

Liner Inspection and Closure Request

BTA Oil Producers, LLC Grama Horizontal Battery Lea County, New Mexico Unit Letter "P", Section 16, Township 22 South, Range 34 East Latitude 32.386048 North, Longitude 103.481834 West NMOCD Incident # nAPP2322622446

Prepared For:

BTA Oil Producers, LLC 104 S. Pecos St. Midland, TX 79701

Prepared By:

Hungry Horse, LLC 4024 Plains Hwy Lovington, NM 88260 Office: (575) 393-3386

August 2023

Bradley Wells

Bradley Wells Project Manager bwells@hungry-horse.com

Daniel Dominguez Environmental Manager ddominguez@hungry-horse.com

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Received by OCD: 8/28/2023 6:52:10 AM



The following *Liner Inspection and Closure Request* serves as a condensed update on field activities undertaken at the afore referenced Site.

Background:

The site is located in Unit Letter P (SE/SE), Section 16, Township 22 South, Range 34 East, approximately twenty miles southwest of Eunice, in Lea County, New Mexico. The location is on New Mexico State Trust land. Topographic Map, OSE POD Locations Map, and USGS Well Locations Map are included as Figure 1, Figure 2, and Figure 3, respectively.

The release occurred within a polyethylene lined metal containment; Latitude 32.386048 North, Longitude 103.481834 West. The Initial NMOCD Form C-141 indicated that on August 12, 2023 approximately 60 bbls of produced water was released to lined containment due to a corroded bushing on the transfer pump. A crew was dispatched to the site with a vacuum truck. The pump was repaired and 60 bbls of fluid were recovered from lined containment; no fluid was lost. Previously submitted pages of the NMOCD Form C-141 are available on the NMOCD Imaging System. NMOCD Form Initial C-141 is also included as Attachment VI.

NMOCD Site Classification:

A search of the New Mexico Office of the State Engineer (NMOSE) and United States Geological Survey (USGS) groundwater databases was completed in an effort to determine the horizontal distance to known water sources within a half mile radius of the Release Site. Approximate depth to groundwater was determined using maintained and published water well data. Karst mapping indicates the site is not located in a Karst designated area. Karst and Wetland Maps are provided as Attachment I. Depth to groundwater information is provided as Attachment IV and the results are depicted on Figures 2 & 3.

No water wells were located within a half mile of the release area. Utilizing this information, the NMOCD Closure Criteria for the Site is depicted in the table below. However, due to the release being contained within a lined containment area and all fluid was recovered, a liner inspection was scheduled.

Depth to Groundwater	Constituent	Method	Limit
	Chloride	EPA 300.0 or SM4500 CLB	600 mg/kg
	TPH (GRO + DRO + MRO)	EPA SW-846 Method 8015M Ext	100 mg/kg
undetermined	GRO + DRO	EPA SW-846 Method 8015M Ext	N/A
	BTEX	EPA SW-846 Methods 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Methods 8021B or 8260B	10 mg/kg



Liner Inspection:

The release of 60 bbls of produced water to lined containment occurred on August 12, 2023, with 60 bbls of fluid recovered via vacuum truck. The released did not leave the lined containment, hit pad, or go offsite. On August 21, 2023, Hungry Horse notified NMOCD that a liner inspection would be conducted on August 24, 2023. Email correspondence is provided as Attachment II.

On August 24, 2023, Hungry Horse personnel arrived on location to inspect the liner. The liner and metal containment were thoroughly inspected form edge to edge, as well as around the tanks and process equipment installed on the liner itself. Site Photographs are provided as Attachment III. The liner was found to be in place, intact, with no visible breaks or tears. There was no evidence of the release escaping the metal containment area. A completed Liner Inspection Form is attached as Attachment V.

Closure Request:

The Liner Inspection and correspondence with NMOCD were conducted in accordance with applicable NMOCD Regulations.

Based upon the reported volume recovered from the release and a thorough liner inspection, with photographs demonstrating an intact, untorn, unbroken liner with no evidence of release escaping containment, BTA Oil Producers, LLC respectfully request closure of the Grama Horizontal Battery location, incident nAPP2322622446.

Limitations:

Hungry Horse, LLC, has prepared this *Liner Inspection and Closure Request* to the best of its ability. No other warranty, expressed or implied, is made or intended. Hungry Horse has examined and relied upon documents referenced in the report and on oral statements made by certain individuals. Hungry Horse has not conducted an independent examination of the facts contained in referenced materials and statements. Hungry Horse has presumed the genuineness of these documents and statements and that the information provided therein is true and accurate. Hungry Horse notes that the facts and conditions referenced in this report may change over time, and the conclusions and recommendations set forth herein are applicable only to the facts and conditions as described at the time of this report.



Distribution:

BTA Oil Producers, LLC

104 S. Pecos St. Midland, TX 79701

New Mexico Energy, Minerals and Natural Resources Department

Oil Conservation Division, District 2 811 S. First St. Artesia, NM 88210

New Mexico State Land Office 914 N. Linam St. Hobbs, NM 88240 Received by OCD: 8/28/2023 6:52:10 AM Form C-141 State of New Mexico

Oil Conservation Division

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Site Assessment/Characterization

This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

What is the shallowest depth to groundwater beneath the area affected by the release?	<u><50'</u> (ft bgs)
Did this release impact groundwater or surface water?	🗌 Yes 🛛 No
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	🗌 Yes 🛛 No
Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)?	🗌 Yes 🔀 No
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	🗌 Yes 🔀 No
Are the lateral extents of the release 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?	🗌 Yes 🔀 No
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	🗌 Yes 🛛 No
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	🗌 Yes 🛛 No
Are the lateral extents of the release within 300 feet of a wetland?	🗌 Yes 🛛 No
Are the lateral extents of the release overlying a subsurface mine?	🗌 Yes 🛛 No
Are the lateral extents of the release overlying an unstable area such as karst geology?	🗌 Yes 🛛 No
Are the lateral extents of the release within a 100-year floodplain?	🗌 Yes 🛛 No
Did the release impact areas not on an exploration, development, production, or storage site?	🗌 Yes 🔀 No

Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined. Refer to 19.15.29.11 NMAC for specifics.

Characterization Report Checklist: Each of the following items must be included in the report.

- Scaled site map showing impacted area, surface features, subsurface features, delineation points, and monitoring wells.
- Field data
- Data table of soil contaminant concentration data
- \square Depth to water determination
- Determination of water sources and significant watercourses within ¹/₂-mile of the lateral extents of the release
- \boxtimes Boring or excavation logs
- Photographs including date and GIS information
- Topographic/Aerial maps
- Laboratory data including chain of custody

If the site characterization report does not include completed efforts at remediation of the release, the report must include a proposed remediation plan. That plan must include the estimated volume of material to be remediated, the proposed remediation technique, proposed sampling plan and methods, anticipated timelines for beginning and completing the remediation. The closure criteria for a release are contained in Table 1 of 19.15.29.12 NMAC, however, use of the table is modified by site- and release-specific parameters.

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regulations all operators are public health or the enviror failed to adequately investi- addition, OCD acceptance and/or regulations. Printed Name: Ke Signature:	bormation given above is true and complete to the e required to report and/or file certain release not ment. The acceptance of a C-141 report by the gate and remediate contamination that pose a thr of a C-141 report does not relieve the operator of elton Beaird	tifications and p OCD does not n reat to groundwa	erform cc elieve the ater, surfa for compl Envirc 8-23	prrective actions for rele coperator of liability sho ce water, human health iance with any other fee onmental Manag	eases which may endanger ould their operations have or the environment. In deral, state, or local laws
OCD Only Received by: Shelly We	lls	Date	: 8/28/	2023	

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Oil Conservation Division

<u>Remediation Plan Checklist</u>: Each of the following items must be included in the plan.

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Remediation 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. Environmental Manager Kelton Beaird _____ Title: _____ Printed Name: Date: 8-28-23 Signature: email: kbeaird@btaoil.com Telephone: 432-312-2203 OCD Only Received by: Shelly Wells _____ Date: 8/28/2023 Approved Approved with Attached Conditions of Approval Denied Deferral Approved Signature: Date:

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Oil Conservation Division

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Closure

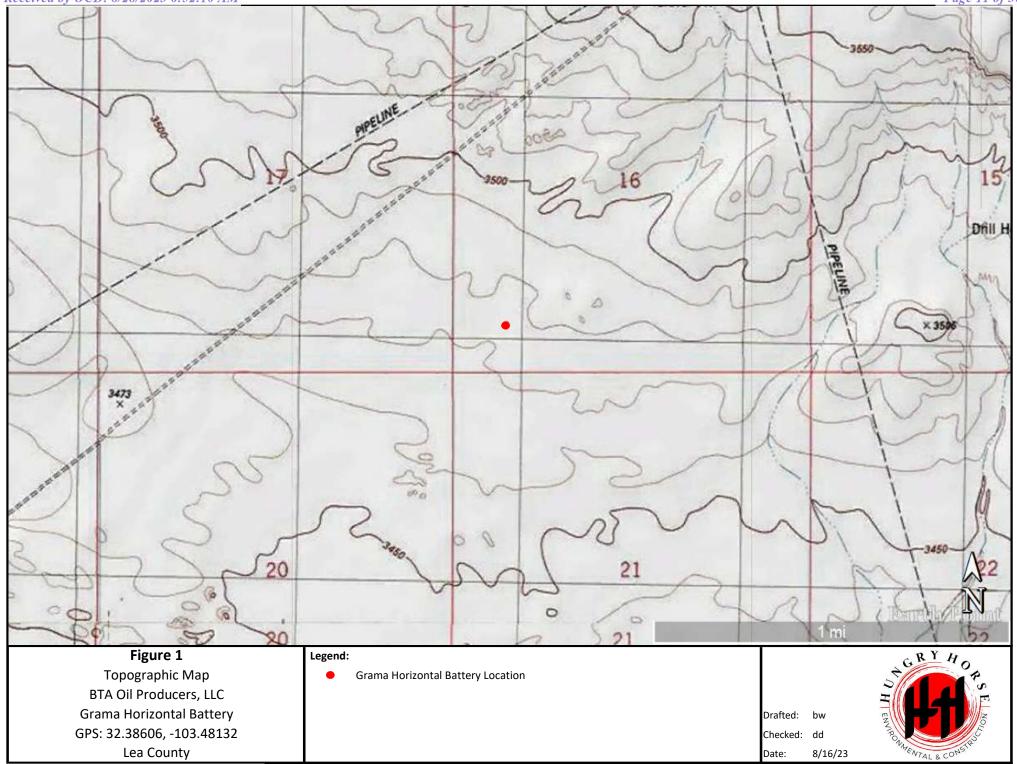
The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled 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.

<u>Closure Report Attachment Checklist</u>: Each of the following i	tems must be included in the closure report.
A scaled site and sampling diagram as described in 19.15.29.1	1 NMAC
Photographs of the remediated site prior to backfill or photos must be notified 2 days prior to liner inspection)	of the liner integrity if applicable (Note: appropriate OCD District office
Laboratory analyses of final sampling (Note: appropriate ODC	C District office must be notified 2 days prior to final sampling)
Description of remediation activities	
and regulations all operators are required to report and/or file certain may endanger public health or the environment. The acceptance of	ations. The responsible party acknowledges they must substantially nditions that existed prior to the release or their final land use in CD when reclamation and re-vegetation are complete.
Printed Name: Kelton Beaird	Title: Environmental Manager
Signature:	Date: 8-28-23
email: kbeaird@btaoil.com	Telephone: 432-312-2203
OCD Only	
Received by: <u>Shelly Wells</u>	Date: <u>8/28/2023</u>
	of liability should their operations have failed to adequately investigate and water, human health, or the environment nor does not relieve the responsible or regulations.
Closure Approved by:	Date:11/17/2023
Printed Name: Nelson Velez	Title: Environmental Specialist - Adv

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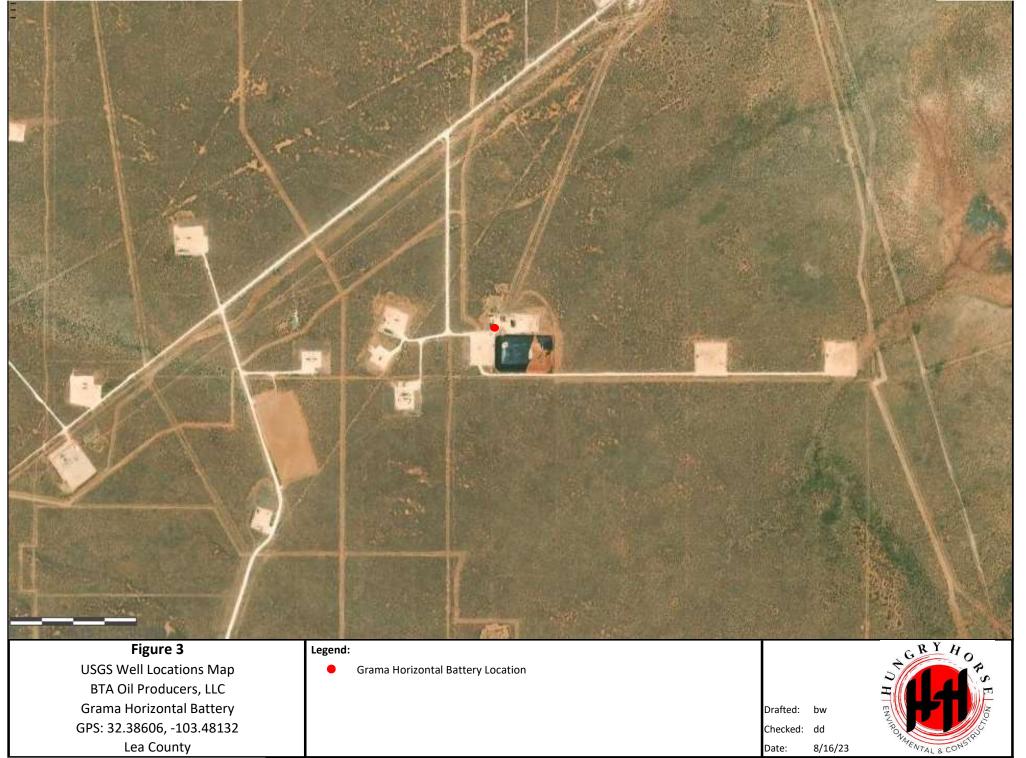
Figures

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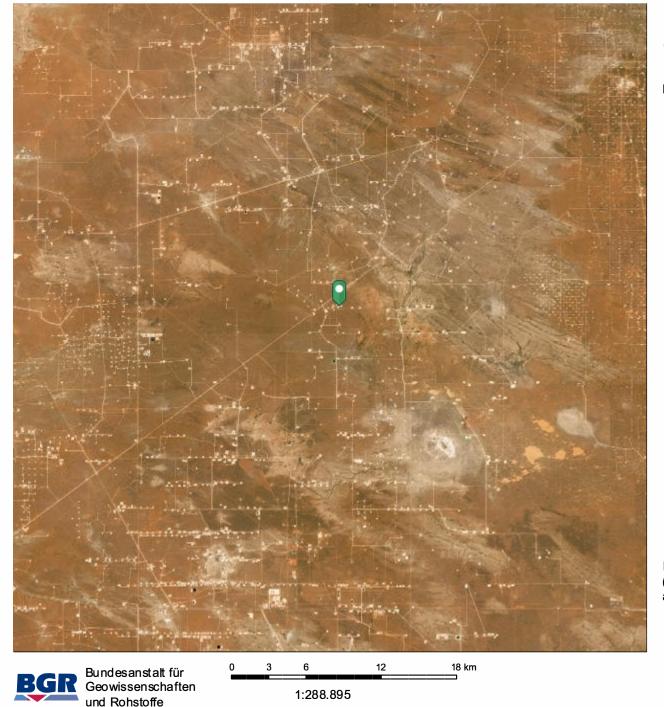


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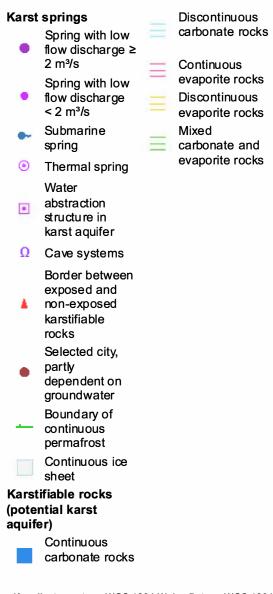


Attachment I Karst and Wetland Maps

Received by OCD: 8/28/2023 6:52:10 AM



Grama Horizontal Battery



Koordinatensystem: WGS 1984 Web Datum: WGS 1984 Mercator Auxiliary Sphere Exportdatum: 17.08.2023

U.S. Fish and Wildlife Service National Wetlands Inventory

Grama Horizontal Battery



Wetlands

- Estuarine and Marine Deepwater
- Estuarine and Marine Wetland

- Freshwater Emergent Wetland Freshwater Forested/Shrub Wetland
- **Freshwater Pond**

Lake Other Riverine Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

Attachment II NMOCD Correspondence

Daniel Dominguez

From:	Wells, Shelly, EMNRD <shelly.wells@emnrd.nm.gov></shelly.wells@emnrd.nm.gov>
Sent:	Monday, August 21, 2023 11:42 AM
То:	Daniel Dominguez
Cc:	Bratcher, Michael, EMNRD; Velez, Nelson, EMNRD
Subject:	RE: [EXTERNAL] Liner Inspection

Hi Daniel,

The OCD has received your notification. Include a copy of this and all notifications in the remedial and/or closure reports to ensure the notifications are documented in the project file.

Thank you,

Shelly

Shelly Wells * Environmental Specialist-Advanced Environmental Bureau EMNRD-Oil Conservation Division 1220 S. St. Francis Drive|Santa Fe, NM 87505 (505)469-7520<u>|Shelly.Wells@emnrd.nm.gov</u> http://www.emnrd.state.nm.us/OCD/

From: Daniel Dominguez <ddominguez@hungry-horse.com> Sent: Monday, August 21, 2023 11:35 AM To: Enviro, OCD, EMNRD <OCD.Enviro@emnrd.nm.gov> Subject: [EXTERNAL] Liner Inspection

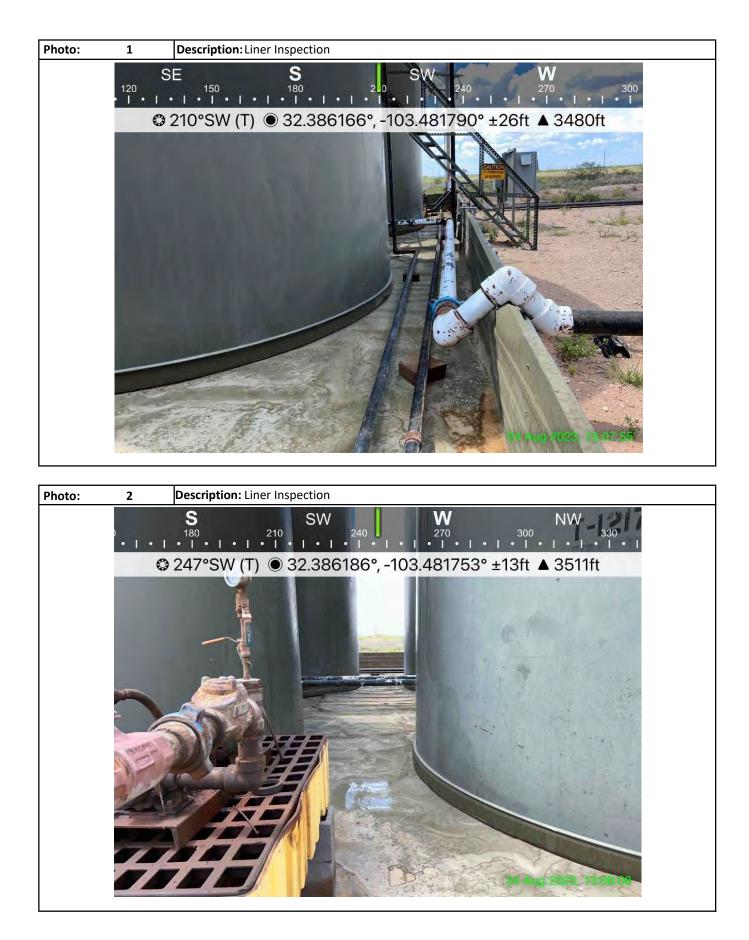
CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

We will be conducting a liner inspection at the Grama Horizontal Battery (nAPP2322622446) on Thursday August 24, 2023 at 1 pm.

This is our 2 day notice.

Daniel Dominguez Environmental Manager Hungry Horse, LLC (mobile) 575-408-3134 ddominguez@hungry-horse.com

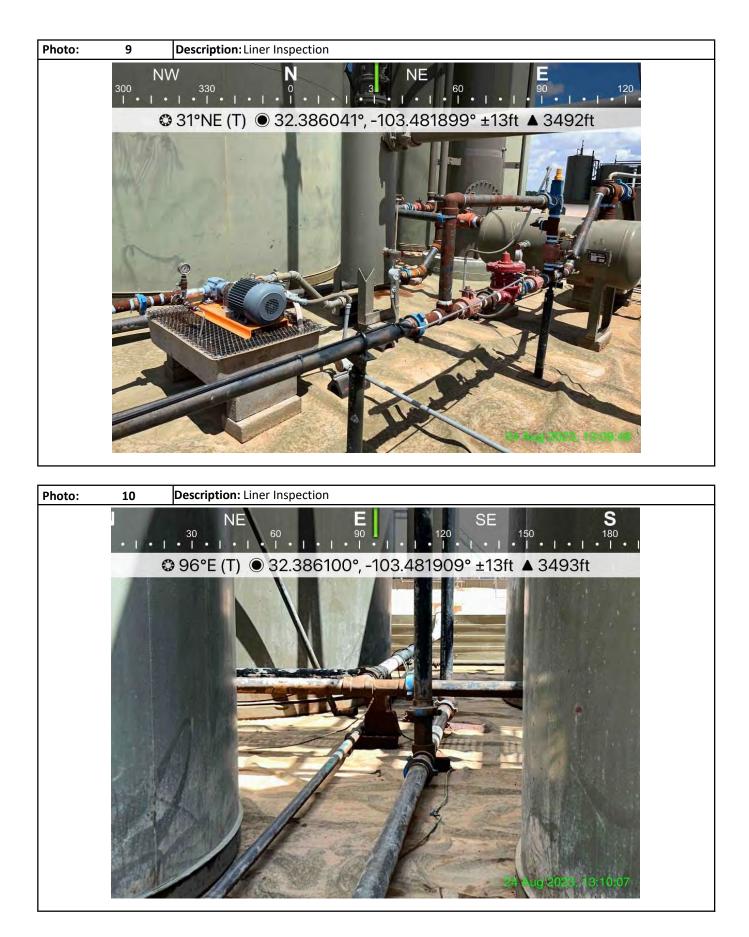
Attachment III Site Photographs

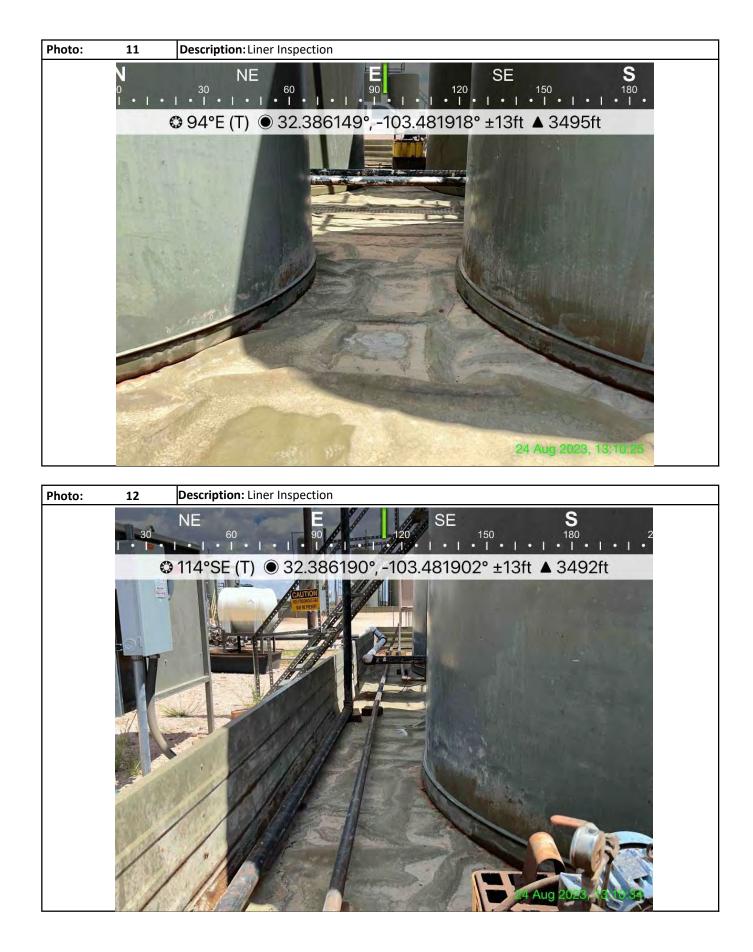


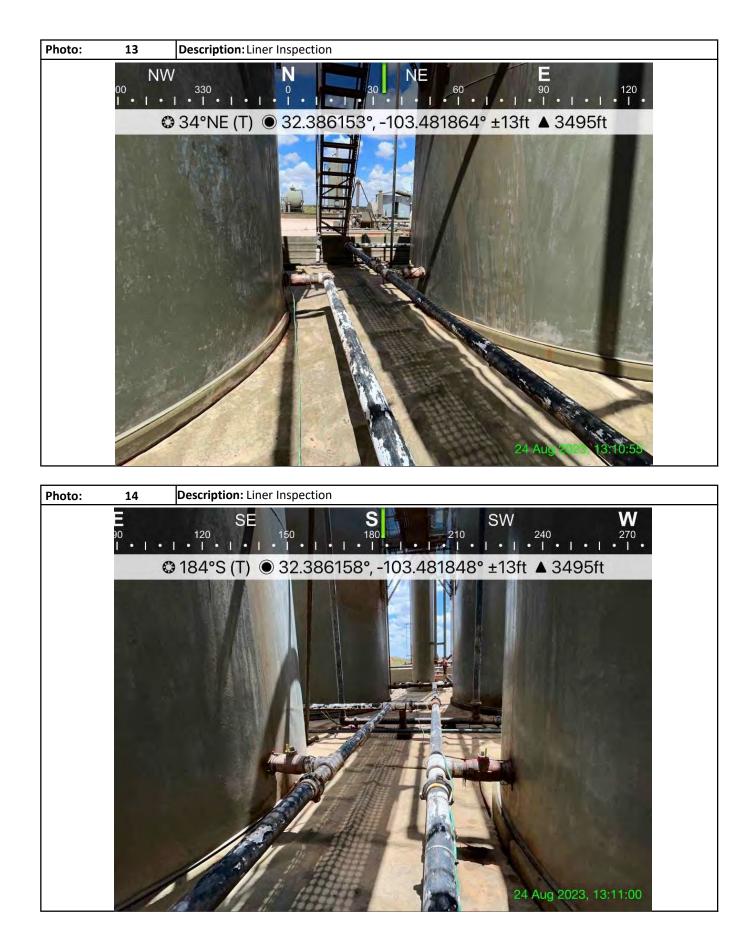




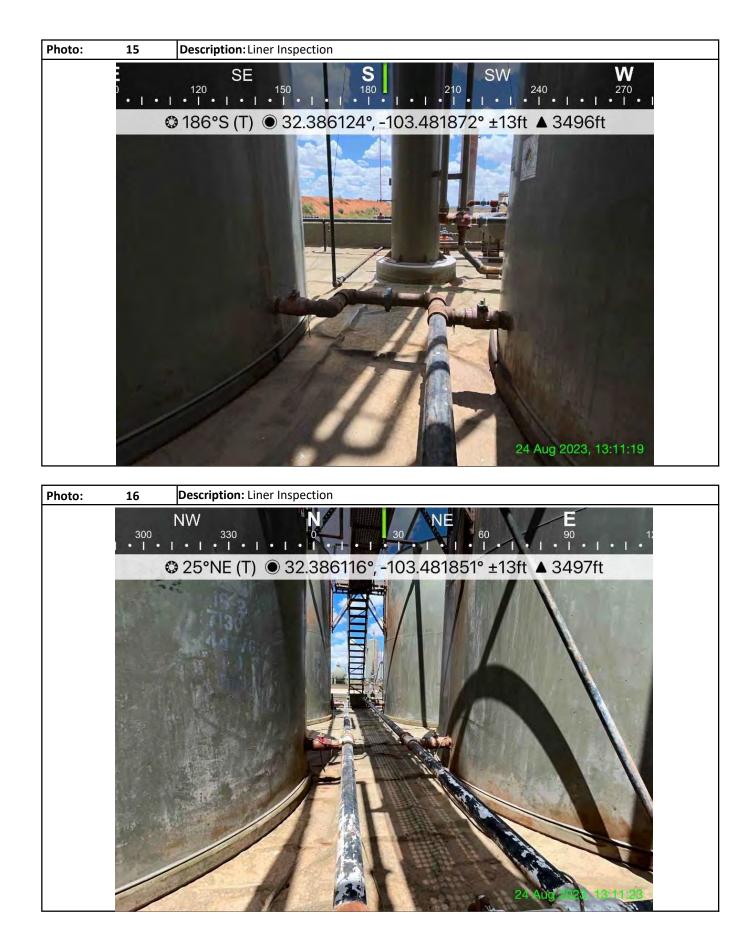












Attachment IV Depth to Groundwater



New Mexico Office of the State Engineer Wells with Well Log Information

No wells found.

UTMNAD83 Radius Search (in meters): Easting (X): 642850.32

Northing (Y): 3584243

Radius: 805

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for particular purpose of the data.

8/21/23 1:36 PM

WELLS WITH WELL LOG INFORMATIO

Attachment V Liner Inspection Report

Liner	Inspe	ction	Form
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Client	BTA Oil Producers, LLC
Site Name	Grama Horizontal Battery
Lat/Long	32.38606, -103.48132
Release Date	12-Aug-23
Incident Number	nAPP2322622446
NMOCD Notified	21-Aug-23
Inspection Date	8/24/23



Observations	Yes	No	Comments
Is the liner present?	X		
ls the liner torn?		X	
Are there visible holes in the liner?		X	
Is the liner retaining any liquids?		X	
Does it appear the liner had the abillity to contain the leak?	X		

Type of liner:

Earthen with liner	
Metal with Poly Lin	ning

Earthen no liner

Metal with Spray Epoxy Lining

Other:

looked good No Concerns Other concerns or observations: Liner

Inspector Name	Bradley Wells	
Inspector Signature	G. Will	

Attachment VI NMOCD Form Initial C-141

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

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Incident ID	nAPP2322622446
District RP	
Facility ID	fAPP2129830111
Application ID	

Release Notification

Responsible Party

Responsible Party: BTA Oil Producers, LLC	OGRID: 260297
Contact Name: Kelton Beaird	Contact Telephone: 432-312-2203
Contact email: kbeaird@btaoil.com	Incident # (assigned by OCD)
Contact mailing address: 104 S. Pecos St., Midland, TX 79701	

Location of Release Source

Latitude:

(NAD 83 in decimal degrees to 5 decimal places)

Site Name: Grama Horizontal Battery	Site Type: Production facility
Date Release Discovered: 8-12-23	API# (if applicable)

Unit Letter	Section	Township	Range	County
Р	16	22S	34E	Lea

Surface Owner: State Federal Tribal Private (Name: _

Nature and Volume of Release

Crude Oil	rial(s) Released (Select all that apply and attach calculations or speci Volume Released (bbls)	Volume Recovered (bbls) 0
Produced Water	Volume Released (bbls) 60	Volume Recovered (bbls) 60
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	Yes No
Condensate	Volume Released (bbls)	Volume Recovered (bbls)
Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)
Cause of Release A bushing on the transf	Fer pump corroded releasing fluid inside the lined secor	ndary containment. All fluid was recovered.

The amount was determined by gauging the amount recovered after it was placed in an isolated tank.

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ge 2	Oil Conservation Division	District RP	
		Facility ID	
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Was this a major release as defined by 19.15.29.7(A) NMAC? Yes No	If YES, for what reason(s) does the responsible par 25 bbls. or greater.	• • •	
	otice given to the OCD? By whom? To whom? Wh OCD.enviro, Mike Bratcher and Robert Hamlet on 8		tc)?

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

 \square The source of the release has been stopped.

Р

The impacted area has been secured to protect human health and the environment.

Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.

All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have not been undertaken, explain why:

Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Printed Name: Kelton Beaird Title: E Signature:	Environmental Manager	Data	_8-15-2023	
		Date	_6-13-2023	
email: kbeaird@btaoil.com	Telephone: 432-312-2203	3		
OCD Only Received by:		Date:		

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

Operator:	OGRID:
BTA OIL PRODUCERS, LLC	260297
104 S Pecos	Action Number:
Midland, TX 79701	258007
	Action Type:
	[C-141] Release Corrective Action (C-141)
	·

CONDITIONS

Created By	Condition	Condition Date
nvelez	Liner inspection approved. Release resolved.	11/17/2023

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Action 258007