad Hensley

Environmental Project Manager

Office: 575.746.8768 x708

Direct: 575.616.4023

Cell: 575.246.0032

Fax: 575.746.8905

Emergency: 866.742.0742

Web: www.talonlpe.com



At Talon/LPE, we are quality in all things, including communication. Have a question? Need a quote? Send an email to clientrelations@talonlpe.com.

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 199536

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 199536
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
jharimon	None	4/10/2023