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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

1RP-03469

OPERATOR

☐ Initial Report XX Final Report

Name of Company: Grand Banks Energy	Contact: Terry Duffy or Wayne Price-Price LLC
Address: 10 Desta Drive Midland TX	Telephone No. 432-978-1126 or 505-715-2809
Facility Name: AUR #14	Facility Type: OIL Well

Surface Owner: NMSLO	Mineral Owner: NMSLO	API No.30-025-00365

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	2	16S	32E	1980	South	660	East	Lea

Latitude_____ **Longitude**_____

NATURE OF RELEASE- *See Initial Report Attached*

Type of Release: ***See Initial Report Attached***	Volume of Release	Volume Recovered
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? ☐ Yes ☐ No ☐ Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? ☐ Yes ☐ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*- ***NO***

Describe Cause of Problem and Remedial Action Taken.* ***See Attached Report by Price LLC***

Describe Area Affected and Cleanup Action Taken.* ***See Attached Report by Price LLC***

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.

OIL CONSERVATION DIVISION

Signature: Wayne Price

Hydrologist

Approved by ~~Environmental Specialist~~:

Printed Name: Wayne Price

Title: Price LLC-Mg Member

Approval Date: 12/02/2015 Expiration Date: ///

E-mail Address: wayneprice77@earthlink.net

Conditions of Approval: ///

Attached ☐ 1RP--3469

Date: October 15, 2015 Phone: 50-715-2809

* Attach Additional Sheets If Necessary- ***See Attached Report by Price LLC***

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Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company GRAND BANKS ENERGY	Contact TERRY DUFFEY
Address 10 DESTA DRIVE, MIDLAND, TX	Telephone No. 432-978-1126
Facility Name ANDERSON RANCH UNIT	Facility Type WELL #14

Surface Owner NMEX STATE	Mineral Owner NMEX STATE	API No. 30-025-00365

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	2	16S	32E	1980	SOUTH	660	EAST	LEA

Latitude_____ **Longitude**_____

NATURE OF RELEASE

Type of Release FLOWLINE LEAK	Volume of Release 90 BBL	Volume Recovered NONE
Source of Release	Date and Hour of Occurrence ↓	Date and Hour of Discovery ↓
Was Immediate Notice Given? ☐ Yes ☒ No ☐ Not Required	If YES, To Whom? 12-15-14 AFTER 10AM	12-16-14 10 AM
By Whom?	Date and Hour	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

A STEEL LINE SUPPLYING POWER OIL TO A DOWNHOLE HYDRAULIC PUMP DEVELOPED A LEAK AT AN ELBOW IN THE LINE AS IT TURNED UPWARD FOR CONNECTION TO THE WELLHEAD

Describe Area Affected and Cleanup Action Taken.*

APPROXIMATELY 160 YDS OF OIL-CONTAMINATED SOIL WAS EXCAVATED AND REMOVED TO AN APPROVED LANDFILL. SOIL SAMPLES WILL BE TAKEN BEFORE THE AREA IS BACKFILLED W/ TOPSOIL

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: Terry Duffey	OIL CONSERVATION DIVISION	
Printed Name: TERRY DUFFEY	Approved by Environmental Specialist:	
Title: AGENT	Approval Date:	Expiration Date:
E-mail Address: TERRY.DUFFEY@ATT.NET	Conditions of Approval:	Attached ☐
Date: 12-30-14 Phone: 432-978-1126		

* Attach Additional Sheets If Necessary

October 11, 2015

Attachment for Final C-141 Closure Report for Grand Banks 1RP-03469 AUR#14 Well Site:

Background: On December 14, 2014 Grand Banks had a 90-barrel release of crude oil near the AUR#14 wellhead. The oil spilled on the pad and ran off in sheet flow fashion until it entered a series of small erosional features and flowed approximately 400-500 ft., stopping in a small depressed low lying area where it pooled.

Due to the site location and sensitivity of a nearby playa lake, immediate emergency response actions were taken by removing approximately 160 yards of oily saturated soils. The soils were disposed of at the OCD permitted Gandy-Marley Landfill. See attached aerial plot plan depicting the original spill footprint and sample points.

Site Hydrogeology: The ARU#14 sets at an elevation of approximately 4397 AMSL upon a hard caliche bedrock. Just west of the well pad is a significant relief feature sloping 23 feet into a nearby playa lake, where the local rancher has dug a cattle drinker pond.

The soil underlying the well pad is typical hardpan caliche and transgresses into a red stiff clay loam just off of the west end of the well pad.

The area overlays the Ogallala water bearing formation where the depth of groundwater ranges from 180-220 ft., below the surface.

Site Investigation: After the emergency response actions, Grand Bands requested Price LLC to perform a site assessment to determine if any "Constituents of Concerns" (COC's) remained in the soil that exceeded the OCD leak and spill guidelines.

Price LLC collected several random and selected soil samples through out the site and tested for Volatile Organics, TPH, and Chlorides using field test equipment. In addition, the site was screened and noted for olfactory smells and visual oil stains.

There were six areas that were singled out and concentrated on; these were marked as Pool #1, 2, 2A, 3, 4 and 5. The field test results are compiled in an excel spreadsheet and attached hereto for reference. Theses locations are also marked on the aerial plot plan.

The emergency response actions were successful in mitigating any significant threats to both surface and groundwater. There were two areas which needed addressing and that was Pool #3, the far area where the oil pooled and stopped flowing, and Pool #5, which was the pad itself.

Natural Attenuation: Since the spill consisted of predominantly light crude oil, with very little salt, it was decided to allow natural attenuation of the remaining areas and monitor these periodically for progress. This was allowed during the time period of February thru early June. This method work extreamely well for the exposed soils, especially for the more mobile volatile organics.

June Site Inspection and Additional Work: Price LLC re-inspected the site in June of 2015 and a decision was made to remove additional soils predominantly from the Pool #3 and Pool #5 areas, and some minor visually contaminated soils from the other areas, including Pool #2. Approximately 60 yards of contaminated soils were excavated and hauled to the Gandy-Marley Landfill. Caliche backfill was brought back in to rebuild the pad area and to install a berm to prevent future runoff. See attached the June excavation photos showing the additional excavated areas of concern.

Pool #3 and Pool #5 and a total site bottom composite sample was collected from the entire site and submitted to the lab for confirmation. The samples were analyzed for BTEX, TPH and Chlorides. The results were basically "ND" for all samples submitted. See attached Lab Reports.

July-Aug-September 2015 Final Work:

During the summer of 2015 this area experienced an unusual amount of rainfall and it was apparent that the previous erosional features and excavated areas were in need of some attention. Therefore, Grand Banks approved a landscaping project to improve the runoff area features.

Both the State Land Office and the Rancher were in agreement as this entailed removing the snakeweed, bitter weed and mesquite in the drainage path, fill in the erosional features and contour the site by converting it into sheet flow conditions rather than point source features.

The final step including plowing, disking and applying a winter (Hold Over) conditional fertilizer, (8-8-8).

This provided a two-fold advantage; it eliminated any possible point source to the nearby playa lake, and drastically improved the ability of this landscape to return to its natural state.

The site was not re-seeded, as any SLO/BLM seed mix will not survive in the predominately iron rich stiff red-clay loam until natural processes take place. The playa buffalo grass will eventually take hold after a natural process of successful species replacement.

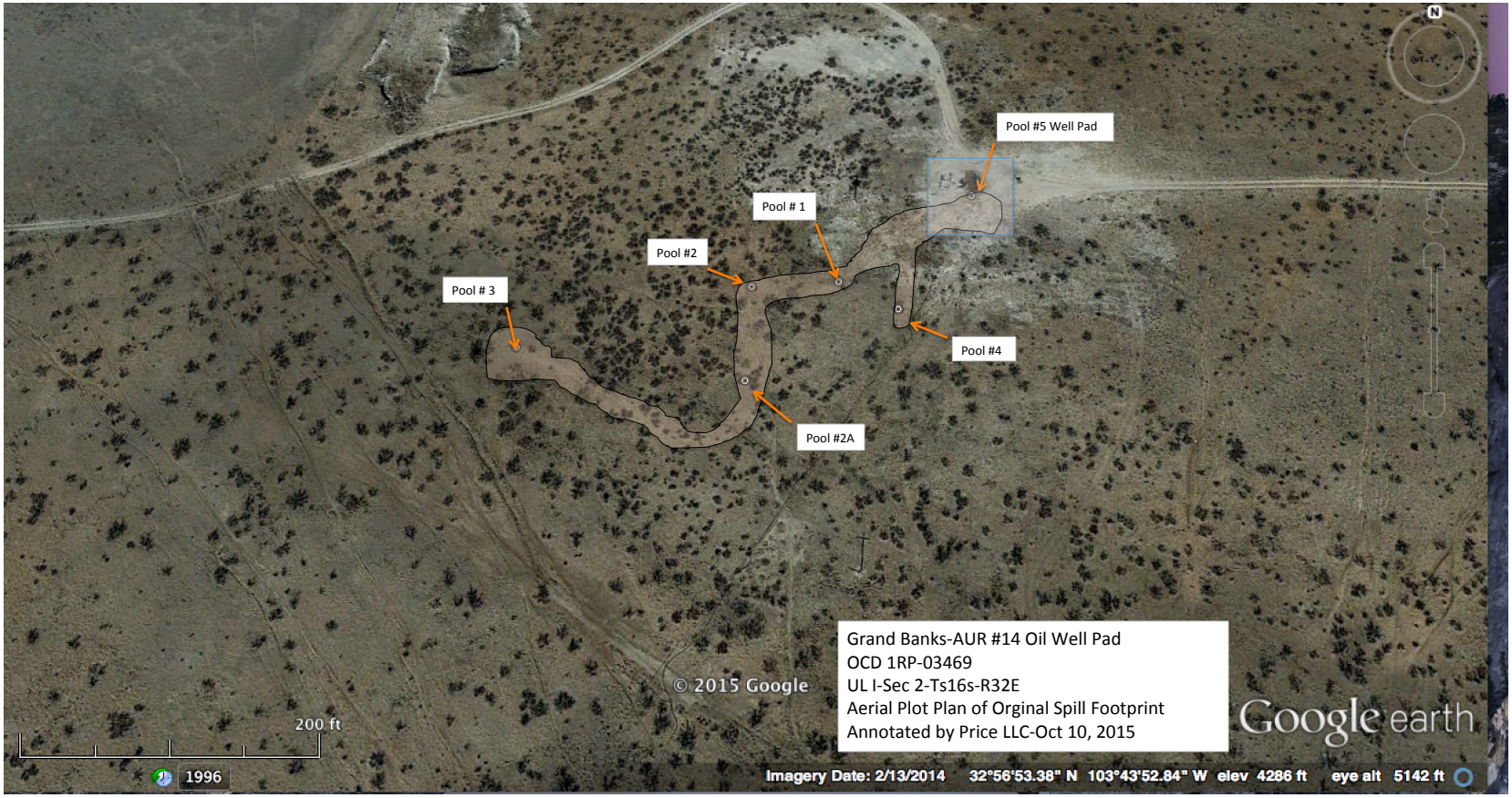
Please find attached a series of photos showing the final reclamation.

Conclusion and Recommendations:

It was apparent that the initial remedial actions taken prevented any significant mobility of the oil. The deepest vertical migration was noted to be less than 18"even in the pooled areas.

In addition, the natural attenuation saved the company considerable cost in the long run and allowed money available for final site restoration with new installed BMP's.

The site has been cleaned-up and remediated to OCD guidelines. On behalf of Grand Banks, Price LLC respectfully request approval and acceptance of the Final C-141 attached hereto.


Pool #5 Well Pad
Pool # 1
Pool #2
Pool # 3
Pool #4
Pool #2A
Grand Banks-AUR #14 Oil Well Pad
OCD 1RP-03469
UL I-Sec 2-Ts16s-R32E
Aerial Plot Plan of Orginal Spill Footprint
Annotated by Price LLC-Oct 10, 2015
© 2015 Google
200 ft
1996
Google earth
Imagery Date: 2/13/2014 32°56'53.38" N 103°43'52.84" W elev 4286 ft eye alt 5142 ft

			Grand Banks-1RP-03469	Field Test Results									
			Feb 13-16 2015										
					Cal 100 Iso-B		Drexsil			Hach H-L			
					PID-ppm		TPH-ppm			Cl's-ppm			
		Sample ID	Description				418.1 with methanol						
		see Plot Plan					extraction						
		Pool #1	Sheet Flow Area Just West of Pad		0.5		1006			ND	<60 ppm		
		Pool #2	Bottom of small excavated erosioal path-ditch		8.3		4258			ND	<60 ppm		
		Pool #2A	Bottom of small excavated erosioal path-ditch		1.2		986			0.2	<60 ppm		
		Pool #3	Where majority of oil pooled and stopped-excavated one foot		341.9		>10,000			0.2	<60 ppm		
		Pool #4	Side finger flow-excavted area		4.7		344			ND	<60 ppm		
		Pool #5	Pad Area near Wellhead-Area scraped down 8"		254.6		>10,000			200			
			Areas of Concern Highligthed in Yellow										

June 2015 Photos After Additional Excavation.

Pool #5 Pad Area Looking West, background shows Playa Lake and Cattle Pond.- This area was excavated to remove oily stained soil and sampled.

Pool #5 Area and wellhead-A composite bottom hole sample was collected and sent to Lab for confirmation.

Pool 2 & 2A drainage area after excavation. Area was screened with Field Test and all were below guideline criteria.

Pool #3 depressed area where oil flow stopped. Area has been excavated and re-sampled and sent to Lab for confirmation. Foreground shows drainage path.

Summary Report

Lester Waynce Price Jr.
Price LLC
312 Encantado Ridge Ct. NE
Rio Rancho, NM 87124

Report Date: June 23, 2015

Work Order: 15061211

Project Location: Maljamar, NM
Project Name: Grandbanks ARU #14

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
395526	Surface Composite	soil	2015-06-05	14:10	2015-06-11
395527	Pool 3	soil	2015-06-05	12:50	2015-06-11
395528	Pool 5	soil	2015-06-05	12:40	2015-06-11

Sample - Field Code	BTEX Benzene (mg/Kg)	BTEX Toluene (mg/Kg)	BTEX Ethylbenzene (mg/Kg)	BTEX Xylene (mg/Kg)	MTBE MTBE (mg/Kg)	TPH DRO - NEW DRO (mg/Kg)	TPH GRO GRO (mg/Kg)
395526 - Surface Composite	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<4.00
395527 - Pool 3	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<4.00
395528 - Pool 5	<0.0200	<0.0200	<0.0200	<0.0200		<50.0	<4.00

Sample: 395526 - Surface Composite

Param	Flag	Result	Units	RL
Chloride	Qs	<25.0	mg/Kg	25

Sample: 395527 - Pool 3

Param	Flag	Result	Units	RL
Chloride		<25.0	mg/Kg	25

Sample: 395528 - Pool 5

Param	Flag	Result	Units	RL
Chloride		<25.0	mg/Kg	25

Final Reclamation Photos:

Pool #5-Well Pad Re-built-looking North.

Well Pad-Showing New Runoff Berm-Looking SW.

Pool #1 Area-plowed, disked and fertilizer application-Looking East with well pad in background.

Looking West-

Standing on West end of well pad-looking SW- Area plowed, disked and fertilized.