

District I  
625 N. French Dr., Hobbs, NM 88240  
District II  
111 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  
**BGT1** ☐ 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

**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 #002R  
API Number: 30-045-30801 OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr H Section 23 Township 27N Range 08W County: San Juan  
Center of Proposed Design: Latitude 36.5617409 Longitude -107.646759 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

**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 300 feet 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: \_\_\_\_\_



2. **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<sub>2</sub>S, 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.<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells   | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> NA |
| Ground water is between 25-50 feet below the bottom of the buried waste<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells   | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> NA |
| Ground water is more than 100 feet below the bottom of the buried waste.<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells  | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> 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).<br>- Topographic map; Visual inspection (certification) of the proposed site                        | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.<br>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image  | <input type="checkbox"/> Yes <input type="checkbox"/> 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.<br>- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Written confirmation or verification from the municipality; Written approval obtained from the municipality   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within 300 feet of a wetland.<br>US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |



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: **Victoria Venegas** Report Approval Date: **02/15/2022**

Title: **Environmental Specialist** OCD Permit Number: **BTG1**

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: **4/6/2020**

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 **36.5617409** Longitude **-107.646759** NAD: ☐ 1927 ☒ 1983

2.

**Operator Closure Certification:**

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: 9/08/2020

e-mail address: vanessa@walsheng.net Telephone: 505-787-9100

**Vanessa Fields**

---

**From:** Vanessa Fields  
**Sent:** Monday, April 6, 2020 4:44 PM  
**To:** Smith, Cory, EMNRD; Jimmie McKinney  
**Cc:** Adeloye, Abiodun A; Vern Andrews; Russell Mcquitty  
**Subject:** RE: Phoenix Hydrocarbons Compliance issues in T27N R8W BGT's

Cory,

Thursday the 9<sup>th</sup> is correct. Sorry for the typo.

**Vanessa Fields**

Regulatory Compliance Manager  
 Walsh Engineering /Epic Energy LLC.  
 O: 505-327-4892  
 C: 505-787-9100  
[vanessa@walsheng.net](mailto:vanessa@walsheng.net)

**From:** Smith, Cory, EMNRD <Cory.Smith@state.nm.us>  
**Sent:** Monday, April 6, 2020 4:39 PM  
**To:** Jimmie McKinney <jimmie@walsheng.net>; Vanessa Fields <vanessa@walsheng.net>  
**Cc:** Adeloye, Abiodun A <aadeloye@blm.gov>; Vern Andrews <vern@walsheng.net>; Russell Mcquitty <russell@walsheng.net>  
**Subject:** RE: Phoenix Hydrocarbons Compliance issues in T27N R8W BGT's

Vanessa,

Bit confused on the date there.. Did you mean Thursday April 9<sup>th</sup>?

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](mailto:cory.smith@state.nm.us)

**From:** Jimmie McKinney <jimmie@walsheng.net>  
**Sent:** Monday, April 6, 2020 3:36 PM  
**To:** Vanessa Fields <vanessa@walsheng.net>  
**Cc:** Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Adeloye, Abiodun A <aadeloye@blm.gov>; Vern Andrews <vern@walsheng.net>; Russell Mcquitty <russell@walsheng.net>  
**Subject:** [EXT] Re: Phoenix Hydrocarbons Compliance issues in T27N R8W BGT's

Ok thanks

[30-045-20362] FEDERAL R #001 – Fiberglass BGT closed and reset above grade sometime between 10/16/2012 and 7/18/2018.

[30-045-31870] FEDERAL R #001B – Steel single wall double bottom BGT has been closed and reset above grade.

cJK1707641326 - [30-045-29025] LARGO FEDERAL #001R - Onsite for follow up inspection for below grade tank compliance. Below grade tank has been reset above grade, compliance remains open until compliant with 19.15.17 NMAC.

[30-045-23465] FEDERAL E #002A – Steel single wall double bottom BGT closed and reset above grade.

[30-045-20963] LARGO FEDERAL #002 – Fiberglass BGT closed and appears to be in the process of being reset above grade.

[30-045-30801] FEDERAL E #002R – Steel BGT closed and reset above grade.

Thank you,

**Vanessa Fields**

Regulatory Compliance Manager

Walsh Engineering /Epic Energy LLC.

O: 505-327-4892

C: 505-787-9100

[vanessa@walsheng.net](mailto:vanessa@walsheng.net)



Jimmie McKinney  
Sent from my iPhone

On Apr 6, 2020, at 3:34 PM, Vanessa Fields <[vanessa@walsheng.net](mailto:vanessa@walsheng.net)> wrote:

Good afternoon,

Walsh Engineering on behalf of Phoenix Hydrocarbons will begin collecting composite samples on the referenced BGT's on Thursday April 7, 2020 at 9:00 at the Federal R #001A.

We will start at the Federal R #001A and proceed from there.

Please let me know if you have any questions.

Thank you,

**Vanessa Fields**

Regulatory Compliance Manager  
Walsh Engineering /Epic Energy LLC.  
O: 505-327-4892  
C: 505-787-9100  
[vanessa@walsheng.net](mailto:vanessa@walsheng.net)

**From:** Vanessa Fields

**Sent:** Wednesday, March 25, 2020 9:29 AM

**To:** Smith, Cory, EMNRD <[Cory.Smith@state.nm.us](mailto:Cory.Smith@state.nm.us)>

**Cc:** Vern Andrews <[vern@walsheng.net](mailto:vern@walsheng.net)>

**Subject:** Phoenix Hydrocarbons Compliance issues in T27N R8W BGT's

Good morning Cory,

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.

The following locations have had BGTs closed out with no C-144 BGT Closure Permits in the well files, please email me the closure dates associated with each location to determine if the closures are in compliance with 19.15.17 NMAC:

[30-045-25856] FEDERAL R #001A – Fiberglass BGT closed and reset above grade.

[30-045-25889] FEDERAL R #003 – Steel single wall double bottom BGT closed and reset above grade.



## Analytical Report

### Report Summary

Client: Phoenix Hydrocarbons

Samples Received: 4/13/2020

Job Number: 17078-0002

Work Order: P004044

Project Name/Location: Federal E #2R

Report Reviewed By:

A handwritten signature in black ink, appearing to read 'Walter Hinchman', is written over a horizontal line.

Date: 4/17/20

Walter Hinchman, Laboratory Director



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.





Phoenix Hydrocarbons  
PO Box 3638  
Midland TX, 79702

Project Name: Federal E #2R  
Project Number: 17078-0002  
Project Manager: Vanessa Fields

Reported:  
04/17/20 09:11

### Analytical Report for Samples

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
Federal E #2R	P004044-01A	Soil	04/13/20	04/13/20	Glass Jar, 4 oz.

Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc.



Phoenix Hydrocarbons  
PO Box 3638  
Midland TX, 79702

Project Name: Federal E #2R  
Project Number: 17078-0002  
Project Manager: Vanessa Fields

Reported:  
04/17/20 09:11

**Federal E #2R**  
**P004044-01 (Solid)**

Reporting

Analyte	Result	Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
<b>Volatile Organics by EPA 8021</b>									
Benzene	ND	0.0250	mg/kg	1	2016016	04/14/20	04/14/20	EPA 8021B	
Toluene	ND	0.0250	mg/kg	1	2016016	04/14/20	04/14/20	EPA 8021B	
Ethylbenzene	ND	0.0250	mg/kg	1	2016016	04/14/20	04/14/20	EPA 8021B	
p,m-Xylene	ND	0.0500	mg/kg	1	2016016	04/14/20	04/14/20	EPA 8021B	
o-Xylene	ND	0.0250	mg/kg	1	2016016	04/14/20	04/14/20	EPA 8021B	
Total Xylenes	ND	0.0250	mg/kg	1	2016016	04/14/20	04/14/20	EPA 8021B	
Surrogate: 4-Bromochlorobenzene-PID		103 %		50-150	2016016	04/14/20	04/14/20	EPA 8021B	
<b>Nonhalogenated Organics by 8015 - DRO/ORO</b>									
Diesel Range Organics (C10-C28)	28.3	25.0	mg/kg	1	2016006	04/14/20	04/14/20	EPA 8015D	
Oil Range Organics (C28-C40)	ND	50.0	mg/kg	1	2016006	04/14/20	04/14/20	EPA 8015D	
Surrogate: n-Nonane		66.8 %		50-200	2016006	04/14/20	04/14/20	EPA 8015D	
<b>Nonhalogenated Organics by 8015 - GRO</b>									
Gasoline Range Organics (C6-C10)	ND	20.0	mg/kg	1	2016016	04/14/20	04/14/20	EPA 8015D	
Surrogate: 1-Chloro-4-fluorobenzene-FID		92.2 %		50-150	2016016	04/14/20	04/14/20	EPA 8015D	
<b>Anions by 300.0/9056A</b>									
Chloride	34.6	20.0	mg/kg	1	2016011	04/14/20	04/14/20	EPA 300.0/9056A	

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Phoenix Hydrocarbons  
PO Box 3638  
Midland TX, 79702

Project Name: Federal E #2R  
Project Number: 17078-0002  
Project Manager: Vanessa Fields

Reported:  
04/17/20 09:11

### Volatile Organics by EPA 8021 - Quality Control

#### Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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#### Batch 2016016 - Purge and Trap EPA 5030A

##### Blank (2016016-BLK1)

Prepared & Analyzed: 04/14/20 1

Benzene	ND	0.0250	mg/kg							
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 8.45 " 8.00 106 50-150

##### LCS (2016016-BS1)

Prepared & Analyzed: 04/14/20 1

Benzene	3.90	0.0250	mg/kg	5.00		78.0	70-130			
Toluene	4.19	0.0250	"	5.00		83.8	70-130			
Ethylbenzene	4.31	0.0250	"	5.00		86.1	70-130			
p,m-Xylene	8.64	0.0500	"	10.0		86.4	70-130			
o-Xylene	4.39	0.0250	"	5.00		87.8	70-130			
Total Xylenes	13.0	0.0250	"	15.0		86.9	0-200			

Surrogate: 4-Bromochlorobenzene-PID 8.49 " 8.00 106 50-150

##### Matrix Spike (2016016-MS1)

Source: P004043-01

Prepared & Analyzed: 04/14/20 1

Benzene	4.38	0.0250	mg/kg	5.00	ND	87.7	54.3-133			
Toluene	4.71	0.0250	"	5.00	ND	94.1	61.4-130			
Ethylbenzene	4.84	0.0250	"	5.00	ND	96.8	61.4-133			
p,m-Xylene	9.69	0.0500	"	10.0	ND	96.9	63.3-131			
o-Xylene	4.88	0.0250	"	5.00	ND	97.6	63.3-131			
Total Xylenes	14.6	0.0250	"	15.0	ND	97.1	0-200			

Surrogate: 4-Bromochlorobenzene-PID 8.38 " 8.00 105 50-150

##### Matrix Spike Dup (2016016-MSD1)

Source: P004043-01

Prepared & Analyzed: 04/14/20 1

Benzene	4.69	0.0250	mg/kg	5.00	ND	93.7	54.3-133	6.65	20	
Toluene	5.02	0.0250	"	5.00	ND	100	61.4-130	6.42	20	
Ethylbenzene	5.16	0.0250	"	5.00	ND	103	61.4-133	6.42	20	
p,m-Xylene	10.3	0.0500	"	10.0	ND	103	63.3-131	6.25	20	
o-Xylene	5.20	0.0250	"	5.00	ND	104	63.3-131	6.47	20	
Total Xylenes	15.5	0.0250	"	15.0	ND	103	0-200	6.33	200	

Surrogate: 4-Bromochlorobenzene-PID 8.67 " 8.00 108 50-150

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24 Hour Emergency Response Phone (800) 362-1879

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Phoenix Hydrocarbons  
PO Box 3638  
Midland TX, 79702

Project Name: Federal E #2R  
Project Number: 17078-0002  
Project Manager: Vanessa Fields

Reported:  
04/17/20 09:11

### Nonhalogenated Organics by 8015 - DRO/ORO - Quality Control

#### Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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#### Batch 2016006 - DRO Extraction EPA 3570

##### Blank (2016006-BLK1)

Prepared & Analyzed: 04/13/20 1

Diesel Range Organics (C10-C28)	ND	25.0	mg/kg							
Oil Range Organics (C28-C40)	ND	50.0	"							
Surrogate: n-Nonane	42.8		"	50.0		85.6	50-200			

##### LCS (2016006-BS1)

Prepared & Analyzed: 04/13/20 1

Diesel Range Organics (C10-C28)	429	25.0	mg/kg	500		85.7	38-132			
Surrogate: n-Nonane	47.3		"	50.0		94.5	50-200			

##### Matrix Spike (2016006-MS1)

Source: P004029-01

Prepared & Analyzed: 04/13/20 1

Diesel Range Organics (C10-C28)	1080	25.0	mg/kg	500	603	95.3	38-132			
Surrogate: n-Nonane	54.1		"	50.0		108	50-200			

##### Matrix Spike Dup (2016006-MSD1)

Source: P004029-01

Prepared & Analyzed: 04/13/20 1

Diesel Range Organics (C10-C28)	1010	25.0	mg/kg	500	603	81.1	38-132	6.77	20	
Surrogate: n-Nonane	58.3		"	50.0		117	50-200			

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Phoenix Hydrocarbons  
PO Box 3638  
Midland TX, 79702

Project Name: Federal E #2R  
Project Number: 17078-0002  
Project Manager: Vanessa Fields

Reported:  
04/17/20 09:11

### Nonhalogenated Organics by 8015 - GRO - Quality Control

#### Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
<b>Batch 2016016 - Purge and Trap EPA 5030A</b>										
<b>Blank (2016016-BLK1)</b>				Prepared & Analyzed: 04/14/20 1						
Gasoline Range Organics (C6-C10)	ND	20.0	mg/kg							
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.42		"	8.00		92.8	50-150			
<b>LCS (2016016-BS2)</b>				Prepared & Analyzed: 04/14/20 1						
Gasoline Range Organics (C6-C10)	42.5	20.0	mg/kg	50.0		85.1	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.52		"	8.00		93.9	50-150			
<b>Matrix Spike (2016016-MS2)</b>				Source: P004043-01		Prepared & Analyzed: 04/14/20 1				
Gasoline Range Organics (C6-C10)	40.5	20.0	mg/kg	50.0	ND	81.0	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.48		"	8.00		93.5	50-150			
<b>Matrix Spike Dup (2016016-MSD2)</b>				Source: P004043-01		Prepared & Analyzed: 04/14/20 1				
Gasoline Range Organics (C6-C10)	41.9	20.0	mg/kg	50.0	ND	83.9	70-130	3.51	20	
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.46		"	8.00		93.2	50-150			

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Phoenix Hydrocarbons  
PO Box 3638  
Midland TX, 79702

Project Name: Federal E #2R  
Project Number: 17078-0002  
Project Manager: Vanessa Fields

Reported:  
04/17/20 09:11

### Anions by 300.0/9056A - Quality Control

#### Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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#### Batch 2016011 - Anion Extraction EPA 300.0/9056A

##### Blank (2016011-BLK1)

Prepared: 04/14/20 0 Analyzed: 04/14/20 1

Chloride	ND	20.0	mg/kg
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##### LCS (2016011-BS1)

Prepared: 04/14/20 0 Analyzed: 04/14/20 1

Chloride	250	20.0	mg/kg	250	100	90-110
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##### Matrix Spike (2016011-MS1)

Source: P004033-01

Prepared: 04/14/20 0 Analyzed: 04/14/20 1

Chloride	257	20.0	mg/kg	250	ND	103	80-120
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##### Matrix Spike Dup (2016011-MSD1)

Source: P004033-01

Prepared: 04/14/20 0 Analyzed: 04/14/20 1

Chloride	264	20.0	mg/kg	250	ND	106	80-120	2.76	20
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#### 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 may differ slightly.

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Phoenix Hydrocarbons	Project Name:	Federal E #2R	Reported: 04/17/20 09:11
PO Box 3638	Project Number:	17078-0002	
Midland TX, 79702	Project Manager:	Vanessa Fields	

### 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.

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## Project Information

Project Information	Client: <u>Ch Phoenix Healthcare</u> Project: <u>Ch Phoenix Healthcare</u> Project Manager: <u>Vanessa Fields</u> Address: <u>7415 E. Main St</u> City, State, Zip: <u>Phoenix, AZ 85042</u> Phone: <u>505.787-9400</u> Email: <u>Vanessa.D.walsh@phoenix.net</u>
Report Attention	Report due: <u>5/23/07</u> Attention: <u>Vanessa Fields</u> Address: <u>7415 E. Main St.</u> City, State, Zip: <u>Phoenix, AZ 85042</u> Phone: <u>505.787-9400</u> Email: <u>Vanessa.D.walsh@phoenix.net</u>

**Report Attention,**

Report due: Standard  
Attention: Andrea Brooks  
Address: 415 E. Main St.  
City, State, Zip: Farmington, NM 87401  
Phone: 505.787.9400  
Email: Vanessa@walsheing.net

[illegible]

**Additional Instructions:**

(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

...of collection is considered fraud and may be grounds for legal action. See [this link](#) for more information.

Relinquished by: (Signature)

2761

Relinquished by: (Signature)

• *Journal of Management Education* 26(1): 10-12

Relinquished by: (Signature)

---

Sample Matrix: S - Soil, Sd - Solids

Note: Samples are discarded 30

only to those samples received

3

1

1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26

sed to Imaging: 2/15/2008



**envirotech**  
Analytical Laboratory

5796 US Highway 54, Farmington, NM 87401  
24 Hour Emergency Response Phone (800) 362-1879

1581-700 (5/15) v.d

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1-800-451-9292

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-141  
Revised August 24, 2018  
Submit to appropriate OCD District office

Incident ID	
District RP	
Facility ID	
Application ID	

## Release Notification

### Responsible Party

Responsible 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) N/A
Contact mailing address 7415 East Main Street Farmington, NM 87402	

### Location of Release Source

Latitude 36.5617409 Longitude -107.646759  
(NAD 83 in decimal degrees to 5 decimal places)

Site Name Federal E #002R	Site Type Gas
Date Release Discovered N/A	API# (if applicable) 30-045-30801

Unit Letter	Section	Township	Range	County
H	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)

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

Cause of Release: Analytical results for Benzene were Non-Detect, Total BTEX was Non-Detect. DRO was 28.3 mg/kg ORO was Non-Detect, GRO was Non-Detect, chloride levels were 34.6 mg/kg demonstrating a release did not occur.




State of New Mexico  
Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

Was this a major release as defined by 19.15.29.7(A) NMAC?  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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*

<input checked="" type="checkbox"/> The source of the release has been stopped. <input checked="" type="checkbox"/> The impacted area has been secured to protect human health and the environment. <input checked="" type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices. <input checked="" type="checkbox"/> All free liquids and recoverable materials have been removed and managed appropriately.	
If all the actions described above have <u>not</u> been undertaken, explain why:  	
Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.	
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.	
Printed Name: <u>Vanessa Fields</u>	Title: <u>Regulatory Compliance Manager</u>
Signature: 	Date: <u>9/08/2020</u>
email: <u>vanessa@walsheng.net</u>	Telephone: <u>505-787-9100</u>
<b><u>OCD Only</u></b> Received by: _____ Date: _____	

Incident ID	
District RP	
Facility ID	
Application ID	


## Closure

The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

**Closure Report Attachment Checklist:** *Each of the following items must be included in the closure report.*

- ☐ A scaled site and sampling diagram as described in 19.15.29.11 NMAC
- ☐ Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)
- ☐ Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling)
- ☐ Description of remediation activities

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete.

Printed Name: Vanessa Fields Title: Regulatory Compliance Manager  
Signature:  Date: 9/08/2020  
email: vanessa@walsheng.net Telephone: 505-787-9100

**OCD Only**

Received by: \_\_\_\_\_ Date: \_\_\_\_\_

Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.

Closure Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Title: \_\_\_\_\_



Federal E #002R API# 30-045-30801  
Sitting Criteria







No records found.

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

9/8/20 11:14 AM

[Page 23 of 33](#)

# Phoenix Hydrocarbons Operating Corp

## Below Grade Tank Closure Plan

Federal E #002R

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

San Juan County, New Mexico

30-045-30801

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.**

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-R12W San Juan, New Mexico

Permit #NM-01-0009

**Basin Disposal Inc.**

Basin Disposal well # 1

U/L=F, SWNW, Section 3, T29N-R1 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 28.3 mg/kg ORO was Non-Detect, GRO was Non-Detect, chloride levels were 34.6 mg/kg demonstrating a release did not occur.

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 I. 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 28.3 mg/kg ORO was Non-Detect, GRO was Non-Detect, chloride levels were 34.6 mg/kg demonstrating a release did not occur.

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.

**A C-141 is attached for Closure demonstrating a release did not occur.**

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 #2R**

**API: # 30-045-30801**

**H-SEC. 23-T27N-R08W**

**1765' FNL & 975' FEL**

**N 36.5617409, W -107.646759**

**SAN JUAN CO., NM**

**LEASE: NMSF078478**

**PHONE # (505) 327-4892**

**AFTER HOURS #(505) 599-5203**











**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  
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**District III**  
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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 10062

CONDITIONS

Operator: PHOENIX HYDROCARBONS OPERATING CORP P.O. Box 3638 Midland, TX 79705	OGRID: 188483
	Action Number: 10062
	Action Type: [C-144] PIT Generic Plan (C-144)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	None	2/15/2022