LINER INSPECTION AND CLOSURE REPORT REPORTABLE RELEASE

Spur Energy Partners

Hearse 36 State Com Battery Incident ID: NAPP2113945611 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 **Hearse 36 St Com Battery (Hearse)**.

Site Coordinates: Latitude: 32.61025 Longitude: -104.43676

Unit UL 0, Section 36, Township 19S, Range 25E

Incident ID: NAPP2113945611

REGULATORY FRAMEWORK

<u>Depth to Groundwater</u>: According to the New Mexico State of Engineers Office, the nearest water data is approximately 7/10ths of a mile away and is 121 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 Hearse is in a High Karst. See the map below.



RELEASE DETAILS

This incident occurred when a pinhole developed on the circulating line. This resulted in the release of 17 bbls of Crude Oil that was contained in the Falcon Lined Containment. A vacuum truck was dispatched and recovered the 17 bbls of oil.

Date of Spill: 05/19/2021

Comments: Reportable release.

Released: 17 bbls of Oil Recovered: 17 bbls of Oil

INITIAL SITE ASSESSMENT

On July 12, 2022, Paragon went to the Hearse and conducted an initial assessment. There was obvious staining on the liner from the spill. There were no signs outside the containment showing no 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 17, 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, NAPP2113945611, 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

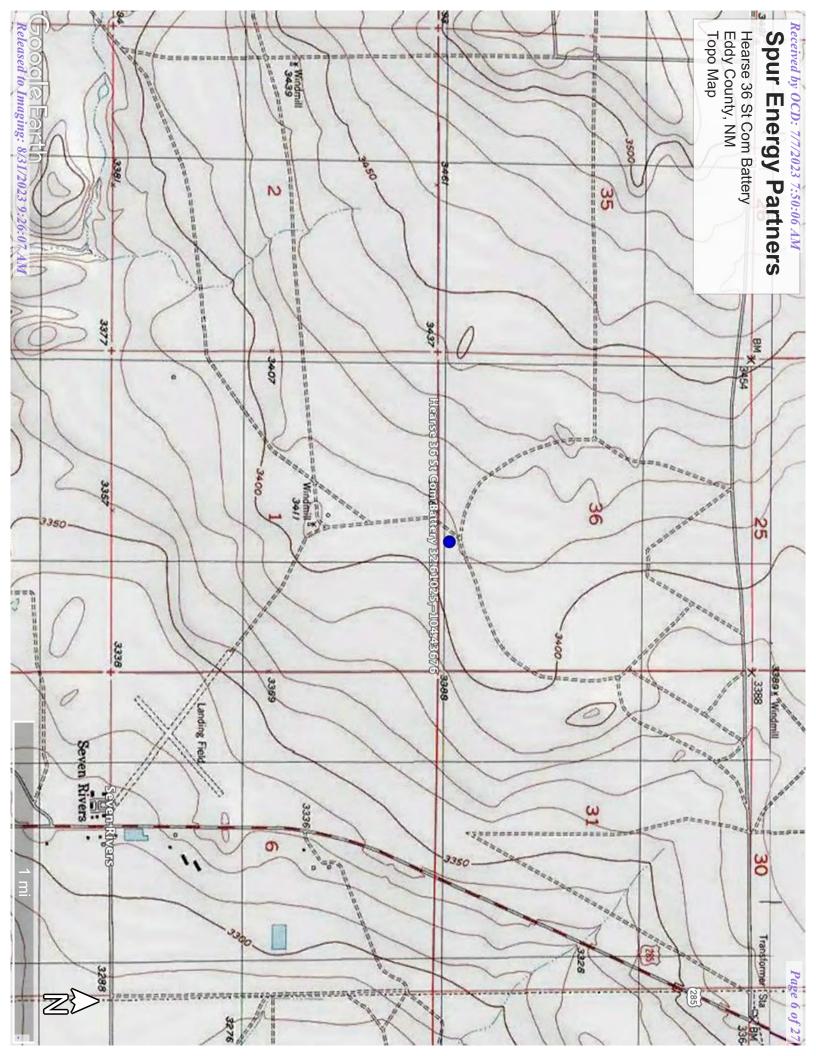
Appendices:

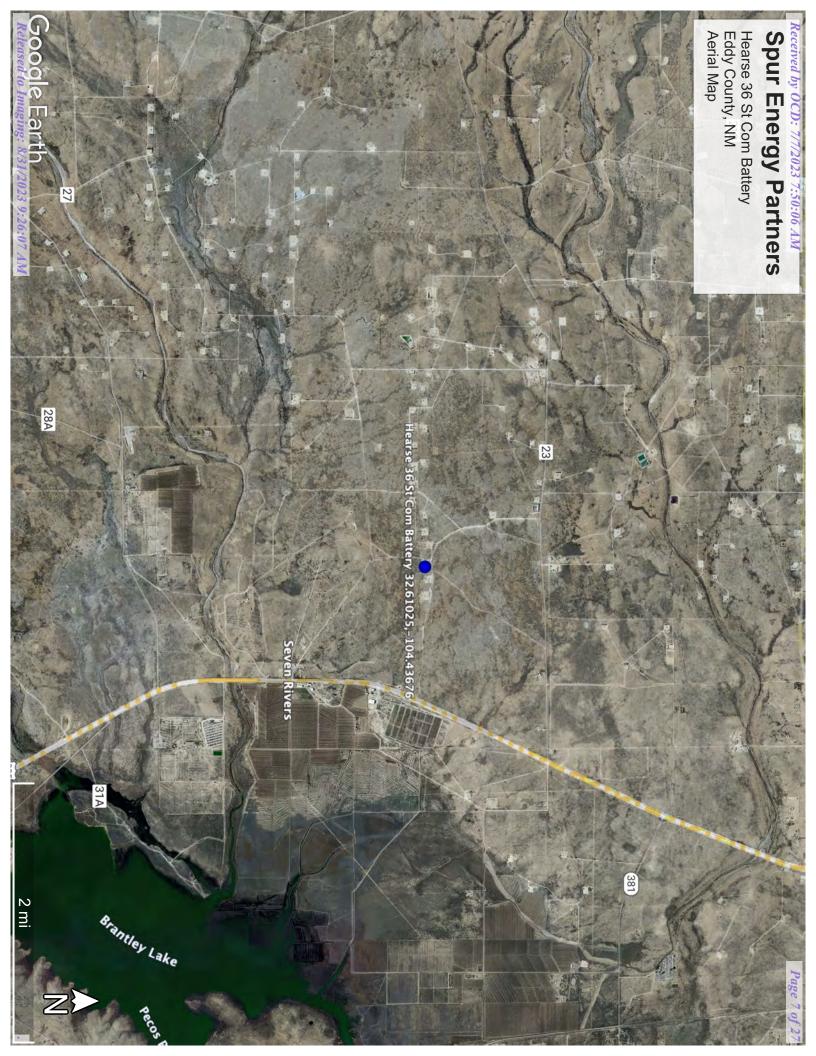
- Appendix A- Referenced Water Data
- Appendix B- Soil Survey & FEMA Flood Map
- Appendix C- C-141
- Appendix D- Email, Liner Inspection and Photographic Documentation



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

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

> replaced, (R=POD has been

O=orphaned. C=the file is

closed)

(quarters are smallest to largest) (quarters are 1=NW 2=NE 3=SW 4=SE) (NAD83 UTM in meters)

(In feet)

689	121	810	1168	*	552198 3607248*	552198	25E	1 3 01 20S	01	2 1 3	ED	RA		RA 10898 POD1
Column	pthWater (istanceDepthWellDepthWater Colum	DistanceDo	7		×	Rng	Tws	Sec	County 64 16 4 Sec		basin	Code	POD Number
Water										Q Q Q		Sub-		
												POD		

Average Depth to Water: **121** feet

Minimum Depth: **121** feet

Maximum Depth: **121** feet

Record Count:

UTMNAD83_Radius_Search_(in_meters):

Easting (X): 552846.784

Northing (Y): 3608219.966

Radius: 1500

*UTM location was derived from PLSS - see Help

the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data. 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

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WATER WATER COLUMN/ AVERAGE DEPTH TO



New Mexico Office of the State Engineer

Page 10 of 27

Point of Diversion Summary

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

POD Number RA 10898 POD1 Q64 Q16 Q4 Sec Tws Rng 01 20S 25E (NAD83 UTM in meters) 552198 3607248*

Well Tag

Driller License: Driller Name: 331 **Driller Company:** SBQ2, LLC DBA STEWART BROTHERS DRILLING CO.

Drill Start Date: 02/17/2006 **Drill Finish Date:** 03/08/2006 Plug Date:

Log File Date: 03/27/2006 **PCW Rcv Date:** Source: Artesian

Casing Size: Pump Type: 8.63 Depth Well: Pipe Discharge Size: 810 feet **Depth Water: Estimated Yield:** 1000 GPM 121 feet

Water Bearing Stratifications: **Casing Perforations:** Top Top 542 460 Bottom **Bottom Description** 802 802 Limestone/Dolomite/Chalk

*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, usability, or suitability for any particular purpose of the data.

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POINT OF DIVERSION SUMMARY

Released to Imaging: 8/31/2023 9:26:07 AM



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

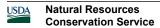
Ecological site: R042XC007NM - Loamy

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

National Flood Hazard Layer FIRMette





Legend

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

SPECIAL FLOOD HAZARD AREAS

Regulatory Floodway With BFE or Depth Zone AE, AO, AH, VE, AR Without Base Flood Elevation (BFE)

Zone A, V, A99

0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average

areas of less than one square mile Zone X depth less than one foot or with drainage

Future Conditions 1% Annual

Levee. See Notes. Zone X Area with Reduced Flood Risk due to Chance Flood Hazard Zone X

Area with Flood Risk due to Levee Zone D

OTHER AREAS OF FLOOD HAZARD

NO SCREEN Area of Minimal Flood Hazard Zone X

OTHER AREAS

Channel, Culvert, or Storm Sewer Area of Undetermined Flood Hazard Zone D

STRUCTURES | 1111111 Levee, Dike, or Floodwall GENERAL ----

Cross Sections with 1% Annual Chance

Size Base Flood Elevation Line (BFE) Water Surface Elevation Coastal Transect

Limit of Study **Jurisdiction Boundary**

 Coastal Transect Baseline Profile Baseline

Hydrographic Feature

FEATURES

OTHER

Digital Data Available

No Digital Data Available

MAP PANELS

Unmapped

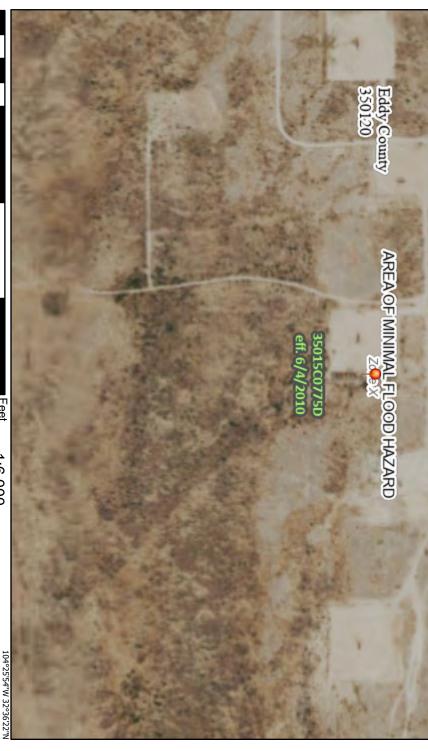


The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

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

become superseded by new data over time. reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or was exported on 8/5/2022 at 1:32 PM and does not authoritative NFHL web services provided by FEMA. This map The flood hazard information is derived directly from the

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 elements do not appear: basemap imagery, flood zone labels, This map image is void if the one or more of the following map



2,000

1:6,000

UReleasea Vo Imaging: 8/31/2023 9.25:07 AM

Feet

Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020



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	
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible I	Party			OGRII)	
Contact Nam	ie			Contac	t Telephone	
Contact emai	1			Incide	nt # (assigned by OCD))
Contact maili	ing address			<u> </u>		
			Location	of Release	Source	
Latitude				Longitu	de	
			(NAD 83 in dec	cimal degrees to 5 c	lecimal places)	
Site Name				Site Ty	pe	
Date Release	Discovered			API# (i	^f applicable)	
Unit Letter	Section	Township	Range		ounty	٦
Olit Letter	Section	10 Wilship	runge			-
Surface Owner	r: State	☐ Federal ☐ Tr	ribal Private (I	Name:)
			Nature and	d Volume o	of Release	
Crude Oil		Volume Release		calculations or spe	Volume Reco	e volumes provided below) overed (bbls)
Produced	Water	Volume Release	` ,		Volume Reco	• • •
Is the concentration of dissolved chloride		hloride in the	Yes \(\bar{\text{N}} \)	, ,		
produced water >10,000 mg/l?						
Condensate Volume Released (bbls)				Volume Reco	overed (bbls)	
Natural Gas Volume Released (Mcf)				Volume Reco	overed (Mcf)	
Other (describe) Volume/Weight Released (provide units) Volume/Weight Recovered (provide units)			ght Recovered (provide units)			
Cause of Rele	ease					

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Page 2 Oil Conservation Division

	Page 18 of 27
Incident ID	
District RP	
Facility ID	
Application ID	

Was this a major release as defined by	pes the responsible party consider this a major release?
19.15.29.7(A) NMAC?	
☐ Yes ☐ No	
If VES, was immediate notice given to the OCD? By w	hom? To whom? When and by what means (phone, email, etc)?
in 125, was immediate notice given to the GCB. By w	nom. To whom: When and by what means (phone, eman, etc).
	Initial Response
The responsible party must undertake the following act	ions immediately unless they could create a safety hazard that would result in injury
☐ The source of the release has been stopped.	
☐ The impacted area has been secured to protect huma	in health and the environment.
Released materials have been contained via the use	of berms or dikes, absorbent pads, or other containment devices.
All free liquids and recoverable materials have been	removed and managed appropriately.
If all the actions described above have <u>not</u> been undertaken	cen, explain why:
has begun, please attach a narrative of actions to date.	commence remediation immediately after discovery of a release. If remediation If remedial efforts have been successfully completed or if the release occurred a) NMAC), please attach all information needed for closure evaluation.
	omplete to the best of my knowledge and understand that pursuant to OCD rules and
public health or the environment. The acceptance of a C-141 i	in release notifications and perform corrective actions for releases which may endanger report by the OCD does not relieve the operator of liability should their operations have
	hat pose a threat to groundwater, surface water, human health or the environment. In the operator of responsibility for compliance with any other federal, state, or local laws
and/or regulations.	
Printed Name:	Title:
Signature: Jakok Ned	Date:
email:	Telephone:
OCD Only	
Received by: Ramona Marcus	Date: 6/1/2021

State of New Mexico Oil Conservation Division

Form C-141

Incident ID	NAPP2113945611
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?	121_ (ft bgs)		
Did this release impact groundwater or surface water?	☐ Yes ⊠ No		
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	☐ Yes ⊠ 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)?	☐ Yes ⊠ No		
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	☐ Yes ⊠ 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?	☐ 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?	☐ Yes ⊠ No		
Are the lateral extents of the release overlying a subsurface mine?	☐ Yes ⊠ No		
Are the lateral extents of the release overlying an unstable area such as karst geology?	⊠ Yes □ No		
Are the lateral extents of the release within a 100-year floodplain?	☐ Yes ⊠ No		
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 soi 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			
L			

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

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	Page 20 of 27
Incident ID	NAPP2113945611
District RP	
Facility ID	
Application ID	

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.

I hereby certify that the information given above is true and complete to the tregulations all operators are required to report and/or file certain release notify public health or the environment. The acceptance of a C-141 report by the Offiled to adequately investigate and remediate contamination that pose a three addition, OCD acceptance of a C-141 report does not relieve the operator of and/or regulations.	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
Printed Name: Kathy Purvis.	Title: HSE Coordinator
Signature: <u>Katherine Purvis</u>	Date: 7/7/23
email: <u>katherine.purvis@spurenergy.com</u>	Telephone: 575-441-8619
OCD Only	
Received by: _Shelly Wells	Date: <u>8/31/2023</u>

Page 21 of 27

Incident ID	NAPP2113945611
District RP	
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 ite	ms 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 or must be notified 2 days prior to liner inspection)	f 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	
and regulations all operators are required to report and/or file certain may endanger public health or the environment. The acceptance of a should their operations have failed to adequately investigate and reme human health or the environment. In addition, OCD acceptance of a compliance with any other federal, state, or local laws and/or regulative restore, reclaim, and re-vegetate the impacted surface area to the concaccordance with 19.15.29.13 NMAC including notification to the OC Printed Name: Kathy Purvis.	ediate contamination that pose a threat to groundwater, surface water, C-141 report does not relieve the operator of responsibility for ons. The responsible party acknowledges they must substantially ditions that existed prior to the release or their final land use in CD when reclamation and re-vegetation are complete. Title: HSE Coordinator
Signature: <u>Katherine Purvis</u>	Date: 7/7/23
email: <u>katherine.purvis@spurenergy.com</u>	Telephone: 575-441-8619
OCD Only	
Received by: Shelly Wells	Date: _7/7/2023
	f liability should their operations have failed to adequately investigate and ater, human health, or the environment nor does not relieve the responsible regulations.
Closure Approved by: Shelly Wells	Date: <u>8/31/2023</u>
Printed Name: Shelly Wells	Title: Environmental Specialist-Advanced



Appendix D:

Liner Inspection

Email Notification

Photographic Documentation

No Liner



Paragon Environmental LLC

Liner Inspection Form

Company Name. SI OK ENERGI I AKTIVEKS	Company Name:	SPUR ENERGY PARTNERS
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Site: Hearse 36 St Com Battery

Lat/Long: 32.61025, -104.43676

NMOCD Incident ID

& Incident Date: nAPP2113945611

2-Day Notification

Sent: 07/18/2022

Inspection Date: 07/20/2022

Liner Type: Earthen w/liner Earthen no liner Polystar

Steel w/poly liner Steel w/spray epoxy

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?	Х		

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

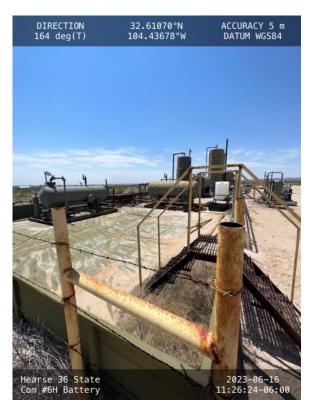


"We do not inherit the Earth from our ancestors; we borrow it from our children." Chief Seattle



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 237026

CONDITIONS

Operator:	OGRID:
Spur Energy Partners LLC	328947
9655 Katy Freeway	Action Number:
Houston, TX 77024	237026
	Action Type:
	[C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	/ Condition	Condition Date
scwells	None	8/31/2023