

Porosity	0.37	Fluid in pore space	0.1
Carbon Valley 26-2			
Disposal (Yds)	52		
Bbls Release	9.25		

Assumptions:
Porosity of pea gravel-37%
Pore space filled with fluid- 10%



3900 W. Mahan
Hobbs, NM 88240
Office: (575) 393-6204

September 3, 2024

Attn. Cindy Cottrell
Regulatory Coordinator & Corporate Secretary
Murchison Oil and Gas, LLC
7250 Dallas Parkway
Plano, TX 75024

RE: **Liner Inspection Report**
Murchison Oil and Gas, LLC
Carbon Valley 26 Federal Com #002H
Incident Id: nAPP2415757342
UL/ P Sec. 26, T16S, R27E
Eddy County, NM
GPS: 32.88861, -104.24184

Mrs. Cottrell,

J & H Services, Inc. (J & H), on behalf of Murchison Oil and Gas, LLC (Murchison), has prepared this *Liner Inspection Report* for the release at the Carbon Valley 26 Federal Com #002H location. The site is located approximately 9.6 miles northeast of Artesia, New Mexico in Unit Letter P Section 26, Township 16 South, Range 27 East. The GPS coordinates of the site are: 32.88861, -104.24184. A "Topographic Map" is provided as Attachment 1.

On June 25, 2024, J & H conducted a site assessment. During the site assessment, a liner inspection was performed to determine if the integrity of the lined secondary containment was satisfactory. J & H personnel performed a walk-down of the entire liner and photographed the liner to demonstrate its integrity. A "Site Diagram" is provided as Attachment #2. A "Photographic Log" is provided as Attachment 3. Groundwater information is provided as Attachment #4. Notifications and correspondence are provided as Attachment #5.

Based on the assessment/observations made by J & H personnel, it was determined that the integrity of the liner is adequate and performing as intended.

Please contact me if you have any questions or wish to discuss the site.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Zach Conder'.

Zach Conder
Environmental Manager
J & H Services, Inc.
(575) 640-6786
zach@jhservicesinc.com

Attachments:

- Attachment 1 - Topographic Map
- Attachment 2 - Site Diagram
- Attachment 3 - Photographic Log
- Attachment 4 - Groundwater Information
- Attachment 5 - Notification(s) and Correspondence

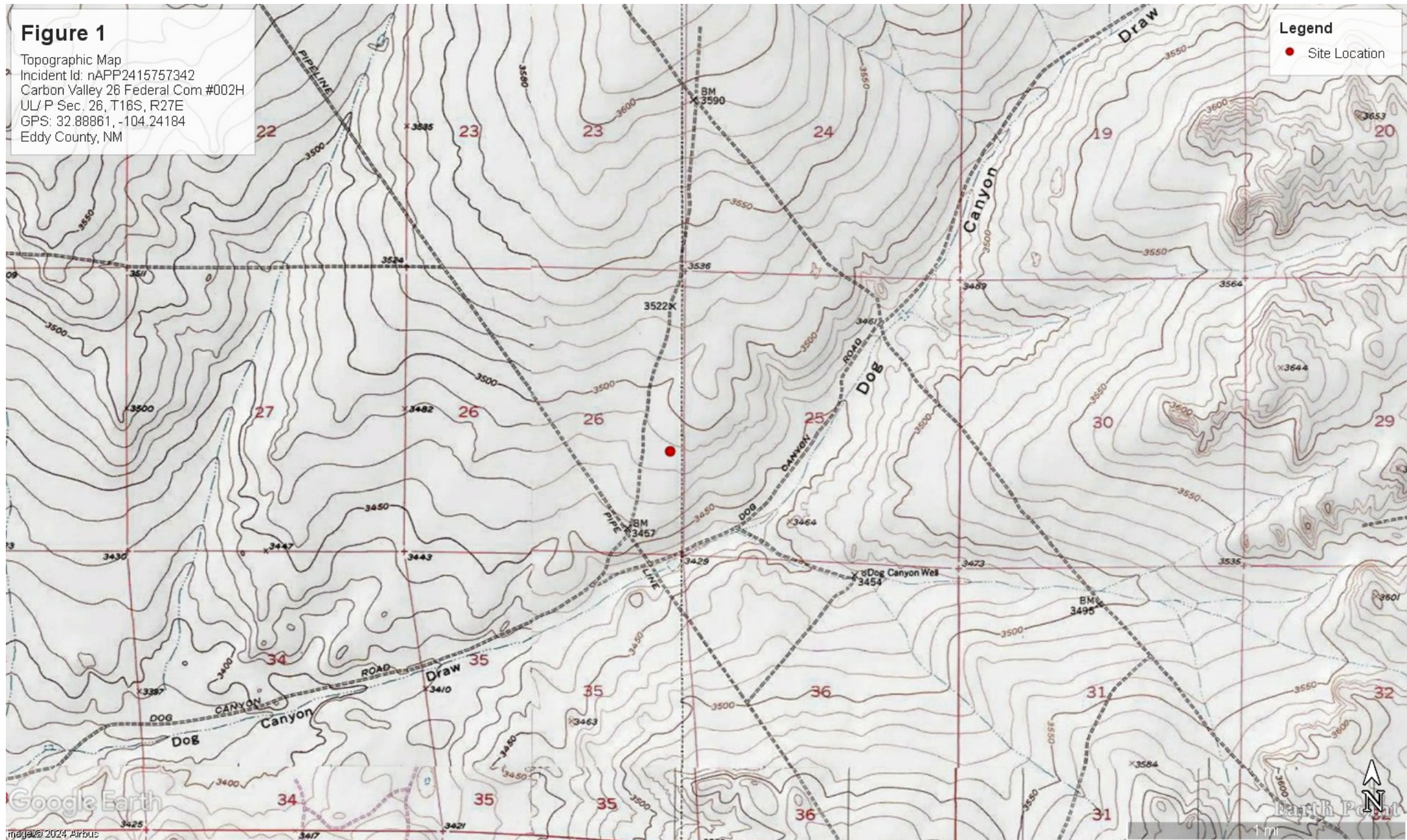
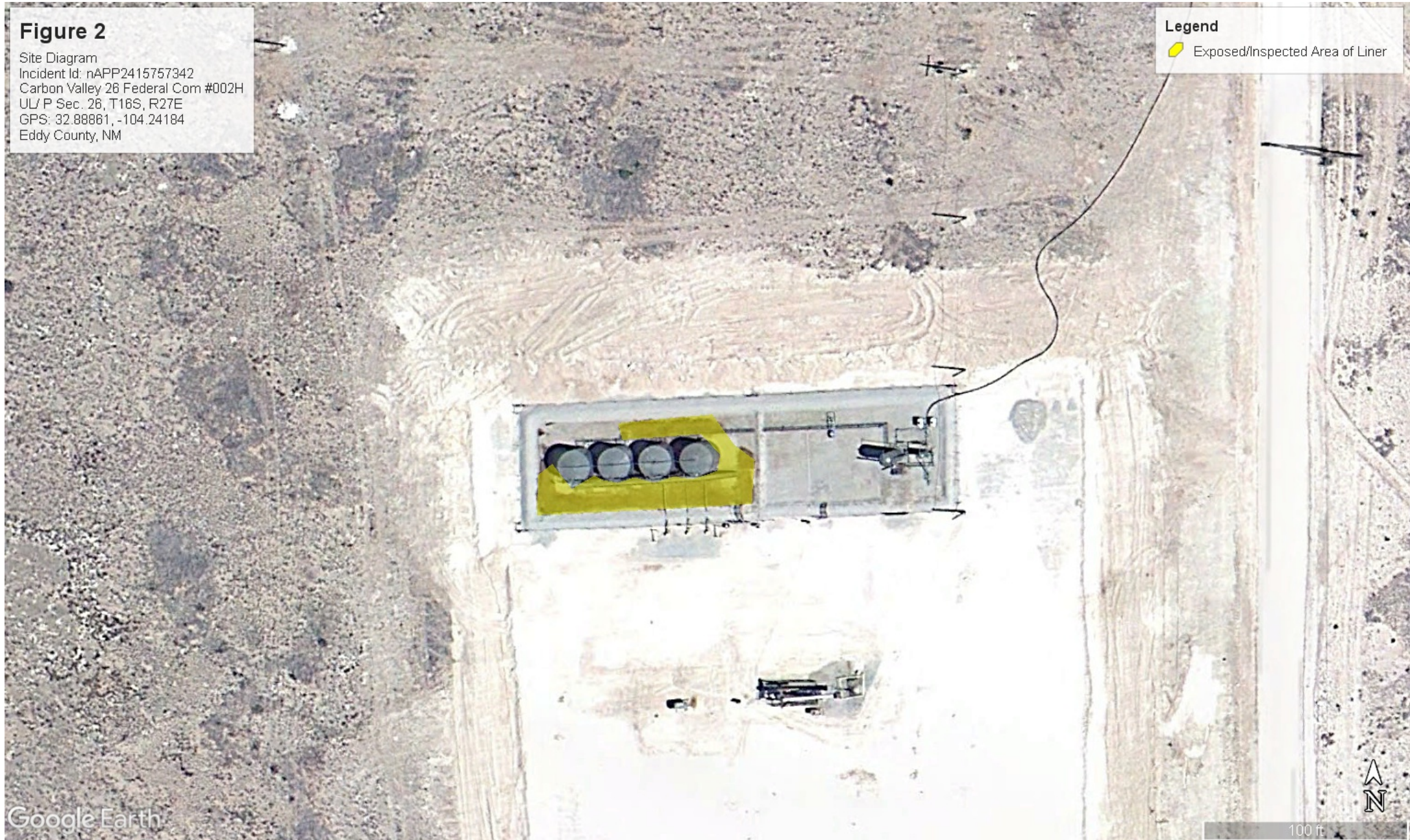


Figure 2

Site Diagram
Incident Id: nAPP2415757342
Carbon Valley 26 Federal Com #002H
UL/ P Sec. 26, T16S, R27E
GPS: 32.88861, -104.24184
Eddy County, NM

Legend

 Exposed/Inspected Area of Liner



Photographic Log



Photographic Log

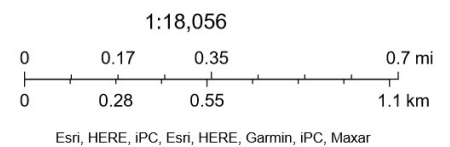




9/3/2024, 3:18:56 PM

GIS WATERS PODs


- Active
- NHD Flowlines
- Artificial Path
- Stream River



Point of Diversion Summary

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

NAD83 UTM in meters

Well Tag	POD Nbr	Q64	Q16	Q4	Sec	Tws	Rng	X	Y	Map
	RA 12455 POD1	NE	NW	NE	36	16S	27E	571998.5	3638766.3	

* UTM location was derived from PLSS - see Help

Driller License:

1058

Driller Company:

KEY'S DRILLING & PUMP SERVICE

Driller Name:

KUEHN III, DONALD

Drill Start Date:

2016-09-12

Drill Finish Date:

2016-09-13

Plug Date:

Log File Date:

2016-09-29

PCW Rcv Date:

Source:

Shallow

Pump Type:

Pipe Discharge Size:

Estimated Yield:

17

Casing Size:

4.50

Depth Well:

200

Depth Water:

55

Water Bearing Stratifications:

Top	Bottom	Description
55	65	Sandstone/Gravel/Conglomerate
80	90	Other/Unknown
160	200	Other/Unknown

Casing Perforations:

Top	Bottom
160	200

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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Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 356696

QUESTIONS

Operator: Murchison Oil and Gas, LLC 7250 Dallas Parkway Plano, TX 75024	OGRID:
	15363
	Action Number:
	356696
Action Type:	
[NOTIFY] Notification Of Liner Inspection (C-141L)	

QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2415757342
Incident Name	NAPP2415757342 CARBON VALLEY 26 FEDERAL COM #002H @ 30-015-37684
Incident Type	Other
Incident Status	Initial C-141 Approved
Incident Well	[30-015-37684] CARBON VALLEY 26 FEDERAL COM #002H

Location of Release Source	
Site Name	Carbon Valley 26 Federal Com #002H
Date Release Discovered	06/10/2011
Surface Owner	Federal

Liner Inspection Event Information	
Please answer all the questions in this group.	
What is the liner inspection surface area in square feet	4,800
Have all the impacted materials been removed from the liner	Yes
Liner inspection date pursuant to Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC	06/25/2024
Time liner inspection will commence	09:00 AM
Please provide any information necessary for observers to liner inspection	Zach Conder 575-640-6786
Please provide any information necessary for navigation to liner inspection site	32.8886108,-104.2418442

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CONDITIONS

Action 356696

CONDITIONS

Operator: Murchison Oil and Gas, LLC 7250 Dallas Parkway Plano, TX 75024	OGRID: 15363
	Action Number: 356696
	Action Type: [NOTIFY] Notification Of Liner Inspection (C-141L)

CONDITIONS

Created By	Condition	Condition Date
ccottrell	Failure to notify the OCD of liner inspections including any changes in date/time per the requirements of 19.15.29.11.A(5)(a)(ii) NMAC, may result in the inspection not being accepted.	6/21/2024

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QUESTIONS

Action 380094

QUESTIONS

Operator: Murchison Oil and Gas, LLC 7250 Dallas Parkway Plano, TX 75024	OGRID:	15363
	Action Number:	380094
	Action Type:	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2415757342
Incident Name	NAPP2415757342 CARBON VALLEY 26 FEDERAL COM #002H @ 30-015-37684
Incident Type	Other
Incident Status	Remediation Closure Report Received
Incident Well	[30-015-37684] CARBON VALLEY 26 FEDERAL COM #002H

Location of Release Source	
Please answer all the questions in this group.	
Site Name	Carbon Valley 26 Federal Com #002H
Date Release Discovered	06/10/2011
Surface Owner	Federal

Incident Details	
Please answer all the questions in this group.	
Incident Type	Other
Did this release result in a fire or is the result of a fire	No
Did this release result in any injuries	No
Has this release reached or does it have a reasonable probability of reaching a watercourse	No
Has this release endangered or does it have a reasonable probability of endangering public health	No
Has this release substantially damaged or will it substantially damage property or the environment	No
Is this release of a volume that is or may with reasonable probability be detrimental to fresh water	No

Nature and Volume of Release	
Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.	
Crude Oil Released (bbls) Details	Cause: Normal Operations Unknown Crude Oil Released: 0 BBL (Unknown Released Amount) Recovered: 0 BBL Lost: 0 BBL.
Produced Water Released (bbls) Details	Not answered.
Is the concentration of chloride in the produced water >10,000 mg/l	Not answered.
Condensate Released (bbls) Details	Not answered.
Natural Gas Vented (Mcf) Details	Not answered.
Natural Gas Flared (Mcf) Details	Not answered.
Other Released Details	Not answered.
Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)	C-141 requested by OCD for area of impact identified in Google Earth aerial photo. Date of photo used in lieu of unknown release date. Environmental consultant obtained to investigate indicated area of approximately 1,630 sq. ft. located inside lined tank battery containment. Stained caliche being removed and disposed of at OCD approved facility. Preparing for liner inspection.

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QUESTIONS, Page 2

Action 380094

QUESTIONS (continued)

Operator: Murchison Oil and Gas, LLC 7250 Dallas Parkway Plano, TX 75024	OGRID:	15363
	Action Number:	380094
	Action Type:	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Nature and Volume of Release (continued)	
Is this a gas only submission (i.e. only significant Mcf values reported)	No, according to supplied volumes this does not appear to be a "gas only" report.
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	Yes
Reasons why this would be considered a submission for a notification of a major release	From paragraph A. "Major release" determine using: (1) an unauthorized release of a volume, excluding gases, of 25 barrels or more.
With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e. gas only) are to be submitted on the C-129 form.	

Initial Response

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

The source of the release has been stopped	True
The impacted area has been secured to protect human health and the environment	True
Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices	True
All free liquids and recoverable materials have been removed and managed appropriately	True
If all the actions described above have not been undertaken, explain why	Not answered.

Per Paragraph (4) of Subsection B of 19.15.29.8 NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please prepare and attach a narrative of actions to date in the follow-up C-141 submission. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC), please prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.

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.

I hereby agree and sign off to the above statement	Name: Cindy Cottrell Title: Regulatory Coordinator Email: ccottrell@jdmii.com Date: 09/03/2024
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QUESTIONS, Page 3

Action 380094

QUESTIONS (continued)

Operator: Murchison Oil and Gas, LLC 7250 Dallas Parkway Plano, TX 75024	OGRID:
	15363
	Action Number:
	380094
Action Type:	
[C-141] Remediation Closure Request C-141 (C-141-v-Closure)	

QUESTIONS**Site Characterization**

Please answer all the questions in this group (only required when seeking remediation plan approval and beyond). 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 in feet below ground surface (ft bgs)	Between 51 and 75 (ft.)
What method was used to determine the depth to ground water	NM OSE iWaters Database Search
Did this release impact groundwater or surface water	No
What is the minimum distance, between the closest lateral extents of the release and the following surface areas:	
A continuously flowing watercourse or any other significant watercourse	Between 1000 (ft.) and ½ (mi.)
Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)	Between 1000 (ft.) and ½ (mi.)
An occupied permanent residence, school, hospital, institution, or church	Between 1 and 5 (mi.)
A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes	Between ½ and 1 (mi.)
Any other fresh water well or spring	Between 1 and 5 (mi.)
Incorporated municipal boundaries or a defined municipal fresh water well field	Between 1 and 5 (mi.)
A wetland	Between ½ and 1 (mi.)
A subsurface mine	Between ½ and 1 (mi.)
An (non-karst) unstable area	Greater than 5 (mi.)
Categorize the risk of this well / site being in a karst geology	High
A 100-year floodplain	Between 1000 (ft.) and ½ (mi.)
Did the release impact areas not on an exploration, development, production, or storage site	No

Remediation Plan

Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

Requesting a remediation plan approval with this submission	Yes
Attach a comprehensive report demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined, pursuant to 19.15.29.11 NMAC and 19.15.29.13 NMAC.	
Have the lateral and vertical extents of contamination been fully delineated	Yes
Was this release entirely contained within a lined containment area	Yes
Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC, which includes the anticipated timelines for beginning and completing the remediation.	
On what estimated date will the remediation commence	06/25/2024
On what date will (or did) the final sampling or liner inspection occur	06/25/2024
On what date will (or was) the remediation complete(d)	09/20/2024
What is the estimated surface area (in square feet) that will be remediated	1630
What is the estimated volume (in cubic yards) that will be remediated	52
These estimated dates and measurements are recognized to be the best guess or calculation at the time of submission and may (be) change(d) over time as more remediation efforts are completed.	
The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.	

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QUESTIONS, Page 4

Action 380094

QUESTIONS (continued)

Operator: Murchison Oil and Gas, LLC 7250 Dallas Parkway Plano, TX 75024	OGRID:	15363
	Action Number:	380094
	Action Type:	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS**Remediation Plan (continued)**

Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

This remediation will (or is expected to) utilize the following processes to remediate / reduce contaminants:

(Select all answers below that apply.)

Is (or was) there affected material present needing to be removed	Yes
Is (or was) there a power wash of the lined containment area (to be) performed	No
OTHER (Non-listed remedial process)	Yes
Other Non-listed Remedial Process. Please specify	Upon approval place clean gravel on liner.

Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC, which includes the anticipated timelines for beginning and completing the remediation.

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.

I hereby agree and sign off to the above statement	Name: Cindy Cottrell Title: Regulatory Coordinator Email: ccottrell@jdmii.com Date: 09/03/2024
--	---

The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.

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QUESTIONS, Page 6

Action 380094

QUESTIONS (continued)

Operator: Murchison Oil and Gas, LLC 7250 Dallas Parkway Plano, TX 75024	OGRID:	15363
	Action Number:	380094
	Action Type:	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Liner Inspection Information	
Last liner inspection notification (C-141L) recorded	356696
Liner inspection date pursuant to Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC	06/25/2024
Was all the impacted materials removed from the liner	Yes
What was the liner inspection surface area in square feet	4800

Remediation Closure Request

Only answer the questions in this group if seeking remediation closure for this release because all remediation steps have been completed.

Requesting a remediation closure approval with this submission	Yes
Have the lateral and vertical extents of contamination been fully delineated	Yes
Was this release entirely contained within a lined containment area	Yes
What was the total surface area (in square feet) remediated	1630
What was the total volume (cubic yards) remediated	52
Summarize any additional remediation activities not included by answers (above)	52 yards of stained gravel hauled to Halfway/CRI Facility fEEM0112334510.

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 (in .pdf format) 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.

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.

I hereby agree and sign off to the above statement	Name: Cindy Cottrell Title: Regulatory Coordinator Email: ccottrell@jdmii.com Date: 09/03/2024
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CONDITIONS

Action 380094

CONDITIONS

Operator: Murchison Oil and Gas, LLC 7250 Dallas Parkway Plano, TX 75024	OGRID: 15363
	Action Number: 380094
	Action Type: [C-141] Remediation Closure Request C-141 (C-141-v-Closure)

CONDITIONS

Created By	Condition	Condition Date
bhall	Closure approved.	9/4/2024