AE Order Number Banner

Report Description

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CELERO ENERGY II, LP

7/29/2016

TETRA TECH

HOBBS OCD

APR 02 2014

RECEIVED

March 27, 2014

approved
Geoffrey Leking
Environmental Specialist
NMOCD-DIST 1
5/02/14

Mr. Geoffrey Leking
Environmental Engineer Specialist
Oil Conservation Division, District 1
1625 North French Drive
Hobbs, New Mexico 88240

Re: Closure Report for the Celero Energy II LP, Priest #1 Tank Battery, Unit D, Section 1, Township 15 South, Range 37 East, Lea County, New Mexico.

Mr. Leking:

Tetra Tech, Inc. (Tetra Tech) was contacted by Celero Energy II LP (Celero) to assess the soils at the abandoned Priest #1 Tank Battery located in Unit D, Section 1, Township 15 South, Range 37 East, Lea County, New Mexico (Abanonded Tank Battery). The Abandoned Tank Battery site coordinates are N 33.04994°, W 103.15944°. The site location is shown on Figures 1 and 2.

Background

Celero acquired certain oil and gas properties from Saber Resources, LLC, et al (Saber) effective August 1, 2008, including but not limited to various oil and gas leases covering lands located in the N/2 of the above described Section 1 (Preiest Lease). A new tank battery had been constructed in approximately 2004 to service the Preist Lease (New Tank Battery). The Abandoned Tank Battery is located approximately 0.1 mile east of the New Tank Battery.

At the time Celero acquired the Priest Lease, Saber advised that they did not utilize the Abandoned Tank Battery as Operator of the Priest Lease, and that same was not part of the sale to Celero. Saber further advised that the Abandoned Tank Battery was previously the subject of that certain lawsuit styled as Darr Angell, Individually, and State of New Mexico ex rel, Darr Angell v. Polaris Production Corporation (D.C. No. CIV-03-318 JCH/RLP-D. New Mexico), in which the Plaintiff's claims were dismissed with prejudice in their entirety by Judgement dated January January 19, 2007 of the United States District Court, District of New Mexico. Subsequently, the United States Court of Appeals affirmed the District Court Judgement by Order and Judgment filed June 4, 2008. File notes also indicate there may have been an old pipeline located near the Abandoned Tank Battery, and a couple of monitor wells were believed to have been drilled in this vicinity by the

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surface owner.

Neither Celero or Saber utilized the Abandoned Tank Battery in its operations of the Priest Lease. However, at the time, Celero acquired the Priest Lease from Saber, Celero filed an NMOCD form C-104 for an inactive well known as the Priest No. 4 Well, that was the only well connected to the Abandoned Tank Battery. Effective August 1, 2012, Celero sold the Priest Lease to Resolute Natural Resources Southwest, LLC, and it became necessary to plug and abandon the inactive Priest No 4 well. As a result of the plug and abandonment of said well, being the last well connected to the Abandoned Tank Battery, Celero voluntarily decided to dismantle the Abandoned Tank Battery and initiated contact with the NMOCD relative to the reclamation of such site.

Groundwater

According to the New Mexico State Engineers Office database, the nearest wells to the site showed with an average depth to water of approximately 45' below ground surface. On the NMOCD groundwater map, the groundwater depth in this area is reported at approximate depth of 55' below surface. Based on the soil assessment performed at the site, the depth to water is approximately 70' to 75' below surface. The groundwater data is shown in Appendix A.

Regulatory

A risk-based evaluation was performed for the Site in accordance with the New Mexico Oil Conservation Division (NMOCD) Guidelines for Remediation of Leaks, Spills and Releases, dated August 13, 1993. The guidelines require a risk-based evaluation of the site to determine recommended remedial action levels (RRAL) for benzene, toluene, ethylbenzene and xylene (collectively referred to as BTEX) and total petroleum hydrocarbons (TPH) in soil. The proposed RRAL for benzene was determined to be 10 parts per million (ppm) or milligrams per kilogram (mg/kg) and 50 ppm for total BTEX (sum of benzene, toluene, ethylbenzene, and xylene). Based upon the depth to groundwater, the proposed RRAL for TPH is 1,000 mg/kg.

Excavation and Liner Installation Activities

Based on an initial work plan dated June 5, 2013, November 26, 2013, and revised February 21, 2014, Celero began dismantling the former abandoned tank battery in July 2013. Between July 2013 and January 2014, approximately 7,600 cubic yards of hydrocarbon and chloride impacted soils were excavated and transported offsite for disposal at Gandy Marley of Tatum, New Mexico. As per the work plan, the site was excavated to the depths as shown on Figure 3. Upon completion of the excavation in March 2014, and at the request of the landowner, all of the excavated areas were capped with a 40 mil liner at a depth of 4.0' below surface grade. See Figure 4 for liner dimension and location. Upon completion of the installation of the liner, the site was backfilled to surface grade with clean soils. See attached photographs of site.

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Conclusion

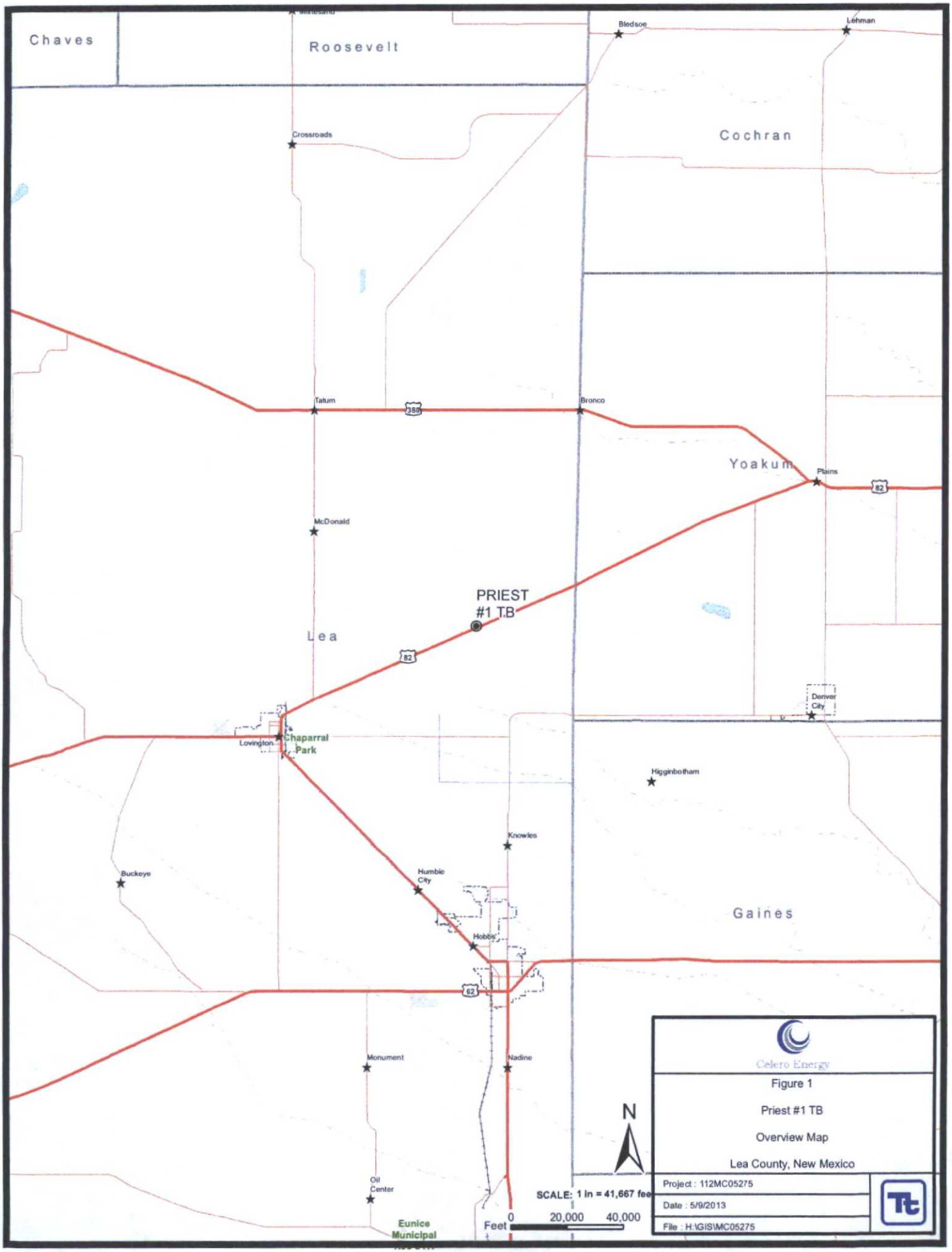
In accordance with the June 5, November 26, 2013, and revised February 21, 2014 work plan, Celero has implemented and completed the proposed work at the site. With completion of the approved work plan, Celero respectfully requests that the NMOCD consider closure of the site. If you have any questions or comments in regards to the remediation activities, please call me at (432) 682-4559.

Respectfully submitted,
TETRA TECH

Jeffrey Kindley, P.G.
Senior Project Manager

cc: Bruce Woodard – Celero Energy II LP

FIGURES



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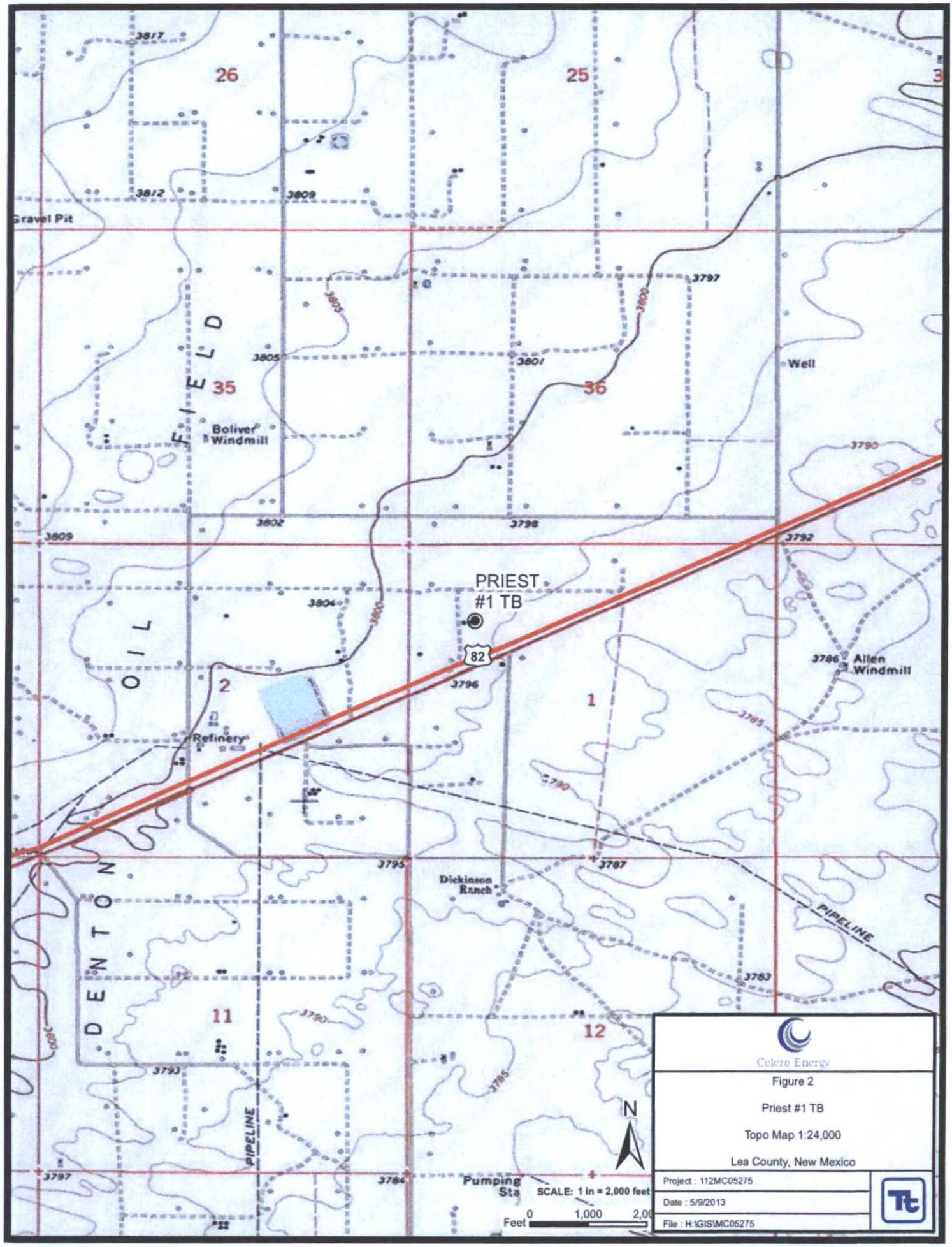

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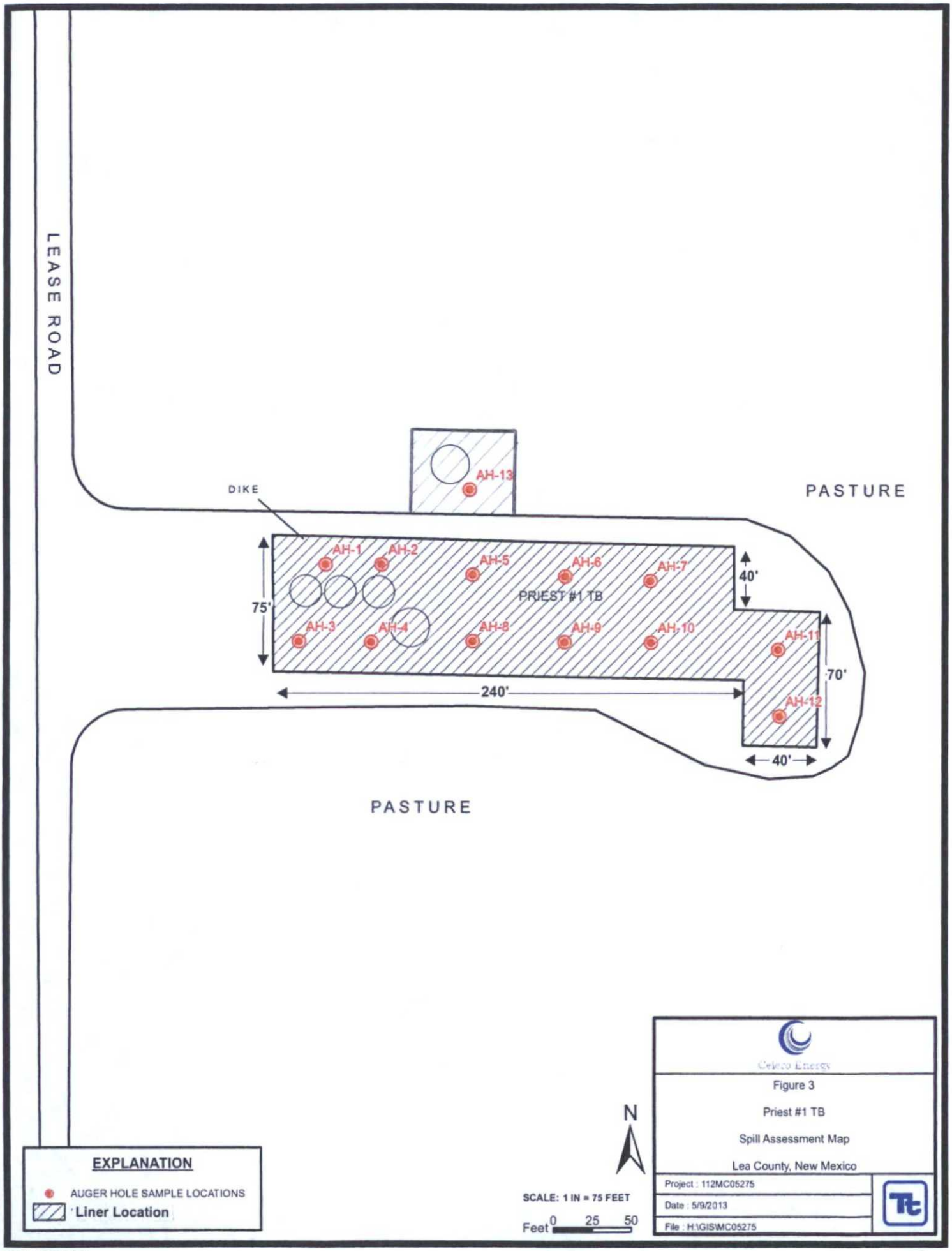

Drawn By: Isabel Marmolejo

PHOTOGRAPHS

Photographic Documentation
Celero Energy II LP, Priest #1 Tank Battery
Lea County, New Mexico
Project No. 112MC05275

Photo: 1 **Description:** View of excavation of site.	

Photo: 2 **Description:** Excavation of site.	

Photographic Documentation
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Photo: 3 **Description:** Excavation of the site.	
Photo: 4 **Description:** View of excavation of site.	

Photographic Documentation
Celero Energy II LP, Priest #1 Tank Battery
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Photo: 5 **Description:** View of excavation.	

Photo: 6 **Description:** Installation of liner.	

Photographic Documentation
Celero Energy II LP, Priest #1 Tank Battery
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Photo: 7 **Description:** Installation of liner.	
Photo: 8 **Description:** Backfilling of site.