



11490 Westheimer Road, Suite 950, Houston, Texas 77077 • Phone 832-672-4700 • Fax 832-672-4609

November 04, 2021

NM Oil Conservation Division
Environmental Bureau
1220 South St. Francis Dr.
Santa Fe, NM 87505

RE: Incident ID: NCE2003540506
Revised Closure Report
Dagger Lake to Merchant Pond Line Test
AEP #: 01082020-0130-prodops

NMOCD:

Advance Energy Partners Hat Mesa LLC (AEP) submits this revised closure report based on the denial dated July 14, 2020. This revised closure report addresses the following issue:

- Depth-to-water determination

Depth to Water Determination

In September/October 2021, Advance Energy initiated a depth-to-water boring program to determine whether depth-to-water is present in the upper 100-feet of the surface soil profile. Nine (9) boreholes were advanced between 103 to 105-feet below ground surface, rested for at least 72-hours, and gauged for the presence of groundwater. The nearest boring is located 0.20-miles northeast of the release. The boring is identified as MISC-402 (CP-1881). No groundwater was detected within the upper 100-feet. Plate 4 (revised) is an updated depth-to-water map. The driller log is attached.

Please contact me with any questions at 970-570-9535.

Sincerely,
Advance Energy Partners Hat Mesa, LLC

A handwritten signature in black ink, appearing to read "Andrew Parker".

Andrew Parker
Env. Scientist

Copy: Randy Black; Advance Energy Partners Hat Mesa, LLC
Ryan Mann; New Mexico State Land Office

| | |
|----------------|---------------|
| Incident ID | NCE2003540506 |
| District RP | |
| Facility ID | |
| Application ID | |

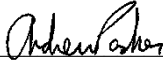
Closure

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: Andrew Parker Title: Sr. Env. Specialist
Signature:  Date: November 4, 2021
email: aparker@advanceenergypartners.com Telephone: 970-570-9535

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: _____

Hamlet, Robert, EMNRD

From: Hamlet, Robert, EMNRD
Sent: Tuesday, July 14, 2020 11:22 AM
To: 'Debbie Moughon'
Cc: Bratcher, Mike, EMNRD; Venegas, Victoria, EMNRD; Eads, Cristina, EMNRD; Mann, Ryan
Subject: Closure Denied - Advance Energy - Dagger Lake to Merchant Pond Line Test - (Incident #NCE2003540506)
Attachments: Closure Denied - Advance Energy - Dagger Lake to Merchant Pond Line Test.pdf

Debbie,

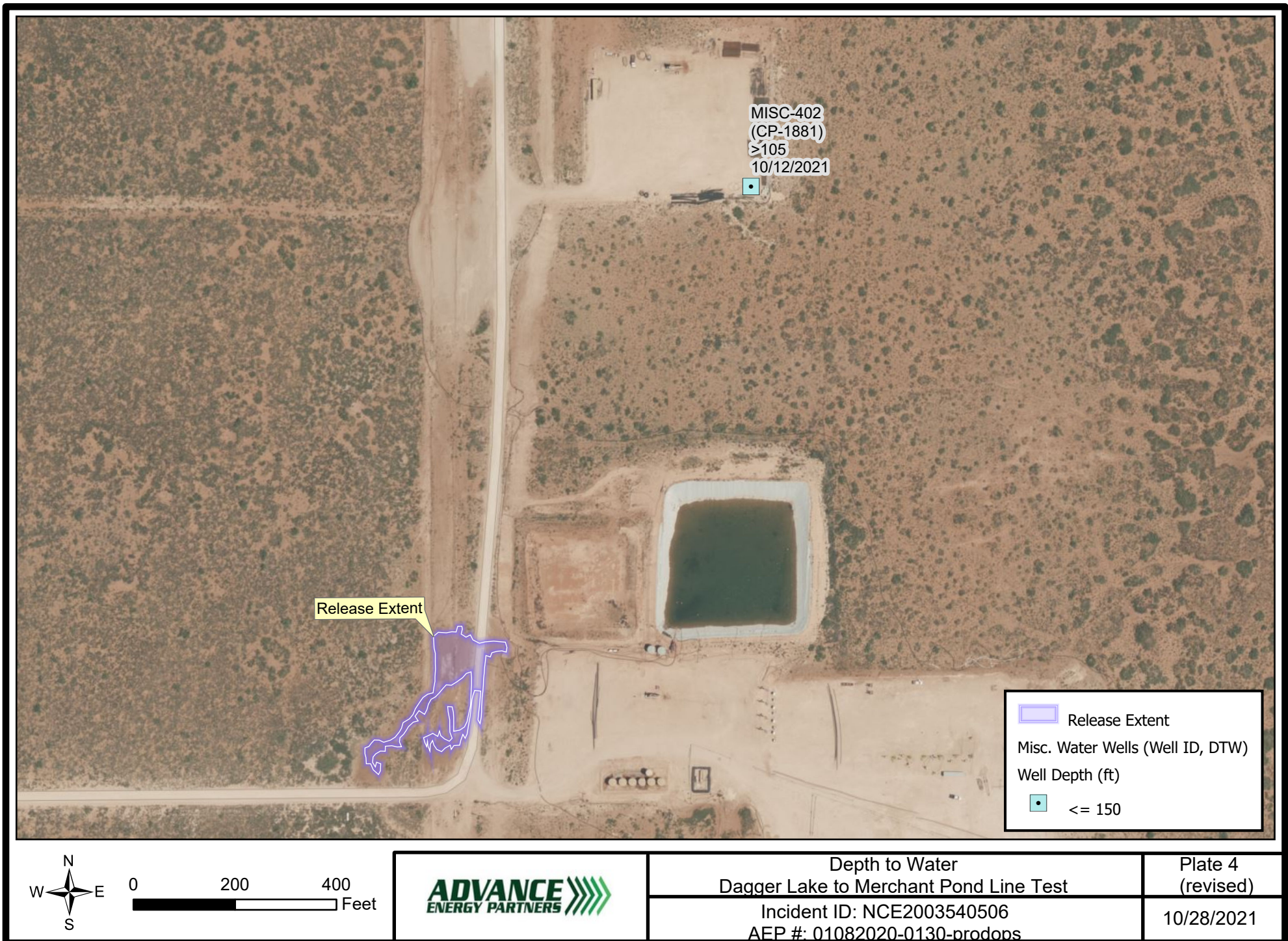
We have received your closure report and final C-141 for **Incident #NCE2003540506** **Dagger Lake to Merchant Pond Line Test**, thank you. This closure is denied.

- The OCD appreciates the potentiometric maps outlining the major Artesian Strata in the general area of the release. Although, depth to groundwater has not be sufficiently answered. Potentiometric maps don't outline potential water trapped in shallow clay layers or other protectable shallow waters in the immediate area of the release.
- The Wall samples are all below the strictest closure criteria standards of 600 mg/kg. The only problem we have is with the Base samples. With depth to water not established, some of the Base samples are over the limit of 600 mg/kg for chlorides. Impacted soils will need to meet Table 1 Closure Criteria for ground water at a depth of 50 feet or less.
- Two possible options would suffice for closure. Drill a hole to 15-20 feet and fully delineate the spill vertically. The Base samples are all over the place at 4 feet below ground surface (320 - 2,280 mg/kg for chlorides). Clear vertical delineation has not been established. If the drill hole shows the release was below 600 mg/kg at a deeper depth (15-20') and vertically delineated, we would accept this with a liner installation at 4 feet. The other option involved drilling a shallow borehole to 51' allowing for verification of the depth. If water is not visible after reaching bottom-hole and waiting 72 hours, the OCD will accept this as evidence. We would just need a copy of the driller's log. Since all of the Base samples are under 10,000 mg/kg for chlorides, verification of the 51' water depth would allow us to close the release.
- It looks like the release area has already been backfilled, so the borehole to 51' might be an easier route.
- Please let us know your decision.

Please let me know if you have any further questions.

Regards,

Robert J Hamlet
State of New Mexico
Energy, Minerals, and Natural Resources
Oil Conservation Division
811 S. First St., Artesia NM 88210
(575) 748-1283





2904 W 2nd St.
Roswell, NM 88201
voice: 575.624.2420
fax: 575.624.2421
www.atkinseng.com

10/29/2021

DII-NMOSE
1900 W 2nd Street
Roswell, NM 88201

Hand Delivered to the DII Office of the State Engineer

Re: Well Record CP-1881 Pod1

To whom it may concern:

Attached please find a well log & record and a plugging record, in duplicate, for a one (1) soil borings, CP-1881 Pod1.

If you have any questions, please contact me at 575.499.9244 or lucas@atkinseng.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Lucas Middleton".

Lucas Middleton

Enclosures: as noted above

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WELL RECORD & LOG

OFFICE OF THE STATE ENGINEER

www.ose.state.nm.us

| | | | | | | | | |
|---|---|------------------------------|---|---|---|--|--------------------------------------|--------------------------|
| 1. GENERAL AND WELL LOCATION | OSE POD NO. (WELL NO.) POD1 (TW-1) | | WELL TAG ID NO. n/a | | OSE FILE NO(S). CP-1881 | | | |
| | WELL OWNER NAME(S) Advanced Energy Partners | | | | PHONE (OPTIONAL) 832.672.4700 | | | |
| | WELL OWNER MAILING ADDRESS 11490 Westheimer Rd. Stuit 950 | | | | CITY Houston | STATE TX | ZIP 77077 | |
| | WELL LOCATION (FROM GPS) | DEGREES LATITUDE 32 | MINUTES 25 | SECONDS 22 | N | * ACCURACY REQUIRED: ONE TENTH OF A SECOND | | |
| | | LONGITUDE 103 | 36 | 12 | W | * DATUM REQUIRED: WGS 84 | | |
| DESCRIPTION RELATING WELL LOCATION TO STREET ADDRESS AND COMMON LANDMARKS - PLSS (SECTION, TOWNSHIP, RANGE) WHERE AVAILABLE NE SE NE Sec. 06 T22S R33E | | | | | | | | |
| 2. DRILLING & CASING INFORMATION | LICENSE NO. 1249 | | NAME OF LICENSED DRILLER Jackie D. Atkins | | | NAME OF WELL DRILLING COMPANY Atkins Engineering Associates, Inc. | | |
| | DRILLING STARTED 10/12/2021 | DRILLING ENDED 10/12/2021 | DEPTH OF COMPLETED WELL (FT) temporary well material | | BORE HOLE DEPTH (FT) 105 | DEPTH WATER FIRST ENCOUNTERED (FT) n/a | | |
| | COMPLETED WELL IS: <input type="checkbox"/> ARTESIAN <input checked="" type="checkbox"/> DRY HOLE <input type="checkbox"/> SHALLOW (UNCONFINED) | | | | | STATIC WATER LEVEL IN COMPLETED WELL (FT) n/a | | |
| | DRILLING FLUID: <input type="checkbox"/> AIR <input type="checkbox"/> MUD ADDITIVES - SPECIFY: | | | | | | | |
| | DRILLING METHOD: <input type="checkbox"/> ROTARY <input type="checkbox"/> HAMMER <input type="checkbox"/> CABLE TOOL <input checked="" type="checkbox"/> OTHER - SPECIFY: Hollow Stem Auger | | | | | | | |
| | DEPTH (feet bgl) FROM TO | | BORE HOLE DIAM. (inches) | CASING MATERIAL AND/OR GRADE (include each casing string, and note sections of screen) | CASING CONNECTION TYPE (add coupling diameter) | CASING INSIDE DIAM. (inches) | CASING WALL THICKNESS (inches) | SLOT SIZE (inches) |
| | 0 105 | | ±6.5 | Boring- HSA | -- | -- | -- | -- |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 3. ANNULAR MATERIAL | DEPTH (feet bgl) FROM TO | | BORE HOLE DIAM. (inches) | LIST ANNULAR SEAL MATERIAL AND GRAVEL PACK SIZE-RANGE BY INTERVAL | | AMOUNT (cubic feet) | METHOD OF PLACEMENT | |
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WR-20 WELL RECORD & LOG (Version 06/30/17)

FOR OSE INTERNAL USE

| | | |
|----------|-----------------|-------------|
| FILE NO. | POD NO. | TRN NO. |
| LOCATION | WELL TAG ID NO. | PAGE 1 OF 2 |

| 4. HYDROGEOLOGIC LOG OF WELL | DEPTH (feet bgl) | | THICKNESS (feet) | COLOR AND TYPE OF MATERIAL ENCOUNTERED - INCLUDE WATER-BEARING CAVITIES OR FRACTURE ZONES (attach supplemental sheets to fully describe all units) | WATER BEARING? (YES / NO) | ESTIMATED YIELD FOR WATER- BEARING ZONES (gpm) |
|---|------------------|-----|---------------------|--|---|--|
| | FROM | TO | | | | |
| | 0 | 14 | 14 | Sand, fine-grained, poorly graded with Caliche, Brown | Y ✓ N | |
| | 14 | 19 | 5 | Caliche, consolidated with fin-grained sand, White/Tan | Y ✓ N | |
| | 19 | 24 | 5 | Sand, fine-grained, poorly graded with Caliche, Reddish Brown | Y ✓ N | |
| | 24 | 44 | 20 | Sand, fine-grained, poorly graded with clay, Reddish Brown | Y ✓ N | |
| | 44 | 64 | 20 | Sand, fine-grained, poorly graded with clay, Brown Tan | Y ✓ N | |
| | 64 | 105 | 41 | Sand, fine-grained, poorly graded with clay, Brown | Y ✓ N | |
| | | | | | Y N | |
| | | | | | Y N | |
| | | | | | Y N | |
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| | | | | | Y N | |
| | | | | | Y N | |
| | | | | | Y N | |
| | | | | | Y N | |
| METHOD USED TO ESTIMATE YIELD OF WATER-BEARING STRATA: <input type="checkbox"/> PUMP <input type="checkbox"/> AIR LIFT <input type="checkbox"/> BAILER <input type="checkbox"/> OTHER - SPECIFY: | | | | | TOTAL ESTIMATED WELL YIELD (gpm): 0.00 | |

| | | |
|--------------------------|---|---|
| 5. TEST; RIG SUPERVISION | WELL TEST | TEST RESULTS - ATTACH A COPY OF DATA COLLECTED DURING WELL TESTING, INCLUDING DISCHARGE METHOD, START TIME, END TIME, AND A TABLE SHOWING DISCHARGE AND DRAWDOWN OVER THE TESTING PERIOD. |
| | MISCELLANEOUS INFORMATION: Temporary well materials removed and the soil boring backfilled using drill cuttings from total depth to ten feet below ground surface, then hydrated bentonite chips from ten feet below ground surface to surface. | |
| | PRINT NAME(S) OF DRILL RIG SUPERVISOR(S) THAT PROVIDED ONSITE SUPERVISION OF WELL CONSTRUCTION OTHER THAN LICENSEE: Shane Eldridge, Carmelo Trevino, Cameron Pruitt | |

| | | |
|--------------|---|--|
| 6. SIGNATURE | THE UNDERSIGNED HEREBY CERTIFIES THAT, TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT RECORD OF THE ABOVE DESCRIBED HOLE AND THAT HE OR SHE WILL FILE THIS WELL RECORD WITH THE STATE ENGINEER AND THE PERMIT HOLDER WITHIN 30 DAYS AFTER COMPLETION OF WELL DRILLING: | |
| |  SIGNATURE OF DRILLER / PRINT SIGNEE NAME | Jackie D. Atkins 10/27/2021 DATE |

FOR OSE INTERNAL USE

WR-20 WELL RECORD & LOG (Version 06/30/2017)

| | | |
|----------|-----------------|-------------|
| FILE NO. | POD NO. | TRN NO. |
| LOCATION | WELL TAG ID NO. | PAGE 2 OF 2 |






CP-1881_OSE_Well Record and Log-forsign

Final Audit Report

2021-10-29

| | |
|-----------------|--|
| Created: | 2021-10-29 |
| By: | Lucas Middleton (lucas@atkinseng.com) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAQ3vIH-svpKXba6sweCTSv6bY9FHI1cHt |

"CP-1881_OSE_Well Record and Log-forsign" History

-  Document created by Lucas Middleton (lucas@atkinseng.com)
2021-10-29 - 3:53:42 PM GMT- IP address: 69.21.248.123
-  Document emailed to Jack Atkins (jack@atkinseng.com) for signature
2021-10-29 - 3:54:01 PM GMT
-  Email viewed by Jack Atkins (jack@atkinseng.com)
2021-10-29 - 4:18:46 PM GMT- IP address: 64.90.153.232
-  Document e-signed by Jack Atkins (jack@atkinseng.com)
Signature Date: 2021-10-29 - 4:19:17 PM GMT - Time Source: server- IP address: 64.90.153.232
-  Agreement completed.
2021-10-29 - 4:19:17 PM GMT

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PLUGGING RECORD



NOTE: A Well Plugging Plan of Operations shall be approved by the State Engineer prior to plugging - 19.27.4 NMAC

I. GENERAL / WELL OWNERSHIP:

State Engineer Well Number: CP-1881-POD1

Well owner: Advanced Energy Partners

Phone No.: 832.672.4700

Mailing address: 11490 Westheimer Rd. Suite 950

City: Houston

State: Texas

Zip code: 77077

II. WELL PLUGGING INFORMATION:

1) Name of well drilling company that plugged well: Jackie D. Atkins (Atkins Engineering Associates Inc.)

2) New Mexico Well Driller License No.: 1249 Expiration Date: 04/30/23

3) Well plugging activities were supervised by the following well driller(s)/rig supervisor(s):
Lupe Leyba

4) Date well plugging began: 10/14/2021 Date well plugging concluded: 10/14/2021

5) GPS Well Location: Latitude: 32 deg, 25 min, 22 sec
Longitude: 103 deg, 36 min, 12 sec, WGS 84

6) Depth of well confirmed at initiation of plugging as: 105 ft below ground level (bgl),
by the following manner: weighted tape

7) Static water level measured at initiation of plugging: n/a ft bgl

8) Date well plugging plan of operations was approved by the State Engineer: 07/08/2021

9) Were all plugging activities consistent with an approved plugging plan? Yes If not, please describe differences between the approved plugging plan and the well as it was plugged (attach additional pages as needed):

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- For each interval plugged, describe within the following columns:**

[illegible]

| MULTIPLY | | BY | AND OBTAIN |
|-------------|---|--------|------------|
| cubic feet | x | 7.4805 | = gallons |
| cubic yards | x | 201.97 | = gallons |

USE DIT NOU 1 2021 PM4/40

Jack Atkins

10/27/2021

Date _____






DATE__WD-11 Plugging Record-forsign

Final Audit Report

2021-10-29

| | |
|-----------------|--|
| Created: | 2021-10-29 |
| By: | Lucas Middleton (lucas@atkinseng.com) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAAIR6dClvgQcGMZKORwRcBWHfk6EYZjwn4 |

"DATE__WD-11 Plugging Record-forsign" History

-  Document created by Lucas Middleton (lucas@atkinseng.com)
2021-10-29 - 3:51:59 PM GMT- IP address: 69.21.248.123
-  Document emailed to Jack Atkins (jack@atkinseng.com) for signature
2021-10-29 - 3:54:13 PM GMT
-  Email viewed by Jack Atkins (jack@atkinseng.com)
2021-10-29 - 4:18:25 PM GMT- IP address: 64.90.153.232
-  Document e-signed by Jack Atkins (jack@atkinseng.com)
Signature Date: 2021-10-29 - 4:18:39 PM GMT - Time Source: server- IP address: 64.90.153.232
-  Agreement completed.
2021-10-29 - 4:18:39 PM GMT

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Adobe Sign

| | |
|----------------|---------------|
| Incident ID | NRM2019931908 |
| District RP | |
| Facility ID | |
| Application ID | |

Remediation Plan

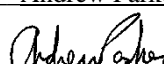
Remediation Plan Checklist: *Each of the following items must be included in the plan.*

- ☒ Detailed description of proposed remediation technique
- ☒ Scaled sitemap with GPS coordinates showing delineation points
- ☒ Estimated volume of material to be remediated
- ☒ Closure criteria is to Table 1 specifications subject to 19.15.29.12(C)(4) NMAC
- ☒ Proposed schedule for remediation (note if remediation plan timeline is more than 90 days OCD approval is required)

Deferral Requests Only: *Each of the following items must be confirmed as part of any request for deferral of remediation.*

- ☐ Contamination must be in areas immediately under or around production equipment where remediation could cause a major facility deconstruction.
- ☐ Extents of contamination must be fully delineated.
- ☐ Contamination does not cause an imminent risk to human health, the environment, or groundwater.

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: Andrew Parker Title: Sr. Env. Specialist
Signature:  Date: November 4, 2021
email: aparker@advanceenergypartners.com Telephone: 970-570-9535

OCD Only

Received by: Robert Hamlet Date: 3/9/2022

☐ Approved ☒ Approved with Attached Conditions of Approval ☐ Denied ☐ Deferral Approved

Signature:  Date: 3/9/2022

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 60394

CONDITIONS

| | |
|--|---|
| Operator: ADVANCE ENERGY PARTNERS HAT MESA, LLC 11490 Westheimer Rd., Ste 950 Houston, TX 77077 | OGRID: 372417 |
| | Action Number: 60394 |
| | Action Type: [C-141] Release Corrective Action (C-141) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|--|----------------|
| rhamlet | The Remediation Plan is Conditionally Approved. Reclamation of areas no longer in use, must contain a minimum of 4 feet non-waste containing uncontaminated, earthen material with chloride concentrations less than 600 mg/kg and less than 100 mg/kg for TPH. Four feet below the ground surface, soil contamination limits revert back to Table 1 "Closure Criteria for Soils Impacted by a Release" included in the spill rule. Sidewall samples should be delineated/excavated to 600 mg/kg for chlorides and 100 mg/kg for TPH to define the edge of the release. The variance for floor confirmation samples not to exceed 900 ft2 is denied. At this time, the largest variance the OCD can grant is 500 ft2 for confirmation samples. Sidewall samples should represent no more than 200 ft2. The work will need to occur in 90 days after the work plan has been approved. | 3/9/2022 |