



Charles Beauvais
Environmental Engineer
15 W London Rd
Loving, NM 88256
Telephone: 575/988-2043
Charles.R.Beauvais@ConocoPhillips.com

October 8th, 2021

Mr. Bradford Billings
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
5200 Oakland Ave NE
Albuquerque, NM 87113

Re: Submarine 10 Federal Com #002H
nAB1427530587
Heritage COG Agreed Compliance Order-Releases

Dear Mr. Billings:

Please find attached documentation for an open remediation site, Submarine 10 Federal Com #002H (Incident ID nAB1427530587). This reported incident is included in the Agreed Compliance Order-Releases (ACO-R) between the New Mexico Oil Conservation Division (NMOCD) and Concho Resources (COG) dated November 20, 2018. ConocoPhillips Company (COP) acquired COG in January 2021.

According to NMOCD records, COG was misidentified as the responsible party for this release. Although COG was the surface owner at the time of the release, the release was caused by Hanson Trucking, Inc. (Hanson Trucking), and Hanson Trucking submitted the initial C-141 form to the NMOCD. Additionally, the Submarine 10 Federal Com #002H well (API No. 30-015-40358), was sold to Spur Energy Partners LLC in November 2019. The initial C-141 and change in operatorship documentation are presented in Attachment A.

This site is not under COP control, and therefore it is not possible to conduct inspections nor remediation activities at the site. Furthermore, the change in operatorship included the following conditions and agreement on the part of Spur Energy: "I am responsible for reporting and remediating releases as defined by 19.15.29 NMAC. I understand the OCD will look to me as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became the operator of record. I am responsible for conducting my own due diligence for any releases that have occurred prior to becoming operator of my wells and related facilities and am responsible for any open releases or unreported releases." Therefore, COP respectfully requests that NMOCD disassociates this release from COG (and now COP) and remove it from the

November 20, 2018 ACO-R.

Please contact me if you require any additional information or if you have any questions or comments.

Sincerely,

Charles R. Beauvais II

Charles Beauvais

Enclosures – Attachment A

ATTACHMENT A

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NM OIL CONSERVATION

ARTESIA DISTRICT Form C-141
Revised October 10, 2003
OCT 01 2014
Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form
RECEIVED

Release Notification and Corrective Action

NAB1427530587 OPERATOR Initial Report Final Report

Name of Company : Hanson Trucking Inc. <u>229137</u>	Contact: Mathew Bertoch
Address: 1782 W. 1760 S. Suite A Roosevelt UT 84066	Telephone No.(435) 722-1891
Facility Name: Submarine 10 Federal 2H Battery	Facility Type: Well Lease

Surface Owner : Concho	Mineral Owner :BLM	Lease No. NMLC-028731B
------------------------	--------------------	------------------------

LOCATION OF RELEASE

30-015-40358

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	10	17S	29E					Eddy

Latitude 32.85385 Longitude 104.05412

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 11.0 BBLs	Volume Recovered 0
Source of Release Truck loading on location.	Date and Hour of Occurrence 9/29/2014 10:55 PM	Date and Hour of Discovery 9/30/2014 10:55 AM
Was Immediate Notice Given? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Richard Conrad	
By Whom? Dancel Ahquin	Date and Hour 9/30/2014 12:31 AM	
Was a Watercourse Reached? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Driver overfilled semi-trailer while loading crude oil. Driver stopped loading process, shut off pump and closed tank valve. Supervisor was immediately notified.

Describe Area Affected and Cleanup Action Taken.* Spill was contained to the pad. Madron Services Inc. was contacted at 11:52 AM to clean up spilled crude oil.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD 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 NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD 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.

Signature: <u>Mathew Bertoch</u>	OIL CONSERVATION DIVISION	
Printed Name: Mathew Bertoch	Approved by District Supervisor: <u>[Signature]</u>	
Title: Operation Manager	Approval Date: <u>10/1/14</u>	Expiration Date: <u>NA</u>
E-mail Address: hansontrucking@ubtanet.com	Conditions of Approval	Attached <input type="checkbox"/>
Date: 9/30/14	Phone: (435) 671-9756	

* Attach Additional Sheets If Necessary
Remediation per O.C.D. Rules & Guidelines
SUBMIT REMEDIATION PROPOSAL NO
LATER THAN: 11/1/14 2RP-2517

Patterson, Heather, EMNRD

From: Matt Bertoch <mbertoch@hansontruckinginc.com>
Sent: Wednesday, October 01, 2014 10:03 AM
To: Patterson, Heather, EMNRD; shughes@blm.gov
Subject: Spill Report
Attachments: Submarine 10 Federal 2H Battery.pdf

Heather/Solomon

Here is the initial report on the Submarine 10 Federal 2H Battery spill. Please let me know if I have left anything out or have filled out anything incorrectly. Thank you.

Mathew Bertoch
Operations Manager
Hanson Trucking Inc.
1782 West 1760 South Suite A
Roosevelt, Utah 84066
(435) 722-1891 Office
(435) 722-8782 Fax
(435) 671-9756 Mobile
mbertoch@hansontruckinginc.com

C-145

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
Change of Operator**

Form C-145
Revised May 19, 2017

Permit 274315

Previous Operator Information

New Operator Information

Effective Date:	<input type="text" value="Effective on the date of approval by the OCD"/>
OGRID: <u>229137</u>	OGRID: <u>328947</u>
Name: <u>COG OPERATING LLC</u>	Name: <u>Spur Energy Partners LLC</u>
Address: <u>600 W Illinois Ave</u>	Address: <u>920 Memorial City Way</u>
	<u>Suite 1000</u>
City, State, Zip: <u>Midland, TX 79701</u>	City, State, Zip: <u>Houston, TX 77024</u>

I hereby certify that the rules of the Oil Conservation Division ("OCD") have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, Spur Energy Partners LLC certifies that it has read and understands the following synopsis of applicable rules.

PREVIOUS OPERATOR certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells being transferred are either (1) in compliance with 19.15.17 NMAC, (2) have been closed pursuant to 19.15.17.13 NMAC or (3) have been retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(I) NMAC.

Spur Energy Partners LLC understands that the OCD's approval of this operator change:

1. constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

C-145

As the operator of record of wells in New Mexico, Spur Energy Partners LLC agrees to the following statements:

1. Initials BC I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand that the OCD's rules are available on the OCD website under "Rules," and that the Water Quality Control Commission rules are available on the OCD website on the "Publications" page.
2. Initials BC I understand that if I acquire wells from another operator, the OCD must approve the operator change before I begin operating those wells. See Subsection B of 19.15.9.9 NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells or environmental cleanup, before the OCD will approve the operator change it may require me to enter into an enforceable agreement to return those wells to compliance. See Paragraph (2) of Subsection C of 19.15.9.9 NMAC.
3. Initials BC I must file a monthly C-115 report showing production for each non-plugged well completion for which the OCD has approved an allowable and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the OCD may cancel my authority to transport from or inject into all the wells I operate if I fail to file C-115 reports. See Subsection C of 19.15.7.24 NMAC.
4. Initials BC I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed in approved temporary abandonment. See 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 19.15.25 NMAC. I understand that I can check my compliance with the basic requirements of 19.15.25.8 NMAC by using the "Inactive Well List" on OCD's website.
5. Initials BC I must keep current with financial assurances for well plugging. I understand that New Mexico requires each state or fee well that has been inactive for more than two years and has not been plugged and released to be covered by a single-well financial assurance or a "blanket plugging financial assurance for wells in temporarily abandoned statuses", even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See Subsection C of 19.15.8.9 NMAC. I understand that I can check my compliance with the financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.
6. Initials BC I am responsible for reporting and remediating releases pursuant to 19.15.29 NMAC. I understand the OCD will look to me as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator of record. I am responsible for conducting my own due diligence for any releases that have occurred prior to becoming operator of my wells and related facilities and am responsible for any open releases or unreported releases.
7. Initials BC I have read 19.15.5.9 NMAC, commonly known as "Part 5.9," and understand that to be in compliance with its requirements I must have the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the courts or agreed to by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.25.8 NMAC). If I am in violation of Part 5.9, I may not be allowed to drill, acquire or produce any additional wells, and will not be able to obtain any new injection permits. See 19.15.16.19 NMAC, 19.15.26.8 NMAC, 19.15.9.9 NMAC and 19.15.14.10 NMAC. If I am in violation of Part 5.9 the OCD may, after notice and hearing, revoke my existing injection permits and seek other relief. See 19.15.26.8 NMAC and 19.15.5.10 NMAC.
8. Initials BC For injection wells, I understand that I must report injection on my monthly C-115 report and must operate my wells in compliance with 19.15.26 NMAC and the terms of my injection permit. I understand that I must conduct mechanical integrity tests on my injection wells at least once every five years. See 19.15.26.11 NMAC. I understand that when there is a continuous one-year period of non-injection into all wells in an injection or storage project or into a saltwater disposal well or special purpose injection well, authority for that injection automatically terminates. See 19.15.26.12 NMAC. I understand that if I transfer operation of an injection well to another operator, the OCD must approve the transfer of authority to inject, and the OCD may require me to demonstrate the well's mechanical integrity prior to approving that transfer. See 19.15.26.15 NMAC.
9. Initials BC I am responsible for providing the OCD with my current address of record and emergency contact information, and I am responsible for updating that information when it changes. See Subsection C of 19.15.9.8 NMAC. I understand that I can update that information on the OCD's website under "Electronic Permitting."
10. Initials BC If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See Subsection B of 19.15.9.9 NMAC. I remain responsible for the wells and related facilities and all related regulatory filings until the OCD approves the operator change. I understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.
11. Initials BC No person with an interest exceeding 25% in the undersigned company is, or was within the last 5 years, an officer, director, partner or person with a 25% or greater interest in another entity that is not currently in compliance with Subsection A of 19.15.5.9 NMAC.
12. Initials BC NMOC Rule Subsection E and F of 19.15.16.8 NMAC: An operator shall have 90 days from the effective date of an operator name change to change the operator name on the well sign unless the division grants an extension time, for good cause shown, along with a schedule for making the changes. Each sign shall show the (1) well number, (2) property name, (3) operator's name, (4) location by footage, quarter-quarter section, township and range (or unit letter can be substituted for the quarter-quarter section), and (5) API number.

C-145

I hereby certify I understand the above. The statements I have made are true and correct and a condition precedent to the Oil Conservation Division accepting this Change of Operator.

Previous Operator

Signature: Gayle L. Burleson

Printed Name: Gayle L. Burleson

Title: Senior VP of Business Development and Land

Date: 11-1-2019 Phone: 432-683-7443

New Operator

Signature: [Handwritten Signature]

Printed Name: Brian Coffey

Title: VP and General Counsel

Date: 1/1/19 Phone: 832-930-8502

Permit 274315

OCD Permitting

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: (505) 748-1283 Fax: (505) 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

Wells Selected for Transfer

Permit 274315

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

1 Well Selected for Transfer

From: COG OPERATING LLC	OGRID: 229137
To: Spur Energy Partners LLC	OGRID: 328947

OCD District: Artesia (1 Well selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type	Last Prod/Inj	Single Well Bond Required for Inactive Well
39252	SUBMARINE 10 FEDERAL COM #002H	F	A-10-17S-29E	A	30-015-40358	96610	EMPIRE; GLORIETA-YESO, EAST	O	08/19	0
					30-015-40358	97917	DODD; GLORIETA-UPPER YESO			

Total of Single Well Bonds Required for Inactive Wells	0
---	---

<p><u>NMOCD Approval</u></p> <p>Electronic Signature(s): <u>Raymond Podany, District 2</u></p> <p>Date: <u>November 21, 2019</u></p>

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**

Wells Selected for Transfer

Permit 274315

1 Well Selected for Transfer

From: COG OPERATING LLC	OGRID: 229137
To: Spur Energy Partners LLC	OGRID: 328947

OCD District: Artesia (1 Well selected.)

Property	Well	Lease Type	ULSTR	OCD Unit	API	Pool ID	Pool Name	Well Type
326473	SUBMARINE 10 FEDERAL COM #002H	F	A-10-17S-29E	A	30-015-40358	96610	EMPIRE; GLORIETA-YESO, EAST	O
					30-015-40358	97917	DODD; GLORIETA-UPPER YESO	

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**

Comments

Permit 274315

CHANGEOP COMMENTS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Permit Number: 274315
	Permit Type: ChangeOp

Comments

Created By	Comment	Comment Date
------------	---------	--------------

There are no Comments for this Permit

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 55993

CONDITIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 55993
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
bhall	Accepted for record only.	1/19/2023