ENSOLUM

May 25, 2026

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Remediation Activities Summary Report May 2026
Ponderosa Unit C07 Pad Surface Layflat Line
Incident Number nAPP2530757179
San Juan County, New Mexico

Mr. Nelson Valdez:

Ensolum, LLC (Ensolum), on behalf of DJR Operating, LLC (DJR), a subsidiary of Enduring Resources, LLC (Enduring), presents the following *Remediation Activities Summary Report May 2026* (Summary Report 2026) to document remediation and reclamation activities conducted to address impacts to soil at the Ponderosa Unit C07 Pad Surface Layflat Line (Site). This work was conducted per the New Mexico Oil Conservation Division (NMOCD) approved *Remediation Work Plan* dated December 22, 2025. The NMOCD approved the Work Plan on February 23, 2026 including specific Conditions of Approval (COA) listed below. Regulatory agency correspondence is included in Attachment 1.

SITE BACKGROUND

The Site consists of two release points from the same layflat flowline: Release Point #1 is located at 36.220442°, -107.808600°, while release point #2 is located at 36.233206°, -107.785336°. The release points and extent are located on surface managed by the Bureau of Land Management (BLM), Bureau of Indian Affairs (BIA) and New Mexico State Land Office (NMSLO), all within San Juan County, New Mexico. The releases originated from a surface layflat line transporting water associated with oil and gas production (Figure 1).

Previous release information, site characterization, closure criteria, site investigation activities, remediation plan, and monitoring/closure plan were submitted in detail under the approved *Remediation Work Plan,* dated December 22, 2025. On January 6, 2026, due to lack of impact on New Mexico State Lands, the NMSLO both approved and closed the *Remediation Work Plan* and release event with the NMSLO Environmental Compliance Office (ECO). Due to lack of impact on Tribal areas, on January 7, 2026, the Navajo Nation Environmental Protection Agency (NNEPA) closed the tribal areas of this event/release. NNEPA and NMSLO ECO correspondence are included in Attachment 1.

The NMOCD approved *Remediation Work Plan* (December 22, 2025) proposed using enhanced attenuation remediation practices to address residual chloride impacts in soil. The proposed remediation design relies on amending the existing soil structure with calcium, humate, organics, supplemental water, and reseeding to mitigate inorganic impacts and complete remediation and reclamation goals. Humate, gypsum, and organic matter remediate affected soils by providing calcium and improving/maintaining the soil structure. Chloride is redistributed in the treatment zone, ensuring proper subsurface biochemical conditions for reclamation and water retention. The modified soil structure promotes remediation and reclamation efforts simultaneously, as chloride impacts are removed and redistributed, vegetation is promoted, and natural processes continue to remediate site impacts over time.

The NMOCD approved the Work Plan on February 23, 2026, with the following conditions:

1. **Must give details of how the in-situ remediation is completed at depth (at 2 ft. below grade).**
2. **If the remediation process is lengthy in its duration, DJR must supply OCD with quarterly progress through the alternative remediation report portal until the closure standards have been achieved.**
3. **DJR has 90-days (May 26, 2026) to submit to OCD its appropriate or final remediation closure report.**

Item #1 – In-Situ Site Remediation Methodology Details
The site assessment work conducted indicated a limited area of impact requiring treatment characterized by samples A-SS17, A-BH18, and A-BH24 (approximately 5,000 ft^2). The A-BH18 location indicated impact at both surface and at the 2-foot depth, while the other locations indicated only surface impact. The sample collected at a depth of 2 feet from A-BH18 indicated a chloride concentration of 610 mg/kg, very near the regulatory standard of 600 mg/kg. The sample indicating surface impact at A-SS17 was later resampled and indicated compliance at this location as A-SS17R. The chloride impact is therefore present at surface soils, with only one location at a depth of 2 feet indicating impact very close to the regulatory standard, and areas exhibiting ongoing attenuation.

Remediation of this Site is being accomplished in-situ by enhancing natural processes and maintaining soil structure and permeability, which allows chloride to redistribute and dissipate within the treatment zone. As soil structure is preserved and natural percolation is maintained, surface soil impacts dissipate and chloride anions redistribute laterally and vertically inside the treatment interval. The minor impact identified at the 2-foot depth at A-BH18 is being remediated in place and over time as natural attenuation processes are enhanced by the surface applied gypsum, humate, organics, and water soil amendments.

The environmental processes responsible for chloride attenuation in soil include infiltration, percolation, advective transport, hydrodynamic dispersion, redistribution, dilution, cation exchange (via calcium displacing sodium to improve aggregation and permeability), and leaching within the treatment zone. Chloride is a conservative, non-reactive anion that cannot be destroyed, degraded, or immobilized in soil under normal conditions. It cannot be removed by chemical reactions, sorption, precipitation, or biological process, it can only be redistributed inside the treatment zone as soil structure and natural hydrologic processes are restored.

As the chloride anions move towards equilibrium and redistribute inside the treatment zone, soil concentrations will decrease to below regulatory standards. Because chloride cannot be destroyed or immobilized, restoring natural soil hydrology is the only scientifically valid and environmentally protective mechanism for achieving compliance at this Site.

Item #2 – Quarterly Progress Updates
The schedule in the approved Work Plan specifies semi-annual sampling and routine monitoring reports. As requested by NMOCD in this COA, DJR and Enduring will submit quarterly progress reports indicating soil sampling results, re-vegetation progress, and any relevant site information or recommendations through the alternative remediation report portal until Site closure with the NMOCD is achieved. The next quarterly progress update report will be submitted in August 2026.

Item #3 – Appropriate Closure Report
This correspondence satisfies the request for an appropriate (installation/monitoring) report by May 26, 2026.

SITE INSTALLATION ACTIVITIES DETAILS

In order to preserve the existing established ecology, vegetation, and fauna in the Pinyon-Juniper woodland, the amendment was applied via manual hand applied methods, rather than utilizing heavy equipment that would damage and/or destroy the surrounding vegetation. The following describes actions conducted at the Site and a Photographic Log is included as Attachment 2:

April 24, 2026

- The soil surface within the impacted area was manually raked and prepared prior to amendment application.
- Approximately 100 pounds of ultra-fine gypsum, 50 pounds of granular humate, and 150 pounds of locally sourced compost was manually spread and incorporated within the soil. Following application, the amendments were manually raked into the disturbed area.
- The disturbed area was then watered with approximately 500 gallons to allow moisture to settle into the soil structure.

May 4, 2026

- The Site was reseeded with the BLM recommended seed mix, with the Siberian Wheatgrass replaced with Alkali Scaton. The disturbed and reseeded area was watered with approximately 500 gallons to promote seed growth and adsorb into the soil structure.

FUTURE SITE MONITORING AND REPORTING ACTIVITIES

- Fall 2026: Site visit to monitor reclamation and reseeding progress. Semi-annual soil sampling of locations A-SS17, A-BH18, and A-BH24. Discrete soil samples will be collected at surface, 1-foot, and 2-foot intervals from each location, with an additional sample collected at a depth of 3-foot and 4-foot at sample location A-BH18. Samples will be analyzed for chloride via United States Environmental Protection Agency (EPA) Method 300.0. If samples indicate impact above NMOCD standards at depth, additional samples will be collected to vertically delineate any impact exceeding regulatory standards in 1-foot increments.
- Upon receipt and approval of this report by the NMOCD, quarterly progress reports will be submitted through the alternative remediation portal until closure standards are achieved (August 2026, November 2026, February 2027, May 2027)
- Spring 2027: Check for reclamation and reseeding progress. Semi-annual soil sampling will be conducted as described above if chloride concentrations exceed 600 mg/kg in the aforementioned locations from the Fall 2026 sampling event.

CLOSING

Soil amendments were applied across the treatment area at design locations A-BH18 and A-BH24. Site assessment activities included defining the impact identified initially at the A-BH18 location, which was later laterally and vertically defined via the samples collected from A-BH21 through A-BH24 (Figure 3). This area is receiving active remediation as discussed above. The area represented by A-SS17 indicated compliance with regulatory standards during site assessment work however the area will be resampled during the Fall 2026 monitoring event as described above to ensure compliance with regulatory standards and applicability for site closure status.

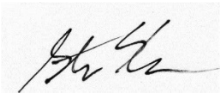
Field observations have confirmed that soil structure has improved and infiltration was restored following amendment installation and watering. The Site was reseeded immediately following amendment installation. The surface is stable, and vegetation establishments are underway. The amendment installation, soil conditioning, and reseeding were completed in a manner consistent with the remedy's performance objectives.

Additional soil samples will be collected semi-annually to evaluate subsurface conditions relative to NMOCD cleanup standards for chloride. Once soil impacts indicate compliance with applicable standards, remediation will be complete and a request for Site closure will be prepared. Results will be communicated with the NMOCD and BLM in routine monitoring reports. Amendments may be refreshed if needed.

The Site will be monitored for soil chloride concentration and vegetation growth to ensure that reclamation activities are successful. Focus for this phase will be to prevent erosion and Site degradation, and to monitor for and treat invasive and noxious weed species. Semi-annual post-remediation inspections will continue until the reclaimed area demonstrates stable soils and at least 70% of the pre-disturbance vegetative cover, consistent with 19.15.29.13 NMAC. Upon meeting these criteria, a Final Closure Report will be submitted to the NMOCD and BLM requesting final inspection and release. Once reclamation is completed, Enduring will submit a report documenting remediation activities, soil sampling, restoration, and reclamation of the affected area.

We appreciate your time to review this report. If you have any questions or comments, please contact us at (303) 913-1350 or skahn@ensolum.com or (303) 601-1420 or dburns@ensolum.com.

Sincerely,
Ensolum, LLC



Danny Burns
Senior Geologist

Steve Kahn
Senior Managing Engineer

cc: Tim Friesenhahn, EHS Manager, Enduring Resources LLC
Bureau of Land Management

Attachments:

Figure 1	Site Location Map
Figure 3	Delineation Sample Locations Release Point #1
Attachment 1	Regulatory Agency Correspondence
Attachment 2	Photographic Log

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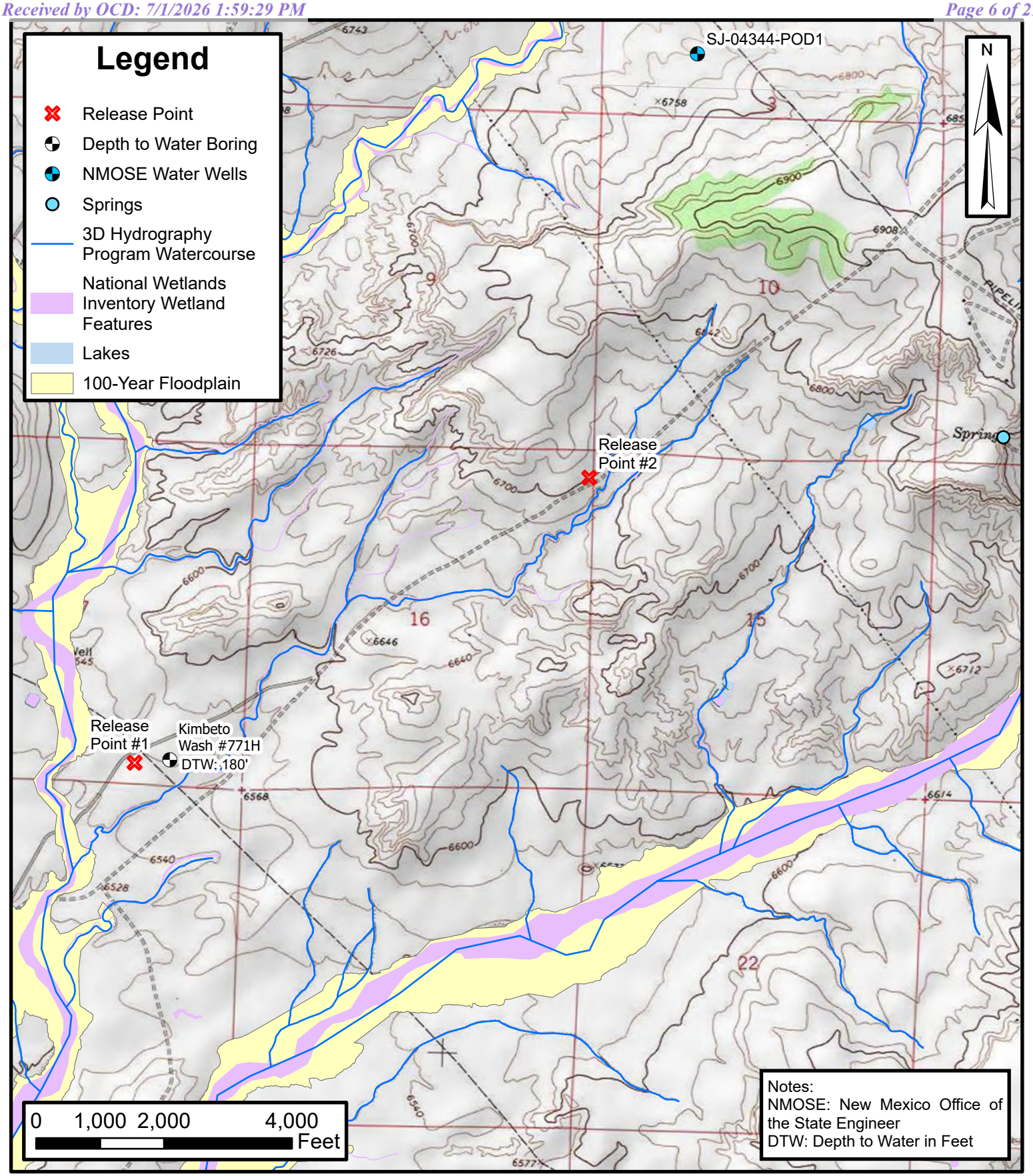
FIGURES



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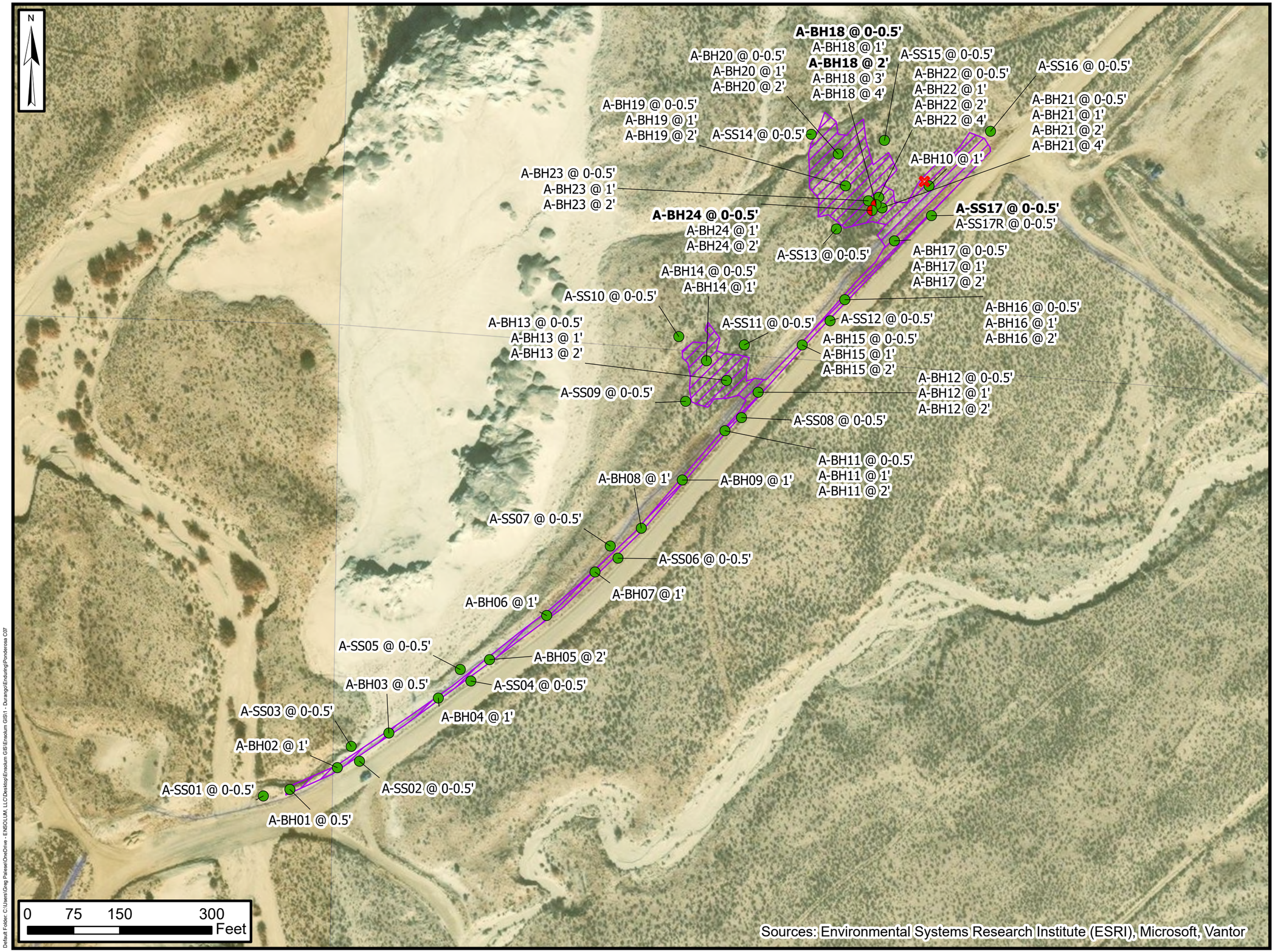
Site Location Map

Ponderosa Unit C07 Pad Surface Layflat Line
Enduring Resources, LLC

36.220371, -107.808983
San Juan County, New Mexico

FIGURE
1



Legend

- Release Point
- Delineation Sample in Compliance with NMOCD Closure Criteria
- Delineation Sample with Terminus in Compliance with NMOCD Closure Criteria
- Release Extent
- BLM
- Tribal Land - Indian Allotted

Notes:
Sample ID @ Depth Below Ground Surface in Feet
Bold: Indicates Results Exceed NMOCD Closure Criteria
NMOCD: New Mexico Oil Conservation Division

Delineation Sample Locations
Release Point #1
Ponderosa Unit C07 Pad
Surface Layflat Line
Enduring Resources, LLC
36.220442, -107.808600
San Juan County, New Mexico

Figure
3a

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ATTACHMENT 1

Regulatory Agency Correspondence

Re: IA/NN Tribal Trust Closure Request on Ponderosa Unit 111H Release 10/29/25

NE
Nn epa Water Quality <nnepawq@frontiernet.net>
To Heather Huntington; Jaquez, Laverna A
Cc Adeloye, Abiodun A; Steve Kahn; Tim Friesenhahn

Reply | Reply All | Forward

Wed 1/7/2026 11:15 AM

You replied to this message on 1/7/2026 12:51 PM.

[**EXTERNAL EMAIL**]

Good morning,

After reviewing the information provided and inspecting the sites, NNEPA considers the Navajo Nation portions of these releases closed. Let me know if you have any questions. Thank you.

--Steve

Steve Austin
Senior Hydrologist
NNEPA WQ/NPDES Program
505-368-1037

From: Heather Huntington <Hhuntington@enduringresources.com>
Sent: Tuesday, December 23, 2025 12:58 PM
To: Jaquez, Laverna A <laverna.jaquez@bia.gov>; nnepawq@frontiernet.net <nnepawq@frontiernet.net>
Cc: Adeloye, Abiodun A <aadeloye@blm.gov>; Steve Kahn <skahn@ensolum.com>; Tim Friesenhahn <TFriesenhahn@enduringresources.com>
Subject: IA/NN Tribal Trust Closure Request on Ponderosa Unit 111H Release 10/29/25

Good Afternoon,
DJR Operating would like to request closure on the tribal portions that were affected by the release that occurred on 10/29/25 for the Ponderosa Unit 111H layflat. Sampling was conducted on these areas and the samples came back clean and under closure standards. The closure request and sampling data have been attached. A sundry notice was also submitted to BLM. Please let us know if you have any questions regarding this closure request and if you approve of the closure.

Heather Huntington
Enduring Resources Regulatory Specialist
505-636-9751

RE: [REMEDIATION PLAN] DJR OPERATING-PONDEROSA UNIT 111H SURFACE LAYFLAT (NAPP2530757179)-10-29-2025 - Approved and Closed

Reply | Reply All

KT

Knight, Tami C. <tknight@nmslo.gov>
To Heather Huntington
Cc Steve Kahn; Tim Friesenhahn; Bisbey-Kuehn, Elizabeth A.; David, Deon W.

You forwarded this message on 1/6/2026 9:11 AM.

[**EXTERNAL EMAIL**]

RE: 30-045-38430/DJR; PONDEROSA UNIT C07 PAD SURFACE LAYFLAT LINE; LG98010000/Dugan
Incident #: NAPP2530757179
ROE #: Not applicable
Remediation Workplan Received: December 23, 2025
Workplan Status: **Approved and closed. Site assessment confirmed State Trust Land was not impacted. ECO will close this release in our records. No need to submit additional information to us.**

Details regarding the workplan review are provided in the table below. The lessee and/or their contractor are responsible for ensuring that the project manager and field personnel performing the work follow the approved work plan.

General Scope of Work Topics Addressed in Remediation Workplan In Detail	Included/Approved	Not Included/Not Approved	Not Required
NMOCD Record Review	Included		
Historical Aerial Review with Areas of Concern Identified	Site Map provided		
CPP/Bio Statements	Included		
Site Characterization/Closure Criteria	Included		
Site assessment/delineation plans or results	Included		
Remediation Method Detailed	Included		
Confirmation Sampling Protocol	Included		
Reclamation Workplan/Discussion	Included		
Schedule of Implementation		Not discussed	

**The conclusions of this workplan review are based on the documentation provided by the submitter. ECO may conduct a field verification of the information provided, though it is not obligated to do so. In the event that field conditions or subsequent information reveal discrepancies, ECO may require additional corrective work.*

We appreciate the efforts being taken to remediate and reclaim State Trust Land.

FW: The Oil Conservation Division (OCD) has approved the application, Application ID: 537353

Reply | Reply All | Forward

Tue 2/24/2026 8:34 AM

HH Heather Huntington <Hhuntington@enduringresources.com>
To Tim Friesenhahn; Steve Kahn; Danny Burns
Cc Chalon LeFebre

You replied to this message on 2/24/2026 8:43 AM.

APVD C-141 REMEDIATION (NMOCD 02.26.26)_PONDEROSA UNIT 111H LAYFLAT.pdf
52 MB

Heather Huntington
Enduring Resources Regulatory Specialist
505-636-9751

From: OCDOnline@emnrd.nm.gov <OCDOnline@emnrd.nm.gov>
Sent: Monday, February 23, 2026 3:10 PM
To: Heather Huntington <Hhuntington@enduringresources.com>
Subject: The Oil Conservation Division (OCD) has approved the application, Application ID: 537353

To whom it may concern (c/o Heather Huntington for DJR OPERATING, LLC),

The OCD has approved the submitted *Application for administrative approval of a release notification and corrective action* (C-141), for incident ID (n#) nAPP2530757179, with the following conditions:

- **Remediation plan is approved as written except with the following conditions; 1. Must give details of how the in-situ remediation is completed at depth (at 2 ft. below grade). 2. If the remediation process is lengthy in its duration, DJR must supply OCD with quarterly progress through the alternative remediation report portal until the closure standards have been achieved. 3. DJR has 90-days (May 26, 2026) to submit to OCD its appropriate or final remediation closure report.**

The signed C-141 can be found in the OCD Online: Imaging under the incident ID (n#).

If you have any questions regarding this application, please contact me.

Thank you,
Nelson Velez
Environmental Specialist - Advanced
505-469-6146
Nelson.Velez@emnrd.nm.gov

New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505

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ATTACHMENT 2

Photographic Log

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Photographic Log
Ponderosa C07
Enduring Resources, LLC
San Juan County
New Mexico

Photo #1
Preparing area for amendment application.

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Photographic Log
Ponderosa C07
Enduring Resources, LLC
San Juan County
New Mexico

Photo #2
Preparing area for amendment application.

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Photographic Log
Ponderosa C07
Enduring Resources, LLC
San Juan County
New Mexico

Photo #3
Amendment application.

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Photographic Log
Ponderosa C07
Enduring Resources, LLC
San Juan County
New Mexico

Photo #4
Preparing area for amendment application.

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Photographic Log
Ponderosa C07
Enduring Resources, LLC
San Juan County
New Mexico

Photo #5
Area after reseeding and watering.

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Photographic Log
Ponderosa C07
Enduring Resources, LLC
San Juan County
New Mexico

Photo #6
Area after reseeding and watering.

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Photographic Log
Ponderosa C07
Enduring Resources, LLC
San Juan County
New Mexico

Photo #7
Aeration Pond #1

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Environmental, Engineering and Hydrogeologic Consultants

Photographic Log
Ponderosa C07
Enduring Resources, LLC
San Juan County
New Mexico

Photo #8
Aeration Pond #2.

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 601239

CONDITIONS

Operator: DJR OPERATING, LLC 200 Energy Court Farmington, NM 87401	OGRID: 371838
	Action Number: 601239
	Action Type: [REPORT] Alternative Remediation Report (C-141AR)

CONDITIONS

Created By	Condition	Condition Date
nvelez	1. Continue as written within "Future Site Monitoring & Reporting Activities". 2. Submit next report by August 31, 2026.	7/27/2026