



LINER INSPECTION CLOSURE REPORT

Property:

Cypress 34B CTB

Eddy County, New Mexico
32.265291° N, 103.971836° W
NMOCD Incident ID: nAPP2406675705

May 8, 2024
Ensolum Project No. 03B1417161


Prepared for:

Oxy USA Inc.
P.O. Box 4294
Houston, TX 77210
Attn: Mr. Wade Dittrich

Prepared by:



Kelly Lowery, GIT
Project Geologist



Beaux Jennings
Associate Principal



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ENSOLUM

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1.0 INTRODUCTION

1.1 Executive Summary

- On March 6, 2024, a release of produced water and produced oil occurred as a result of a frac tank leak at the Cypress 34B CTB, hereinafter referred to as the "Site". Approximately 120 barrels (bbls) of produced water and 1 bbl of crude oil were released within the lined secondary containment, impacting an area approximately 15 feet long by 30 feet wide, with approximately 120 bbls of produced water and 1 bbl of crude oil recovered. The release was wholly contained within the lined secondary containment area. A site map depicting the spill location is included as **Figure 3** located in **Appendix A**.
- The released fluid inside the secondary containment area was removed and taken off-Site for proper disposal.
- The primary objective of the closure activities was to remove the released fluid, then conduct an integrity inspection of the liner, as required by New Mexico Energy, Minerals and Natural Resources Department (EMNRD) Oil Conservation Division (OCD) Closure Criteria for Soils Impacted by a Release using the New Mexico Administrative Code (NMAC) 19.15.29 *Releases* as guidance.
- On March 28, 2024, Ensolum arrived on-Site to conduct a liner inspection to determine the integrity of the existing liner within the containment area. Based on visual inspection of the liner within the containment area, the liner remained intact and was free of damage. Therefore, in accordance with NMAC 19.15.29, collection of confirmation soil samples was not necessary. Photographic documentation is provided in **Appendix B**.
- The spill area was located within the lined secondary containment and does not require reclamation or revegetation at this time.

Based on field observations, no additional investigation or corrective action appears warranted at this time.

2.0 STANDARDS OF CARE, LIMITATIONS, AND RELIANCE

2.1 Standard of Care

Ensolum's services were performed in accordance with standards customarily provided by a firm rendering the same or similar services in the area during the same time period. Ensolum makes no warranties, express or implied, as to the services performed hereunder. Additionally, Ensolum does not warrant the work of third parties supplying information used in the report (e.g., laboratories, regulatory agencies, or other third parties). This scope of services was performed in accordance with the scope of work agreed with the client, as detailed in our proposal.

2.2 Limitations

Findings, conclusions, and recommendations resulting from these services are based upon information derived from the on-Site activities and other services performed under this scope of work and it should be noted that this information is subject to change over time. Certain indicators of the presence of hazardous substances, petroleum products, or other constituents may have been latent, inaccessible, unobservable, or not present during these services, and Ensolum cannot represent that the Site contains no hazardous substances, toxic materials, petroleum products, or other latent conditions beyond those identified during the investigation. Environmental conditions at other areas or portions of the Site may vary from those encountered at actual sample locations. Ensolum's findings and recommendations are based solely upon data available to Ensolum at the time of these services.

2.3 Reliance

This report has been prepared for the exclusive use of Oxy USA, Inc., and any authorization for use or reliance by any other party (except a governmental entity having jurisdiction over the Site) is prohibited without the express written authorization Oxy USA, Inc. and Ensolum. Any unauthorized distribution or reuse is at the client's sole risk. Notwithstanding the foregoing, reliance by authorized parties will be subject to the terms, conditions and limitations stated in the Closure Report, and Ensolum's Master Services Agreement. The limitation of liability defined in the agreement is the aggregate limit of Ensolum's liability to the client.



APPENDIX A

Figures



Site Vicinity Map

Oxy USA Inc.
Cypress 34B CTB
32.265291° N, 103.971836° W
Eddy County, New Mexico

PROJECT NUMBER: 03B1417161

FIGURE
2



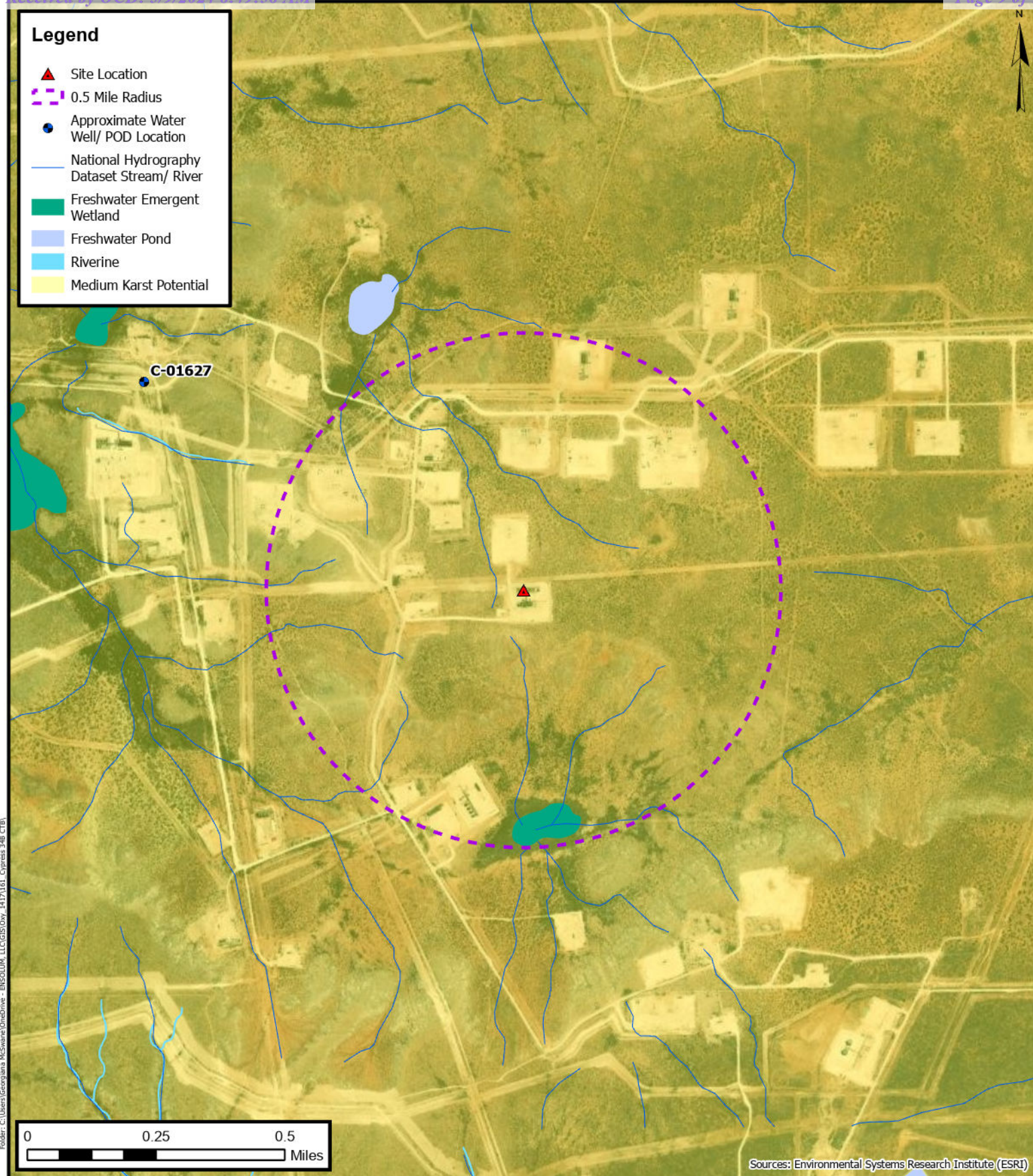
Site Map

Oxy USA Inc.
Cypress 34B CTB
32.265291° N, 103.971836° W
Eddy County, New Mexico

PROJECT NUMBER: 03B1417161

FIGURE

3



Closure Criteria Map

Oxy USA Inc.
Cypress 34B CTB
32.265291° N, 103.971836° W
Eddy County, New Mexico

PROJECT NUMBER: 03B1417161

FIGURE
4



APPENDIX B

Photographic Documentation

Project: Cypress 34B CTB

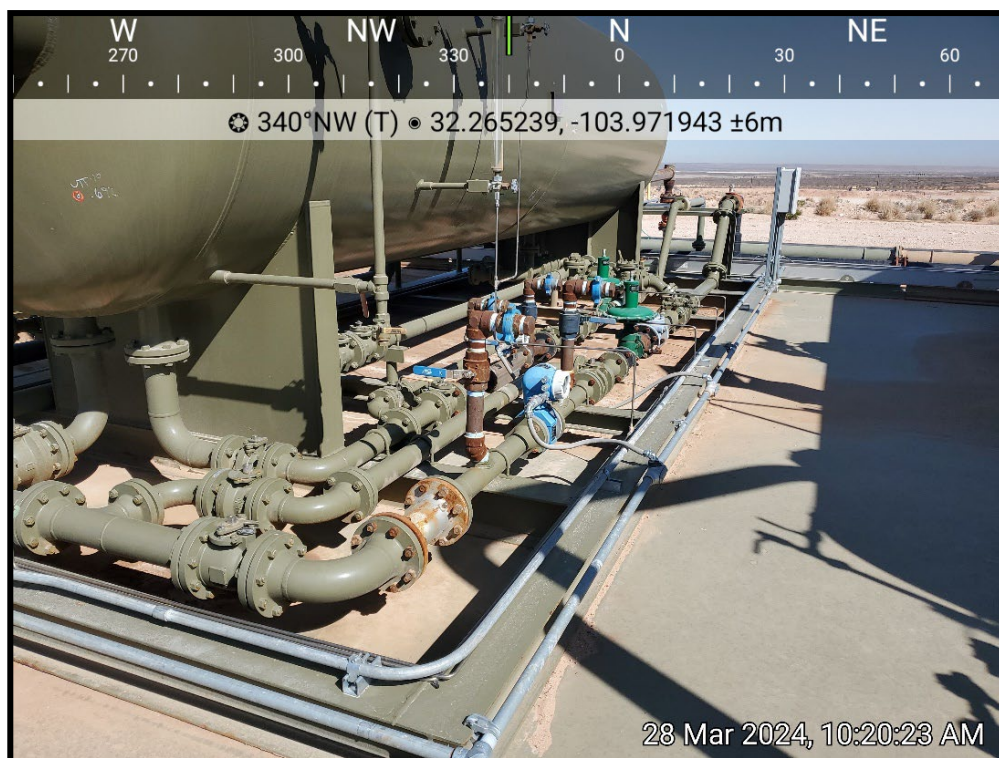
Entity: OXY USA Inc.

Project #: 03B1417161

Incident ID: nAPP2406675705



Signage of the site, facing east (03/28/2024).



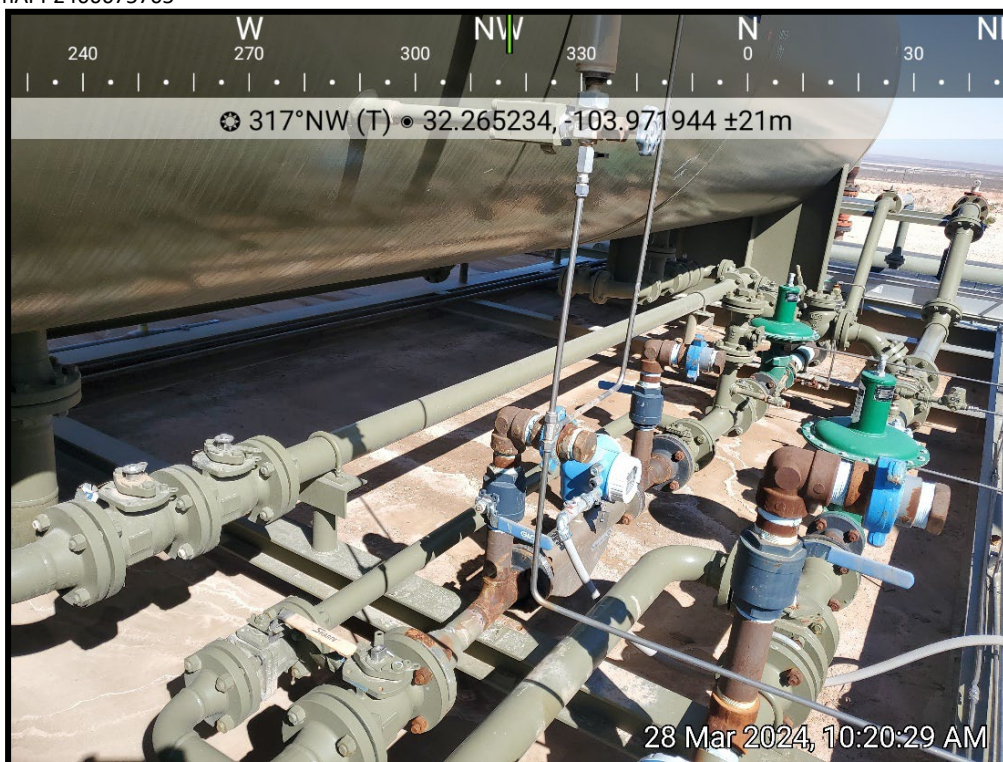
View of horizontal separator and liner, facing northwest (03/28/2024).

Project: Cypress 34B CTB

Entity: OXY USA Inc.

Project #: 03B1417161

Incident ID: nAPP2406675705



View of equipment and liner, facing northwest (03/28/2024).



View of extent of equipment and liner, facing south (03/28/2024).

Project: Cypress 34B CTB
Entity: OXY USA Inc.
Project #: 03B1417161
Incident ID: nAPP2406675705



View of extent of equipment and liner, facing north (03/28/2024).



View of extent of equipment and liner, facing northeast (03/28/2024).

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

QUESTIONS

Action 342429

QUESTIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID:
	16696
	Action Number:
	342429
Action Type: [C-141] Remediation Closure Request C-141 (C-141-v-Closure)	

QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2406675705
Incident Name	NAPP2406675705 CYPRESS 34B CTB @ 0
Incident Type	Release Other
Incident Status	Remediation Closure Report Received

Location of Release Source	
Please answer all the questions in this group.	
Site Name	CYPRESS 34B CTB
Date Release Discovered	03/06/2024
Surface Owner	Federal

Incident Details	
Please answer all the questions in this group.	
Incident Type	Release Other
Did this release result in a fire or is the result of a fire	No
Did this release result in any injuries	No
Has this release reached or does it have a reasonable probability of reaching a watercourse	No
Has this release endangered or does it have a reasonable probability of endangering public health	No
Has this release substantially damaged or will it substantially damage property or the environment	No
Is this release of a volume that is or may with reasonable probability be detrimental to fresh water	No

Nature and Volume of Release	
Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.	
Crude Oil Released (bbls) Details	Cause: Equipment Failure Separator Crude Oil Released: 1 BBL Recovered: 1 BBL Lost: 0 BBL.
Produced Water Released (bbls) Details	Cause: Equipment Failure Separator Produced Water Released: 120 BBL Recovered: 120 BBL Lost: 0 BBL.
Is the concentration of chloride in the produced water >10,000 mg/l	No
Condensate Released (bbls) Details	Not answered.
Natural Gas Vented (Mcf) Details	Not answered.
Natural Gas Flared (Mcf) Details	Not answered.
Other Released Details	Not answered.
Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)	Production Separator release of produced oil and produced water into a lined secondary containment.

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QUESTIONS, Page 2

Action 342429

QUESTIONS (continued)

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QUESTIONS

Nature and Volume of Release (continued)	
Is this a gas only submission (i.e. only significant Mcf values reported)	No, according to supplied volumes this does not appear to be a "gas only" report.
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	Yes
Reasons why this would be considered a submission for a notification of a major release	From paragraph A. "Major release" determine using: (1) an unauthorized release of a volume, excluding gases, of 25 barrels or more.
With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e. gas only) are to be submitted on the C-129 form.	

Initial Response

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

The source of the release has been stopped	True
The impacted area has been secured to protect human health and the environment	True
Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices	True
All free liquids and recoverable materials have been removed and managed appropriately	True
If all the actions described above have not been undertaken, explain why	Not answered.

Per Paragraph (4) of Subsection B of 19.15.29.8 NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please prepare and attach a narrative of actions to date in the follow-up C-141 submission. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC), please prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.

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.

I hereby agree and sign off to the above statement	Name: Wade Dittrich Title: Environmental Coordinator Email: wade_dittrich@oxy.com Date: 05/09/2024
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QUESTIONS, Page 3

Action 342429

QUESTIONS (continued)

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	16696
	Action Number:
	342429
	Action Type:
	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS**Site Characterization**

Please answer all the questions in this group (only required when seeking remediation plan approval and beyond). 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 in feet below ground surface (ft bgs)	Between 100 and 500 (ft.)
What method was used to determine the depth to ground water	NM OSE iWaters Database Search
Did this release impact groundwater or surface water	No
What is the minimum distance, between the closest lateral extents of the release and the following surface areas:	
A continuously flowing watercourse or any other significant watercourse	Between 1 and 5 (mi.)
Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)	Between 1 and 5 (mi.)
An occupied permanent residence, school, hospital, institution, or church	Greater than 5 (mi.)
A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes	Between 1 and 5 (mi.)
Any other fresh water well or spring	Between ½ and 1 (mi.)
Incorporated municipal boundaries or a defined municipal fresh water well field	Greater than 5 (mi.)
A wetland	Between 1000 (ft.) and ½ (mi.)
A subsurface mine	Greater than 5 (mi.)
An (non-karst) unstable area	Between 1 and 5 (mi.)
Categorize the risk of this well / site being in a karst geology	Medium
A 100-year floodplain	Between 1 and 5 (mi.)
Did the release impact areas not on an exploration, development, production, or storage site	No

Remediation Plan

Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

Requesting a remediation plan approval with this submission	Yes
Attach a comprehensive report demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined, pursuant to 19.15.29.11 NMAC and 19.15.29.13 NMAC.	
Have the lateral and vertical extents of contamination been fully delineated	Yes
Was this release entirely contained within a lined containment area	Yes
Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC, which includes the anticipated timelines for beginning and completing the remediation.	
On what estimated date will the remediation commence	03/06/2024
On what date will (or did) the final sampling or liner inspection occur	03/28/2024
On what date will (or was) the remediation complete(d)	03/06/2024
What is the estimated surface area (in square feet) that will be remediated	450
What is the estimated volume (in cubic yards) that will be remediated	0
These estimated dates and measurements are recognized to be the best guess or calculation at the time of submission and may (be) change(d) over time as more remediation efforts are completed.	
The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.	

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QUESTIONS, Page 4

Action 342429

QUESTIONS (continued)

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	Action Number:	342429
	Action Type:	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Remediation Plan (continued)	
<i>Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.</i>	
This remediation will (or is expected to) utilize the following processes to remediate / reduce contaminants:	
<i>(Select all answers below that apply.)</i>	
Is (or was) there affected material present needing to be removed	No
Is (or was) there a power wash of the lined containment area (to be) performed	Yes
OTHER (Non-listed remedial process)	Not answered.
<i>Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC, which includes the anticipated timelines for beginning and completing the remediation.</i>	
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.	
I hereby agree and sign off to the above statement	Name: Wade Dittrich Title: Environmental Coordinator Email: wade_dittrich@oxy.com Date: 05/09/2024
<i>The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.</i>	

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QUESTIONS, Page 6

Action 342429

QUESTIONS (continued)

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	Action Number:	342429
	Action Type:	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Liner Inspection Information	
Last liner inspection notification (C-141L) recorded	326264
Liner inspection date pursuant to Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC	03/28/2024
Was all the impacted materials removed from the liner	Yes
What was the liner inspection surface area in square feet	5005

Remediation Closure Request

Only answer the questions in this group if seeking remediation closure for this release because all remediation steps have been completed.

Requesting a remediation closure approval with this submission	Yes
Have the lateral and vertical extents of contamination been fully delineated	Yes
Was this release entirely contained within a lined containment area	Yes
What was the total surface area (in square feet) remediated	450
What was the total volume (cubic yards) remediated	0
Summarize any additional remediation activities not included by answers (above)	None

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 (in .pdf format) 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.

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.

I hereby agree and sign off to the above statement	Name: Wade Dittrich Title: Environmental Coordinator Email: wade_dittrich@oxy.com Date: 05/09/2024
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CONDITIONS

Action 342429

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	Action Number:
	342429
Action Type:	
[C-141] Remediation Closure Request C-141 (C-141-v-Closure)	

CONDITIONS

Created By	Condition	Condition Date
scwells	None	5/10/2024