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-144
Revised April 3, 2017

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office.
For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

Type of action:
- ☐ Below grade tank registration
- ☐ Permit of a pit or proposed alternative method
- ☒ Closure of a pit, below-grade tank, or proposed alternative method
- ☐ Modification to an existing permit/or registration
- ☐ Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method

BGT 1

Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations, or ordinances.

1.
Operator: Phoenix Hydrocarbons Operating Corp OGRID #: 188483
Address: P.O Box 3638 Midland, TX 79705
Facility or well name: Federal E #002A
API Number: 30-045-23465 OCD Permit Number:
U/L or Qtr/Qtr J Section 23 Township 27N Range 08W County: San Juan
Center of Proposed Design: Latitude 36.5568695 Longitude -107.6492462 NAD83
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F, G or J of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ Multi-Well Fluid Management Low Chloride Drilling Fluid ☐ yes ☐ no
☐ Lined ☐ Unlined Liner type: Thickness _____mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: _____bbl Dimensions: L_____ x W_____ x D_____

3.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: 95 bbl Type of fluid: Produced Water
Tank Construction material: fiberglass
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☒ Visible sidewalls only ☐ Other _____
Liner type: Thickness _____mil ☐ HDPE ☐ PVC ☐ Other _____

4.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

5.
Fencing: Subsection D of 19.15.17.11 NMAC *(Applies to permanent pits, temporary pits, and below-grade tanks)*
☐ Chain link, six feet in height, two strands of barbed wire at top *(Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)*
☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
☒ Alternate. Please specify 48" high rebar and hog wire

6.
Netting: Subsection E of 19.15.17.11 NMAC *(Applies to permanent pits and permanent open top tanks)*

☐ Screen ☐ Netting ☒ Other_____expanded metal _____

☐ Monthly inspections (If netting or screening is not physically feasible)

7.
Signs: Subsection C of 19.15.17.11 NMAC

☒ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☐ Signed in compliance with 19.15.16.8 NMAC

8.
Variances and Exceptions:
Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

☐ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

9.
Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. **Siting criteria does not apply to drying pads or above-grade tanks.**

General siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. - ☐ NM Office of the State Engineer - iWATERS database search; ☐ USGS; ☐ Data obtained from nearby wells	☐ Yes ☒ No ☐ NA
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit . NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. **(Does not apply to below grade tanks)** - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine. **(Does not apply to below grade tanks)** - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. **(Does not apply to below grade tanks)** - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. **(Does not apply to below grade tanks)** - FEMA map	☐ Yes ☐ No
Below Grade Tanks	
Within 100 feet of a continuously flowing watercourse, significant watercourse, lakebed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)	
Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

Within 100 feet of a wetland.
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site ☐ Yes ☐ No

Temporary Pit Non-low chloride drilling fluid

Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).
- Topographic map; Visual inspection (certification) of the proposed site ☐ Yes ☐ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image ☐ Yes ☐ No

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, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application;
- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site ☐ Yes ☐ No

Within 300 feet of a wetland.
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site ☐ Yes ☐ No

Permanent Pit or Multi-Well Fluid Management Pit

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).
- Topographic map; Visual inspection (certification) of the proposed site ☐ Yes ☐ No

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image ☐ Yes ☐ No

Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application.
- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site ☐ Yes ☐ No

Within 500 feet of a wetland.
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site ☐ Yes ☐ No

10.
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

11.
Multi-Well Fluid Management Pit Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ A List of wells with approved application for permit to drill associated with the pit.
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

13.
Proposed Closure: 19.15.17.13 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☒ Below-grade Tank ☐ Multi-well Fluid Management Pit ☐ Alternative

Proposed Closure Method: ☐ Waste Excavation and Removal
☒ Waste Removal (Closed-loop systems only)
☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ In-place Burial ☐ On-site Trench Burial
☐ Alternative Closure Method

14.
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15.
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC
Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 25 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 25-50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	

adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☐ No

16.
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
- ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC
- ☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.
Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

18.
OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure ~~Plan (only)~~ ☐ OCD Conditions (see attachment)

OCD Representative Signature: CRWhitehead **Approval Date:** July 27, 2021

Title: Environmental Specialist **OCD Permit Number:** BGT 1

19.
Closure Report (required within 60 days of closure completion): 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☒ **Closure Completion Date:** 9/2/2020

20.
Closure Method:

☒ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

21.
Closure Report Attachment Checklist: ***Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.***

- ☒ Proof of Closure Notice (surface owner and division)
- ☐ Proof of Deed Notice (required for on-site closure for private land only)
- ☐ Plot Plan (for on-site closures and temporary pits)
- ☒ Confirmation Sampling Analytical Results (if applicable)
- ☐ Waste Material Sampling Analytical Results (required for on-site closure)
- ☒ Disposal Facility Name and Permit Number
- ☒ Soil Backfilling and Cover Installation
- ☒ Re-vegetation Application Rates and Seeding Technique
- ☐ Site Reclamation (Photo Documentation

On-site Closure Location: Latitude 36.5568695 Longitude -107.6492462 NAD: ☐ 1927 ☒ 1983

22.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): __Vanessa Fields _____ Title: ___Regulatory Compliance Manager _____

Signature: _____ Date: ___1/08/2020_____

e-mail address: ____vanessa@walsheng.net_____ Telephone: _____505-787-9100_____

Vanessa Fields

From: Adeloye, Abiodun A <aadeloye@blm.gov>
Sent: Thursday, September 3, 2020 7:17 AM
To: Vanessa Fields; Smith, Cory, EMNRD
Cc: Vern Andrews; Jimmie McKinney
Subject: Re: [EXTERNAL] RE: Federal E #002A Analytical results Failed Chlorides NRM2020237398 FEDERAL E #002 @ 30-045-23465

Please go ahead with the back filling of the Largo Fed E #2A.
Thank you.
Abiodun Adeloye (Emmanuel), NRS
Bureau of Land Management
Farmington Field Office
6251 College Blvd., Suite A
Farmington, NM 87402
Office Phone: 505-564-7665
Cell Phone: 505-635-0984

From: Vanessa Fields <vanessa@walsheng.net>
Sent: Wednesday, September 2, 2020 3:58 PM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: RE: [EXTERNAL] RE: Federal E #002A Analytical results Failed Chlorides NRM2020237398 FEDERAL E #002 @ 30-045-23465

Good afternoon,

Please find attached the confirmation sample for the Federal E #002A. Analytical results are below regulatory closure standards.

Walsh Engineering on behalf of Phoenix Hydrocarbons request permission to backfill.

A final C-141 will be submitted to both agencies.

Thank you,
Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Monday, August 31, 2020 4:54 PM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>

Subject: RE: [EXTERNAL] RE: Federal E #002A Analytical results Failed Chlorides NRM2020237398 FEDERAL E #002 @ 30-045-23465

Good afternoon,

The sampling time has been changed to 9:00 am tomorrow September 1, 2020. This has been confirmed with the BLM and NMOCD.

Thank you guys very much for working with the scheduling change.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Friday, August 28, 2020 11:08 AM
To: 'Smith, Cory, EMNRD' <Cory.Smith@state.nm.us>; 'Adeloye, Abiodun A' <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: RE: [EXTERNAL] RE: Federal E #002A Analytical results Failed Chlorides NRM2020237398 FEDERAL E #002 @ 30-045-23465

Good morning,

The analytical results for the Largo Federal E #002A were above regulatory standards. We have continued to remediate.

Walsh Engineering on behalf of Phoenix Hydrocarbons request final confirmation sampling on Tuesday September 1, 2020 at 11:00am.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Wednesday, August 12, 2020 12:37 PM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>

Subject: RE: [EXTERNAL] RE: Federal E #002A Analytical results Failed Chlorides NRM2020237398 FEDERAL E #002 @ 30-045-23465

Thank you Cory. I will provide 48 hour notice to both agencies when confirmation sampling will occur.

I will include this email as well in the final C-141.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Sent: Wednesday, August 12, 2020 12:05 PM
To: Vanessa Fields <vanessa@walsheng.net>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: RE: [EXTERNAL] RE: Federal E #002A Analytical results Failed Chlorides NRM2020237398 FEDERAL E #002 @ 30-045-23465

Vanessa,

Chlorides only because all the others passed is fine.

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

From: Vanessa Fields <vanessa@walsheng.net>
Sent: Wednesday, August 12, 2020 11:23 AM
To: Adeloye, Abiodun A <aadeloye@blm.gov>; Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: [EXT] RE: [EXTERNAL] RE: Federal E #002A Analytical results Failed Chlorides NRM2020237398 FEDERAL E #002 @ 30-045-23465

Thank you Emmanuel. we won't sample otherwise until Cory Approves.

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Adeloye, Abiodun A <aadeloye@blm.gov>
Sent: Wednesday, August 12, 2020 11:00 AM
To: Vanessa Fields <vanessa@walsheng.net>; Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: Re: [EXTERNAL] RE: Federal E #002A Analytical results Failed Chlorides NRM2020237398 FEDERAL E #002 @ 30-045-23465

Hi Vanessa, BLM approves testing for the Chlorides only for Federal E #2. Please make sure you get approval from other authorized agency(ies).
Thank you

Abiodun Adeloye (Emmanuel), NRS
Bureau of Land Management
Farmington Field Office
6251 College Blvd., Suite A
Farmington, NM 87402
Office Phone: 505-564-7665
Cell Phone: 505-635-0984

From: Vanessa Fields <vanessa@walsheng.net>
Sent: Wednesday, August 12, 2020 10:50 AM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: [EXTERNAL] RE: Federal E #002A Analytical results Failed Chlorides NRM2020237398 FEDERAL E #002 @ 30-045-23465

Good morning Everyone,

Walsh Engineering on behalf of Phoenix Hydrocarbons request when final sampling occurs that only chlorides be analyzed, as all TPH and BTEX were non-detect.

Please let me know if both agencies approve the sampling request.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Tuesday, August 11, 2020 8:17 AM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: Federal E #002A Analytical results Failed Chlorides NRM2020237398 FEDERAL E #002 @ 30-045-23465

Good morning,

The analytical results failed on the Federal E #002A for Chlorides. Walsh Engineering on behalf of Phoenix Hydrocarbons will remediate to 600 mg/kg closure standard.

48 Hour notification will be made to all agencies prior to confirmation sampling.

NRM2020237398 FEDERAL E #002 @ 30-045-23465

General Incident Information

Site Name:	FEDERAL E #002
Well:	[30-045-23465] FEDERAL E #002A
Facility:	
Operator:	[188483] PHOENIX HYDROCARBONS OPERATING CORP
Status:	Closure Not Approved
Type:	Release Other
District:	Aztec
Incident Location:	J-23-27N-08W 0 FNL 0 FEL
Lat/Long:	36.5568695,-107.6492462 NAD83
Directions:	

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

envirotech
Analytical Laboratory

Analytical Report

Report Summary

Client: Phoenix Hydrocarbons

Samples Received: 8/4/2020

Job Number: 07173-0001

Work Order: P008007

Project Name/Location: Federal E #2A

Report Reviewed By: _____ Date: 8/10/20

Walter Hinchman, Laboratory Director

envirotech
Analytical Laboratory

Phoenix Hydrocarbons	Project Name:	Federal E #2A	
PO Box 3638	Project Number:	07173-0001	**Reported:**
Midland TX, 79702	Project Manager:	Vanessa Fields	08/10/20 08:15

Sample Summary

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
BGT Federal E 2A 1-5point	P008007-01A	Soil	08/04/20	08/04/20	Glass Jar, 4 oz.

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Analytical Laboratory

Phoenix Hydrocarbons	Project Name:	Federal E #2A	
PO Box 3638	Project Number:	07173-0001	**Reported:**
Midland TX, 79702	Project Manager:	Vanessa Fields	08/10/20 08:15

BGT Federal E 2A 1-5point
P008007-01 (Solid)

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Volatile Organics by EPA 8021B	mg/kg	mg/kg				Batch: 2032018
Benzene	ND	0.0250	1	08/05/20	08/05/20	
Toluene	ND	0.0250	1	08/05/20	08/05/20	
Ethylbenzene	ND	0.0250	1	08/05/20	08/05/20	
p,m-Xylene	ND	0.0500	1	08/05/20	08/05/20	
o-Xylene	ND	0.0250	1	08/05/20	08/05/20	
Total Xylenes	ND	0.0250	1	08/05/20	08/05/20	
Surrogate: 4-Bromochlorobenzene-PID		*99.6 %*	*50-150*	*08/05/20*	*08/05/20*	
Nonhalogenated Organics by EPA 8015D - GRO	mg/kg	mg/kg				Batch: 2032018
Gasoline Range Organics (C6-C10)	ND	20.0	1	08/05/20	08/05/20	
Surrogate: 1-Chloro-4-fluorobenzene-FID		*89.7 %*	*50-150*	*08/05/20*	*08/05/20*	
Nonhalogenated Organics by EPA 8015D - DRO/ORO	mg/kg	mg/kg				Batch: 2032016
Diesel Range Organics (C10-C28)	ND	25.0	1	08/05/20	08/05/20	
Oil Range Organics (C28-C40)	ND	50.0	1	08/05/20	08/05/20	
Surrogate: n-Nonane		*94.7 %*	*50-200*	*08/05/20*	*08/05/20*	
Anions by EPA 300.0/9056A	mg/kg	mg/kg				Batch: 2032017
Chloride	**707**	20.0	1	08/05/20	08/05/20	

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Analytical Laboratory

Phoenix Hydrocarbons	Project Name:	Federal E #2A	
PO Box 3638	Project Number:	07173-0001	**Reported:**
Midland TX, 79702	Project Manager:	Vanessa Fields	08/10/20 08:15

Volatile Organics by EPA 8021B - Quality Control

Analyte	Result	Reporting Limit	Spike Level	Source Result	REC	REC Limits	RPD	RPD Limit	Notes
	mg/kg	mg/kg	mg/kg	mg/kg	%	%	%	%	
Blank (2032018-BLK1)									Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Benzene	ND	0.0250							
Toluene	ND	0.0250							
Ethylbenzene	ND	0.0250							
p,m-Xylene	ND	0.0500							
o-Xylene	ND	0.0250							
Total Xylenes	ND	0.0250							
Surrogate: 4-Bromochlorobenzene-PID	*8.12*		*8.00*		*102*	*50-150*			
LCS (2032018-BS1)									Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Benzene	5.42	0.0250	5.00		108	70-130			
Toluene	5.43	0.0250	5.00		109	70-130			
Ethylbenzene	5.40	0.0250	5.00		108	70-130			
p,m-Xylene	10.8	0.0500	10.0		108	70-130			
o-Xylene	5.43	0.0250	5.00		109	70-130			
Total Xylenes	16.2	0.0250	15.0		108	0-200			
Surrogate: 4-Bromochlorobenzene-PID	*8.41*		*8.00*		*105*	*50-150*			
Matrix Spike (2032018-MS1)				**Source: P008005-01**					Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Benzene	5.36	0.0250	5.00	ND	107	54.3-133			
Toluene	5.37	0.0250	5.00	ND	107	61.4-130			
Ethylbenzene	5.34	0.0250	5.00	ND	107	61.4-133			
p,m-Xylene	10.7	0.0500	10.0	ND	107	63.3-131			
o-Xylene	5.37	0.0250	5.00	ND	107	63.3-131			
Total Xylenes	16.1	0.0250	15.0	ND	107	0-200			
Surrogate: 4-Bromochlorobenzene-PID	*8.33*		*8.00*		*104*	*50-150*			
Matrix Spike Dup (2032018-MSD1)				**Source: P008005-01**					Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Benzene	5.22	0.0250	5.00	ND	104	54.3-133	2.71	20	
Toluene	5.20	0.0250	5.00	ND	104	61.4-130	3.17	20	
Ethylbenzene	5.17	0.0250	5.00	ND	103	61.4-133	3.38	20	
p,m-Xylene	10.3	0.0500	10.0	ND	103	63.3-131	3.44	20	
o-Xylene	5.19	0.0250	5.00	ND	104	63.3-131	3.37	20	
Total Xylenes	15.5	0.0250	15.0	ND	104	0-200	3.41	200	
Surrogate: 4-Bromochlorobenzene-PID	*8.10*		*8.00*		*101*	*50-150*			

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Analytical Laboratory

Phoenix Hydrocarbons	Project Name:	Federal E #2A	
PO Box 3638	Project Number:	07173-0001	**Reported:**
Midland TX, 79702	Project Manager:	Vanessa Fields	08/10/20 08:15

Nonhalogenated Organics by EPA 8015D - GRO - Quality Control

Analyte	Result	Reporting Limit	Spike Level	Source Result	REC	REC Limits	RPD	RPD Limit	Notes
	mg/kg	mg/kg	mg/kg	mg/kg	%	%	%	%	
Blank (2032018-BLK1)									Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Gasoline Range Organics (C6-C10)	ND	20.0							
Surrogate: 1-Chloro-4-fluorobenzene-FID	*7.16*		*8.00*		*89.5*	*50-150*			
LCS (2032018-BS2)									Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Gasoline Range Organics (C6-C10)	45.6	20.0	50.0		91.2	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	*7.29*		*8.00*		*91.1*	*50-150*			
Matrix Spike (2032018-MS2)									**Source: P008005-01** Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Gasoline Range Organics (C6-C10)	43.9	20.0	50.0	ND	87.8	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	*7.36*		*8.00*		*91.9*	*50-150*			
Matrix Spike Dup (2032018-MSD2)									**Source: P008005-01** Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Gasoline Range Organics (C6-C10)	44.8	20.0	50.0	ND	89.6	70-130	2.06	20	
Surrogate: 1-Chloro-4-fluorobenzene-FID	*7.22*		*8.00*		*90.2*	*50-150*			

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Analytical Laboratory

Phoenix Hydrocarbons	Project Name:	Federal E #2A	
PO Box 3638	Project Number:	07173-0001	**Reported:**
Midland TX, 79702	Project Manager:	Vanessa Fields	08/10/20 08:15

Nonhalogenated Organics by EPA 8015D - DRO/ORO - Quality Control

Analyte	Result	Reporting Limit	Spike Level	Source Result	REC	REC Limits	RPD	RPD Limit	Notes
	mg/kg	mg/kg	mg/kg	mg/kg	%	%	%	%	
Blank (2032016-BLK1)									Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Diesel Range Organics (C10-C28)	ND	25.0							
Oil Range Organics (C28-C40)	ND	50.0							
Surrogate: n-Nonane	*45.7*		*50.0*		*91.3*	*50-200*			
LCS (2032016-BS1)									Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Diesel Range Organics (C10-C28)	439	25.0	500		87.9	38-132			
Surrogate: n-Nonane	*47.3*		*50.0*		*94.6*	*50-200*			
Matrix Spike (2032016-MS1)					**Source: P007096-01**				Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Diesel Range Organics (C10-C28)	2130	125	500	1430	141	38-132			M2
Surrogate: n-Nonane	*68.2*		*50.0*		*136*	*50-200*			
Matrix Spike Dup (2032016-MSD1)					**Source: P007096-01**				Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Diesel Range Organics (C10-C28)	2030	125	500	1430	120	38-132	5.02	20	
Surrogate: n-Nonane	*63.9*		*50.0*		*128*	*50-200*			

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Phoenix Hydrocarbons	Project Name:	Federal E #2A	
PO Box 3638	Project Number:	07173-0001	**Reported:**
Midland TX, 79702	Project Manager:	Vanessa Fields	08/10/20 08:15

Anions by EPA 300.0/9056A - Quality Control

Analyte	Result	Reporting Limit	Spike Level	Source Result	REC	REC Limits	RPD	RPD Limit	Notes
	mg/kg	mg/kg	mg/kg	mg/kg	%	%	%	%	
Blank (2032017-BLK1)									Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Chloride	ND	20.0							
LCS (2032017-BS1)									Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Chloride	271	20.0	250		108	90-110			
Matrix Spike (2032017-MS1)						**Source: P008005-01**			Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Chloride	257	20.0	250	ND	103	80-120			
Matrix Spike Dup (2032017-MSD1)						**Source: P008005-01**			Prepared: 08/05/20 0 Analyzed: 08/05/20 1
Chloride	250	20.0	250	ND	100	80-120	2.73	20	

QC Summary Report Comment:
Calculations are based off of the raw (non-rounded) data. However, for reporting purposes all QC data is rounded to three significant figures. Therefore, hand calculated values my differ slightly.

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Analytical Laboratory

Phoenix Hydrocarbons	Project Name:	Federal E #2A	
PO Box 3638	Project Number:	07173-0001	**Reported:**
Midland TX, 79702	Project Manager:	Vanessa Fields	08/10/20 08:15

Notes and Definitions

M2	Matrix spike recovery was outside quality control limits. The associated LCS spike recovery was acceptable.
ND	Analyte NOT DETECTED at or above the reporting limit
NR	Not Reported
RPD	Relative Percent Difference
**	Methods marked with ** are non-accredited methods.

Soil data is reported on an "as received" weight basis, unless reported otherwise.

Project Information

Chain of Custody

Page 1 of 1

Client:	Phoenix Hydrocarbons
Project:	Federal #E 2A
Project Manager:	Vanessa Fields
Address:	P.O. BOX 3638
City, State, Zip	Midland Tx 79705
Phone:	505-787-9100
Email:	Vanessa@Walsheng.net
Report due by:	

Bill To

Attention:	Vanessa Fields
Address:	7541 E Main St
City, State, Zip	Farmington N.M
Phone:	505-787-9100
Email:	Vanessa@Walsheng.net

Lab Use Only

Lab WO# P608007 Job Number 07173-0001

TAT: 1D | 3D

EPA Program: RCRA | CWA | SDWA

State: NM | CO | UT | AZ | TX | OK

Time Sampled	Date Sampled	Matrix	No Containers	Sample ID	Lab Number	DRO/ORO by 8015	GRO/DRO by 8015	BTEX by 8021	VOC by 8260	Metals 6010	Chloride 300.0	Remarks
9:20A	8/4/20			BGT Federal E 2A 1-5point	1	X	X	X			X	

Additional Instructions:

I, (field sampler), attest to the validity and authenticity of this sample. I am aware that tampering with or intentionally mislabelling the sample location, date or time of collection is considered fraud and may be grounds for legal action. Sampled by: _____

Samples requiring thermal preservation must be received on ice the day they are sampled or received packed in ice at an avg temp above 0 but less than 6 °C on subsequent days.

Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
Jimmie Mckinney	8/4/20	1:34p	Rain Lopez	8/4/20	13:35
Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time

Lab Use Only

Received on ice: (Y) / N

T1 _____ T2 _____ T3 _____

AVG Temp °C 4

Sample Matrix: S - Soil, Sd - Solid, Sg - Sludge, A - Aqueous, O - Other _____

Container Type: g - glass, p - poly/plastic, ag - amber glass, v - VOA

Note: Samples are discarded 30 days after results are reported unless other arrangements are made. Hazardous samples will be returned to client or disposed of at the client expense. The report for the analysis of the above samples is applicable only to those samples received by the laboratory with this COC. The liability of the laboratory is limited to the amount paid for on the report.

envirotech Analytical Laboratory

5795 US Highway 64, Farmington, NM 87401

24 Hour Emergency Response Phone (800) 362-1879

Ph (505) 632-1881 Fx (505) 632-1865

envirotech-inc.com

labadmin@envirotech-inc.com

envirotech
Analytical Laboratory

Analytical Report

Report Summary

Client: Phoenix Hydrocarbons

Samples Received: 9/1/2020

Job Number: 17078-0002

Work Order: P009003

Project Name/Location: Largo Fed E 2A

Report Reviewed By: Walter Hinchman Date: 9/2/20

Walter Hinchman, Laboratory Director

NELAP ACCREDITED TNI LABORATORY

Envirotech Inc. certifies the test results meet all requirements of TNI unless footnoted otherwise.
Statement of Data Authenticity: Envirotech, Inc, attests the data reported has not been altered in any way.
Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc.
Envirotech, Inc, holds the Utah TNI certification NM009792018-1 for the data reported.
Envirotech, Inc, holds the Texas TNI certification T104704557-19-2 for the data reported.

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Analytical Laboratory

Phoenix Hydrocarbons	Project Name:	Largo Fed E 2A	
PO Box 3638	Project Number:	17078-0002	**Reported:**
Midland TX, 79702	Project Manager:	Vanessa Fields	09/02/20 14:34

Sample Summary

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
Composite	P009003-01A	Soil	09/01/20	09/01/20	Glass Jar, 4 oz.

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Analytical Laboratory

Phoenix Hydrocarbons	Project Name:	Largo Fed E 2A	
PO Box 3638	Project Number:	17078-0002	**Reported:**
Midland TX, 79702	Project Manager:	Vanessa Fields	09/02/20 14:34

Composite
P009003-01 (Solid)

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Anions by EPA 300.0/9056A	mg/kg	mg/kg				Batch: 2036017
Chloride	**412**	20.0	1	09/01/20	09/01/20	

envirotech
Analytical Laboratory

Phoenix Hydrocarbons	Project Name:	Largo Fed E 2A	
PO Box 3638	Project Number:	17078-0002	**Reported:**
Midland TX, 79702	Project Manager:	Vanessa Fields	09/02/20 14:34

Anions by EPA 300.0/9056A - Quality Control

Analyte	Result	Reporting Limit	Spike Level	Source Result	REC	REC Limits	RPD	RPD Limit	Notes
	mg/kg	mg/kg	mg/kg	mg/kg	%	%	%	%	
Blank (2036017-BLK1)									Prepared & Analyzed: 09/01/20 1
Chloride	ND	20.0							
LCS (2036017-BS1)									Prepared & Analyzed: 09/01/20 1
Chloride	250	20.0	250		99.8	90-110			
Matrix Spike (2036017-MS1)				**Source: P008081-01**					Prepared & Analyzed: 09/01/20 1
Chloride	269	20.0	250	ND	108	80-120			
Matrix Spike Dup (2036017-MSD1)				**Source: P008081-01**					Prepared & Analyzed: 09/01/20 1
Chloride	269	20.0	250	ND	107	80-120	0.160	20	

QC Summary Report Comment:
Calculations are based off of the raw (non-rounded) data. However, for reporting purposes all QC data is rounded to three significant figures. Therefore, hand calculated values my differ slightly.

envirotech
Analytical Laboratory

Phoenix Hydrocarbons	Project Name:	Largo Fed E 2A	
PO Box 3638	Project Number:	17078-0002	**Reported:**
Midland TX, 79702	Project Manager:	Vanessa Fields	09/02/20 14:34

Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
NR	Not Reported
RPD	Relative Percent Difference
**	Methods marked with ** are non-accredited methods.

Soil data is reported on an "as received" weight basis, unless reported otherwise.

Bill to Phoenix Hydrocarbon

Project Information

Chain of Custody

Page 1 of 1

Client: Phoenix Hydrocarbons	Bill To
Project: Crosby Fed E #4	Attention: Vanessa Fields
Project Manager: Vanessa Fields	Address:
Address: 7541 E Main	City, State, Zip
City, State, Zip	Phone:
Phone:	Email: Vanessa@Lathamoil
Email:	Analyze Before 5
Report due by:	

Lab Use Only		TAT		EPA Program		
Lab WO#	Job Number	1D	3D	RCRA	CWA	SDWA
P009003	17078-0002	X				

State: NM / CO / UT / AZ / TX / OK

Time Sampled	Date Sampled	Matrix	No Containers	Sample ID	Lab Number	DRO/ORO by 8015	GRO/DRO by 8015	BTEX by 8021	VOC by 8260	Metals 6010	Chloride 300.0	Remarks
10:59	9/1/20		1 4oz	Composite	1						X	

Additional Instructions:

I, (field sampler), attest to the validity and authenticity of this sample. I am aware that tampering with or intentionally mislabelling the sample location, date or time of collection is considered fraud and may be grounds for legal action. Sampled by:

Samples requiring thermal preservation must be received on ice the day they are sampled or received packed in ice at an avg temp above 0 but less than 6 °C on subsequent days.

Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
[signature]	9/1/2020	1208	Kaia Lopez	9/1/20	12:08
Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time

Lab Use Only
Received on ice: (Y) / N
T1 ____ T2 ____ T3 ____
AVG Temp °C 4

Sample Matrix: S - Soil, Sd - Solid, Sg - Sludge, A - Aqueous, O - Other ______

Container Type: g - glass, p - poly/plastic, ag - amber glass, v - VOA

Note: Samples are discarded 30 days after results are reported unless other arrangements are made. Hazardous samples will be returned to client or disposed of at the client expense. The report for the analysis of the above samples is applicable only to those samples received by the laboratory with this COC. The liability of the laboratory is limited to the amount paid for on the report.

envirotech Analytical Laboratory
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labadmin@envirotech-inc.com

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	NRM2020237398
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party Phoenix Hydrocarbons Operating Corp	OGRID 188483
Contact Name Vanessa Fields	Contact Telephone 505-787-9100
Contact email vanessa@walsheng.net	Incident # *(assigned by OCD)*
Contact mailing address 7415 E. Main Street Farmington NM 87402	

Location of Release Source

Latitude 36.5568695 Longitude -107.6492462
(NAD 83 in decimal degrees to 5 decimal places)

Site Name Federal E #002	Site Type Gas
Date Release Discovered 4/10/2020	API# *(if applicable) 30-045-23465*

Unit Letter	Section	Township	Range	County
J	23	27N	08W	San Juan

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 Released (bbls)	Volume Recovered (bbls)
☐ Produced Water	Volume Released (bbls)	Volume Recovered (bbls)
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	☐ Yes ☐ No
☐ Condensate	Volume Released (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 Release on April 10 ,2020 Walsh Engineering on behalf of Phoenix Hydrocarbons conduct BGT Sampling of the Federal E #002. One 5-point composite sample was collected. Notification was made to the NMOCD and the BLM prior to sampling. Once analytical results were received, and the sitting criteria was reviewed it was determined that the closure samples were above regulatory standards. Walsh Engineering will remediate to Table 1 standards of below 50'.

State of New Mexico
Oil Conservation Division

Incident ID	NRM2020237398
District RP	
Facility ID	
Application ID	

Was this a major release as defined by 19.15.29.7(A) NMAC? ☐ Yes ☒ No	If YES, for what reason(s) does the responsible party consider this a major 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

☒ The source of the release has been stopped.
☒ The impacted area has been secured to protect human 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 not 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: Vanessa Fields Title: Agent/ Regulatory Compliance Manager

Signature: Date: 7/15/2020

email: vanessa@walsheng.net Telephone: 505-787-9100

OCD Only

Received by: Ramona Marcus Date: 7/20/2020

Sitting Criteria Federal E #002A Depth to Groundwater 51'

Ruler
Line
Path
Polygon
Circle
3D path
3D polygon
Measure the circumference or area of a circle on the ground
Radius:
300.84
Feet
Area:
283,155.66
Square Feet
Circumference:
1,887.20 Feet
Mouse Navigation
Save
Clear
Federal E #002A
36.556895, -107.6492462
299 ft
1997
©2020 Google
Imagery Date: 10/5/2016
lat 36.556782°
lon -107.649338°
elev 5976 ft
eye alt 7219 ft
Google Earth

New Mexico Office of the State Engineer

Water Column/Average Depth to Water

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

No records found.

PLSS Search:

Section(s): 23 **Township:** 27N **Range:** 08W

1/8/21 4:43 PM

WATER COLUMN/ AVERAGE DEPTH TO WATER

New Mexico Office of the State Engineer

Water Column/Average Depth to Water

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

No records found.

PLSS Search:

Section(s): 22 **Township:** 27N **Range:** 08W

1/8/21 4:44 PM

WATER COLUMN/ AVERAGE DEPTH TO WATER

Phoenix Hydrocarbons Operating Corp

Below Grade Tank Closure Plan

Federal E #002A

U/L: J, Section 23, TWN: 27N. RNG: 08W

San Juan County, New Mexico

30-045-23465

As stipulated in Rule 19 .15 .17 .13 NMAC, the following information adheres to the requirements established in closing below-grade tanks (BGTs) on Phoenix Hydrocarbons Operating Corp well sites. This plan will address the standard protocols and procedures for closure of BGTs.

Phoenix Hydrocarbons Operating Corp proposes to close its existing BGTs that do not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or are not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC in accordance with this closure plan and the transitional provisions of Subsection E of 19.15.17.17 NMAC, or within five (5) years after the effective date (June 16, 2008) of 19.15.17 NMAC.

The following outline addresses all requirements for closure of Phoenix Hydrocarbons Operating Corp BGTs:

1.Prior notification of Phoenix Hydrocarbons Operating Corp intent to close the BGT will follow 19.15.17.13J (I) and (2).

a. Phoenix Hydrocarbons Operating Corp will notify the surface owner by certified mail, return receipt requested, of closure plans. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records is enough to demonstrate compliance with this requirement.

b. notification will also be given to the division District III office verbally or by other means at least 72 hours, but not more than one (1) week, prior to any closure operation. The notice will include the operator's name and the well's name, number, and API number, in addition to the well's legal description, including the unit letter, section, township, and range.

Notification was provided to the NMOCD District III office & BLM. Attached is a copy of the notification. A BLM representative was onsite to witness sampling

2.Phoenix Hydrocarbons Operating Corp will remove liquids and sludge from the BGT prior to implementing a closure method and dispose of the liquids and sludge in a NMOCD's division-approved facility. A list of Phoenix Hydrocarbons Operating Corp approved disposal facilities is below:

Fluid disposal:

Agua Moss

Sunco well #1

U/L=E, SWNW, Section 2, T29N-Rl2W San Juan, New Mexico

Permit #NM-01-0009

Basin Disposal Inc.

Basin Disposal well # 1

U/L=F, SWNW, Section 3, T29N-Rl 1 W San Juan, New Mexico

Permit #NM-01-0005

Solid disposal:

Envirotech Land Farm

Disposal Facility

Section 6, T26N-R10W, County Road #7175 San Juan, New Mexico

Permit #NM-01-0011

3.Phoenix Hydrocarbons Operating Corp will remove the BGT from the pit and place it at ground level adjacent to the original BGT site.

A Closure plan nor Below Grade Tank registration was never submitted for the referenced below grade tanks that are referenced in the compliance issue, nor were they closed in accordance with 19.15.17.

Walsh Engineering is respectfully requesting to collect 1 (5-point) augured composite sample from a depth of 8'or the first interval that contains signs of a release under each of the production tanks that were set above grade surface where the below grade tanks were previously set. 72-hour notification will be provided to the NMOCD and Surface owner; all closure criteria will be in accordance with 19.15.17 and provided in the Final C-144.

4.Phoenix Hydrocarbons Operating Corp will hook up necessary equipment and piping for temporary tank use. At this time, any on-site equipment not necessary to the operation of the tank will be removed from the site.

All Equipment associated with the below Grade Tank removal was removed. An above ground tank was instated in the same area where the below grade tank was removed. Walsh Engineering collected 1 (5-point) augured composite sample from a depth of 8'or the first interval that contains signs of a release under each of the production tanks that were set above grade surface where the below grade tanks were previously set. No Evidence of hydrocarbons were noted during the auguring process and a composite sample was collected at the 8-foot interval.

5.Phoenix Hydrocarbons Operating Corp will test the soils beneath the original BGT location to determine whether a release has occurred. At a minimum, a five (5) point composite sample will be collected in addition to individual grab samples from areas that are wet, discolored, or showing other evidence of a release. The samples will be analyzed for BTEX, TPH, and chlorides to demonstrate that they do not exceed certain concentrations. The testing methods and closure standards for those constituents are as follows:

Analytical results for Benzene were Non-Detect, Total BTEX was Non-Detect. DRO was Non-Detect, ORO Non-Detect, GRO was Non-Detect, chloride levels were 707 mg/kg demonstrating a release occurred being assigned incident # NRM2020237398

Table I Closure Criteria for Soils Impacted by a Release			
Minimum depth below any point within the horizontal boundary of the release to ground water less than 10,000 mg/l TDS	Constituent	Method*	Limit**
≤ 50 feet	Chloride***	EPA 300.0 or SM4500 Cl B	600 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	100 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg
51 feet-100 feet	Chloride***	EPA 300.0 or SM4500 Cl B	10,000 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg
	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg
>100 feet	Chloride***	EPA 300.0 or SM4500 Cl B	20,000 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg
	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg

Notes: mg/Kg= milligram per kilogram; BTEX = benzene, toluene, ethylbenzene, and total xylenes; TPH = total petroleum hydrocarbons. Other EPA methods that the division approves may be applied to all constituents listed. The Chlorides closure standards will be determined by whichever concentration level is greatest.

6. Phoenix Hydrocarbons Operating Corp will notify the division District III office of the soil test results on Form C-14 l. It is understood that the NMOCD may require additional delineation upon review of the results.

Analytical results for Benzene were Non-Detect, Total BTEX was Non-Detect. DRO was Non-Detect, ORO Non-Detect, GRO was Non-Detect, chloride levels were 707 mg/kg demonstrating a release occurred being assigned incident # NRM2020237398

7. If it is determined that a release has occurred, then Phoenix Hydrocarbons Operating Corp will comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC, as appropriate.

The initial C-141 is attached that was submitted and approved by the NMOCD assigned incident # NRM2020237398

8. If the confirmation sampling demonstrates that a release has not occurred or that any release does not exceed the concentrations specified above, then Phoenix Hydrocarbons Operating Corp will backfill the · excavation with compacted, non-waste containing, earthen material; construct a division prescribed soil cover; re-contour the site; and move the fiberglass tank onto the newly backfilled and compacted site. The division-prescribed soil cover, re-contouring, and re-vegetation requirements shall comply with Subsections G, H, and I of 19.15.17.13

NMAC.

The area has been backfilled and placed with a above ground tank. The area will be reclaimed once the well has been plugged and abandoned.

9.Reclamation will follow 19.15.17.130 (1) and (2).

a. The BGT location and all areas associated with the BGT, including associated access roads, if applicable, will be reclaimed to a safe and stable condition that blends with the surrounding undisturbed area. It is understood that Phoenix Hydrocarbons Operating Corp shall substantially restore the impacted surface area to the condition that existed prior to oil and gas operations by placement of the soil cover as provided in Subsection H of 19 .15 .1 7 .13 NMA C and re-contour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography.

b. Re-vegetation will not be completed at the time the BGT pit is reclaimed but will instead be applied for as part of the P&A process when the well is plugged and abandoned.

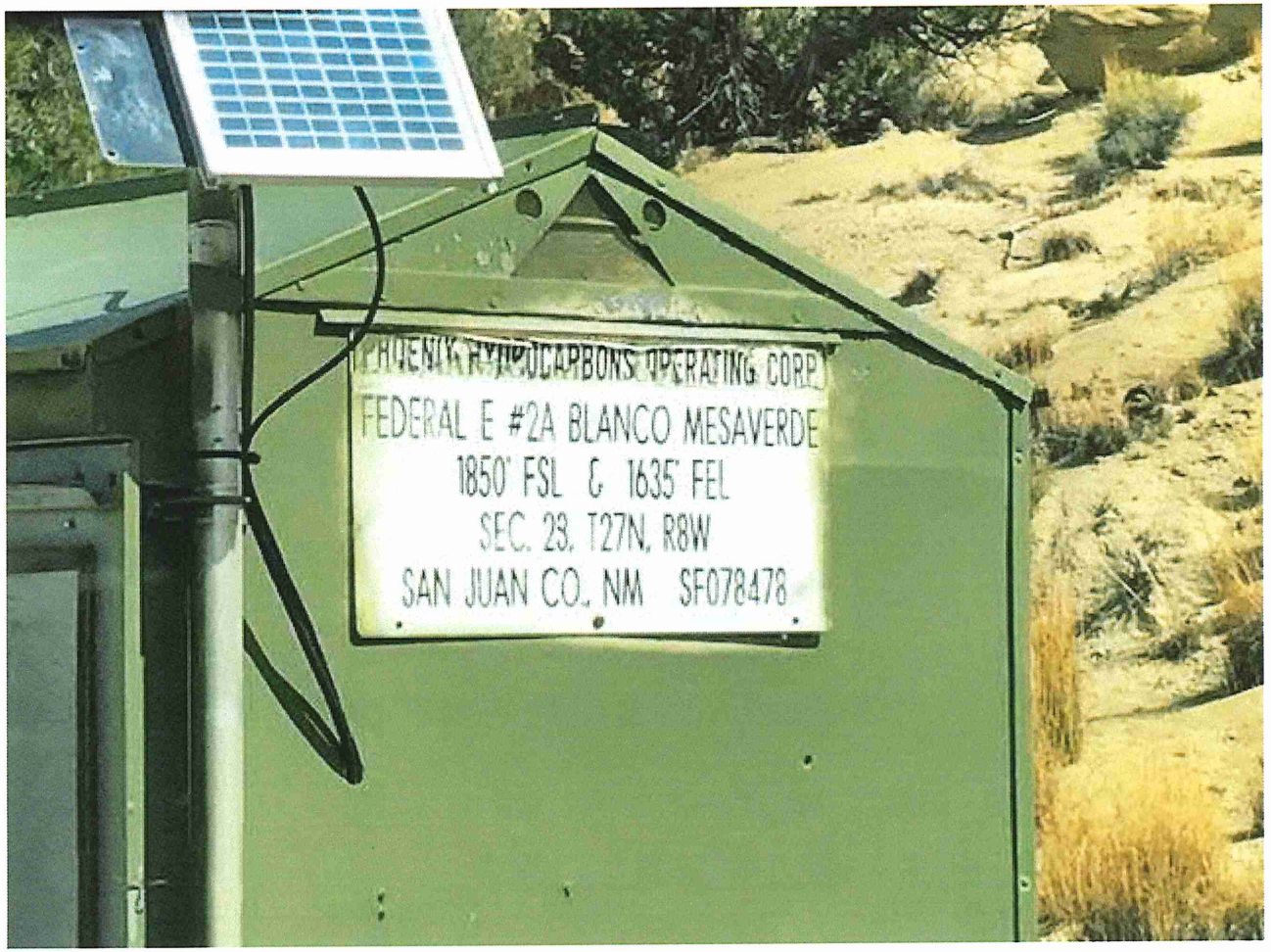
10.Soil cover will follow 19.15.17.13H (1) and (3).

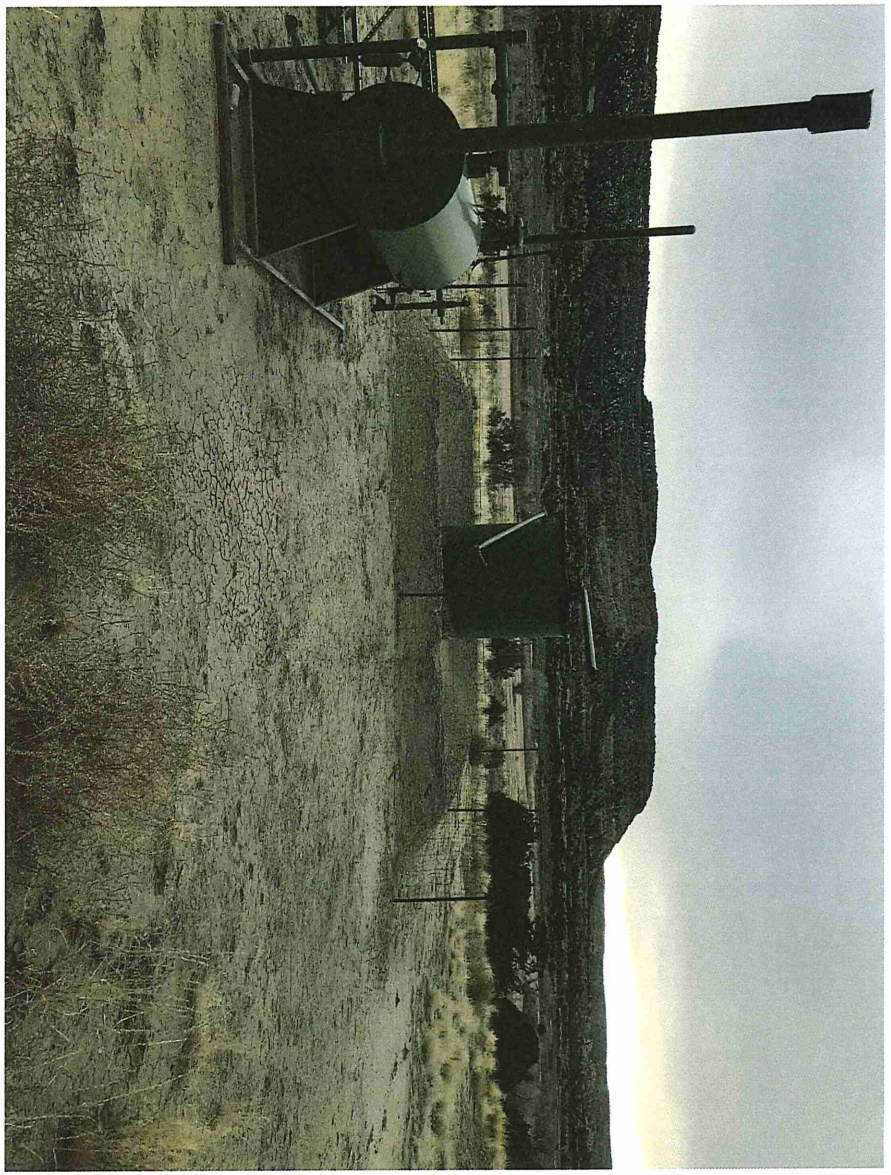
a. The soil cover for closures where the BGT has been removed or contaminated soil has been remediated to the NMOCD's satisfaction will consist of the background thickness of topsoil or one (1) foot of suitable material to establish vegetation at the site, whichever is greater.

b. The soil cover will be constructed to the site's existing grade, and all possible efforts will be conducted to prevent ponding of water and erosion of the cover material.

The area has been backfilled and placed with a above ground tank. The area will be reclaimed once the well has been plugged and abandoned.

11.Within 60 days of closure completion, Phoenix Hydrocarbons Operating Corp will submit a closure report on NMOCD's Form C-144, with necessary attachments to document all closure activities, including sampling results; information required by 19.15.17 NMAC; and details on backfilling, capping, and covering, where applicable. Phoenix Hydrocarbons Operating Corp will certify that all information in the report and attachments is correct and that Phoenix Hydrocarbons Operating Corp has complied with all applicable closure requirements and conditions specified in the approved closure plan.


PHOENIX HYDROCARBONS OPERATING CORP.
FEDERAL E #2A BLANCO MESAVERDE
1850' FSL & 1635' FEL
SEC. 23, T27N, R8W
SAN JUAN CO., NM SF078478



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 14312

CONDITIONS

Operator: PHOENIX HYDROCARBONS OPERATING CORP P.O. Box 3638 Midland, TX 79705	OGRID: 188483
	Action Number: 14312
	Action Type: [C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

Created By	Condition	Condition Date
cwhitehead	Closure Report approved; however, note that ground water reported as between 50-100 feet in the closure guidance is assumed to be less than 50 feet. Chloride re-analysis complies with this assumption.	7/27/2021