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

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Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

# Release Notification and Corrective Action

## OPERATOR

X Initial Report ☐ Final Report

| | |
|---|---|
| Name of Company Jay Management, LLC 247692 | Contact Kirk Broussard |
| Address 2425 W. Loop So. Suite 800 Houston, TX 77056 | Telephone No. 713.621.3882 X 302 |
| Facility Name Satellite 5 ST. OG SWD #2 | Facility Type SW Emergency Overflow |

| | | |
|---|---|---|
| Surface Owner: NMSLO | Mineral Owner: Isramco | Lease No. API# 30-025-31381 |

## LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|---|---|---|---|---|---|---|---|---|
| | 22 | 11S | 33E | | | | | Lea |

**Latitude** 33.34970N **Longitude** 103.60605W

WTR 30'

## NATURE OF RELEASE

| | | |
|---|---|---|
| Type of Release Lined/Unlined Pit | Volume of Release N/A | Volume Recovered N/A |
| Source of Release SWD Pipeline | Date and Hour of Occurrence N/A | Date and Hour of Discovery N/A |
| Was Immediate Notice Given? X Yes ☐ No ☐ Not Required | If YES, To Whom? Larry Johnson | |
| By Whom? Mike Griffin/Whole Earth Environmental, Inc. | Date and Hour 11-19-09 9:30A | |
| Was a Watercourse Reached? ☐ Yes X No | If YES, Volume Impacting the Watercourse. N/A | |

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Sat. 2 was originally an unlined pit created in the late 70's. The impoundment was lined in the late 80's but no apparent remediation was done to the underlying soils. When converting from a lined pit to surface tank, the pit liner was removed and the underlying contamination uncovered.

Describe Area Affected and Cleanup Action Taken.*
The existing dimensions are approximately 220' X 220' X 6'. The liner and all pit contents were sent to commercial disposal. We are presently delineating the vertical and lateral extent of contamination & will provide the NMOCD with a remediation protocol once completed.

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: | OIL CONSERVATION DIVISION |
| Printed Name: Kirk Broussard | Approved by District Supervisor: ENVIRONMENTAL ENGINEER |
| Title: Engineer | Approval Date: 4.14.10 Expiration Date: 6.14.10 |
| E-mail Address: kirkb@isramco-jay.com | Conditions of Approval: Attached ☐ |
| Date: 12/29/09 Phone: 713.621.3882 X302 | SUBMIT FINAL C-141 w/DOCS BY IRP # 10.4.2477 |

* Attach Additional Sheets If Necessary

# Executive Summary
# Jay Management Co.
# Satellite No. 5
# Remediation Project

**Location**
The site is located approximately thirty miles west of the City of Tatum, Lea County, New Mexico on state lands. The primary land use is grazing of cattle however extensive oil and gas operations are prevalent in the area. The area is semi-arid with a net precipitation / evaporation amount of –73" per year. The legal description is S-22, T-11S, R-33E. The geo-coordinates for the location are N 33.34970, W 103.60605. Depth to groundwater is estimated to be approximately 61' below ground surface.

**History**
Upon taking ownership of certain properties within the Bagley Field, Jay Management Company undertook an investigation of potential environmental or regulatory deficiencies within their properties. The NMOCD was notified that Satellite No. 5 was found to have an unpermitted pit. The NMOCD subsequently scheduled the pit to be closed under ASO-010-A.

**Site Description**
The lined pit measuring 120' X 100' X 4' was installed in approximately 1986. The materials excavated from within the impoundment were used to construct the containment berms. The 20 mil HDPE liner extended over the berms. The lined pit was used as an emergency brine discharge facility in the event of an upset at the adjacent storage tank area.

**Remediation Activities**
The pit fluids were transported to the Gandy Tatum station for disposal. The pit solids to include netting, liner and solids within the liner were transported to the Gandy/Marley disposal facility near Caprock, NM. The Gandy/Marley permit number is NM-1-0019.

The area beneath the liner was delineated and all contaminated soils sent to Gandy/Marley. The total volume sent to commercial disposal represented 1,534 cubic yards.

**Delineation**

The excavated area was field tested for the presence and concentrations of chlorides and volatile organic compounds in accordance with testing procedures QP-97 and QP-18A (included within the Laboratory Analytical section of this report). Excavation of the edges of the excavation was continued until field testing revealed acceptable concentrations. The center of the pit was cored to a depth of 20' below ground surface found to have background concentrations of chlorides.

Final side-wall and bottom surface composite samples were collected in accordance with QP-77 (attached) and transported to Cardinal Laboratories in Hobbs, New Mexico for analysis of chlorides, BTEX and TPH.

**Backfill**

The excavation was backfilled with caliche and a containment area for new storage tanks was constructed atop a portion of the old pit area. The construction of the new containment included the installation of a one foot thick section of compacted clay overlain by a 20 mil HDPE liner, another six inches of compacted clay and finally a 4" gravel layer. The berms were constructed from clay with a footing trench holding down the liner at the outside perimeter.