LINER INSPECTION AND CLOSURE REPORT

REPORTABLE RELEASE

Spur Energy Partners
Hearse 36 State Com Battery
Incident ID: NAPP2113945611
Eddy County, NM

Prepared by:

Paragon Environmental LLC
1601 N. TURNER ST. STE.500
Hobbs, NM 88240
575-964-7814

GENERAL DETAILS

This report was prepared by Paragon Environmental LLC (Paragon) in response to the release for Spur Energy Partners (Spur) at the **Hearse 36 St Com Battery (Hearse)**.

Site Coordinates: Latitude: 32.61025 Longitude: -104.43676

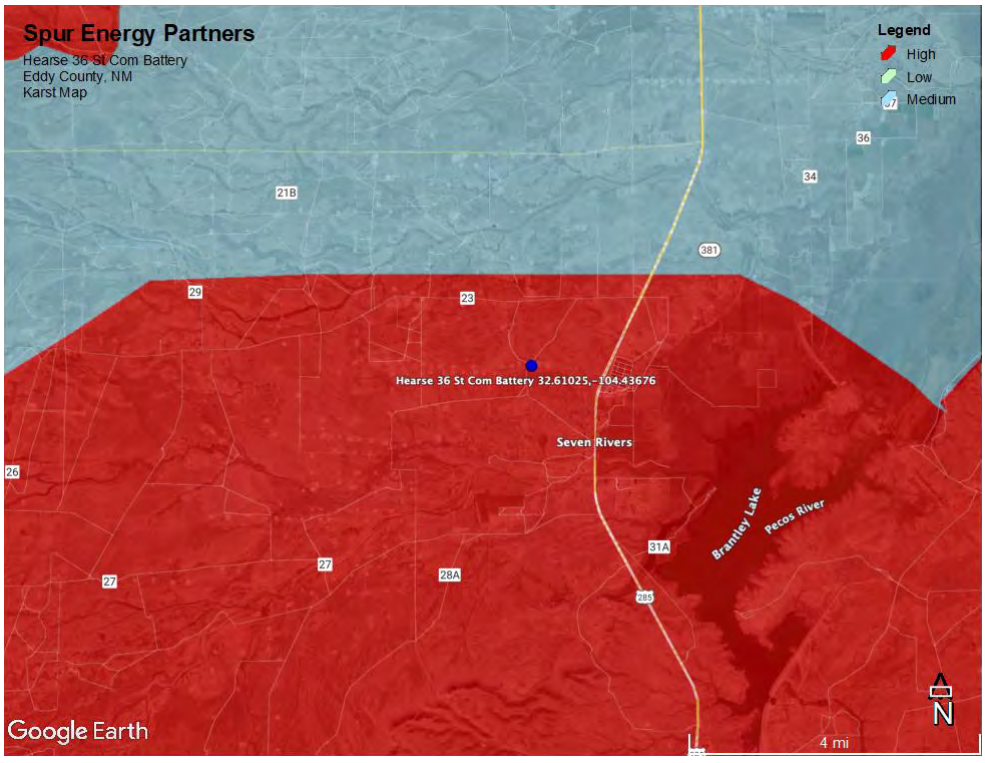
Unit UL 0, Section 36, Township 19S, Range 25E

Incident ID: NAPP2113945611

REGULATORY FRAMEWORK

Depth to Groundwater: According to the New Mexico State of Engineers Office, the nearest water data is approximately 7/10ths of a mile away and is 121 feet below ground surface (BGS). See Appendix A for details.

Soil Survey: Per the New Mexico Bureau of Geology and Mineral Resources, the geology is in the Piedmont alluvial deposits (Holocene to lower Pleistocene)-Includes deposits of higher gradient tributaries bordering major stream valleys, alluvial veneers of the piedmont slope, and alluvial fans. May locally include uppermost Pliocene deposits (QP). According to the United States Department of Agriculture Natural Resources Conservation Service soil survey, the soil in this area is comprised of the Reagan-Upton association, with 0 to 9 percent slopes. The drainage courses in this area is well-drained. The karst geology in the area of the Hearse is in a High Karst. See the map below.



RELEASE DETAILS

This incident occurred when a pinhole developed on the circulating line. This resulted in the release of 17 bbls of Crude Oil that was contained in the Falcon Lined Containment. A vacuum truck was dispatched and recovered the 17 bbls of oil.

Date of Spill: 05/19/2021

Type of Spill: ☒Crude Oil ☐Produced Water ☐ Condensate ☐Other (Specify):

Comments: Reportable release.
Released: 17 bbls of Oil
Recovered: 17 bbls of Oil

INITIAL SITE ASSESSMENT

On July 12, 2022, Paragon went to the Hearse and conducted an initial assessment. There was obvious staining on the liner from the spill. There were no signs outside the containment showing no signs that the liner had been breached. Therefore, no samples were taken. See the site map below showing the affected area.

REMEDIATION ACTIVITIES

On July 17, 2022, Paragon returned to the site with equipment and personnel to conduct cleanup activities. We initially sprayed the affected area with surface cleaner. We then power washed and squeegeed the runoff to where the vacuum truck could capture the fluids.

On July 20, 2022, Paragon returned to the site to conduct a liner inspection. A 48-hour notification was sent out to the NMOCD on July 18, 2022. The liner inspection concluded that the liner was all intact and in good condition. The integrity of the liner appears to have the ability to contain spills. See Appendix D for the email notification and liner report.

CLOSURE REQUEST

After careful review, Paragon requests that the incident, NAPP2113945611, be closed. Spur has complied with the applicable closure requirements. If you have any questions or need additional information, please contact Chris Jones at 575-964-7814 or chris@paragonenvironmental.net.

Respectfully,

Chris Jones
Environmental Professional
Paragon Environmental LLC

Attachments

Figures:

1- Topo Map
2- Aerial Map

Appendices:

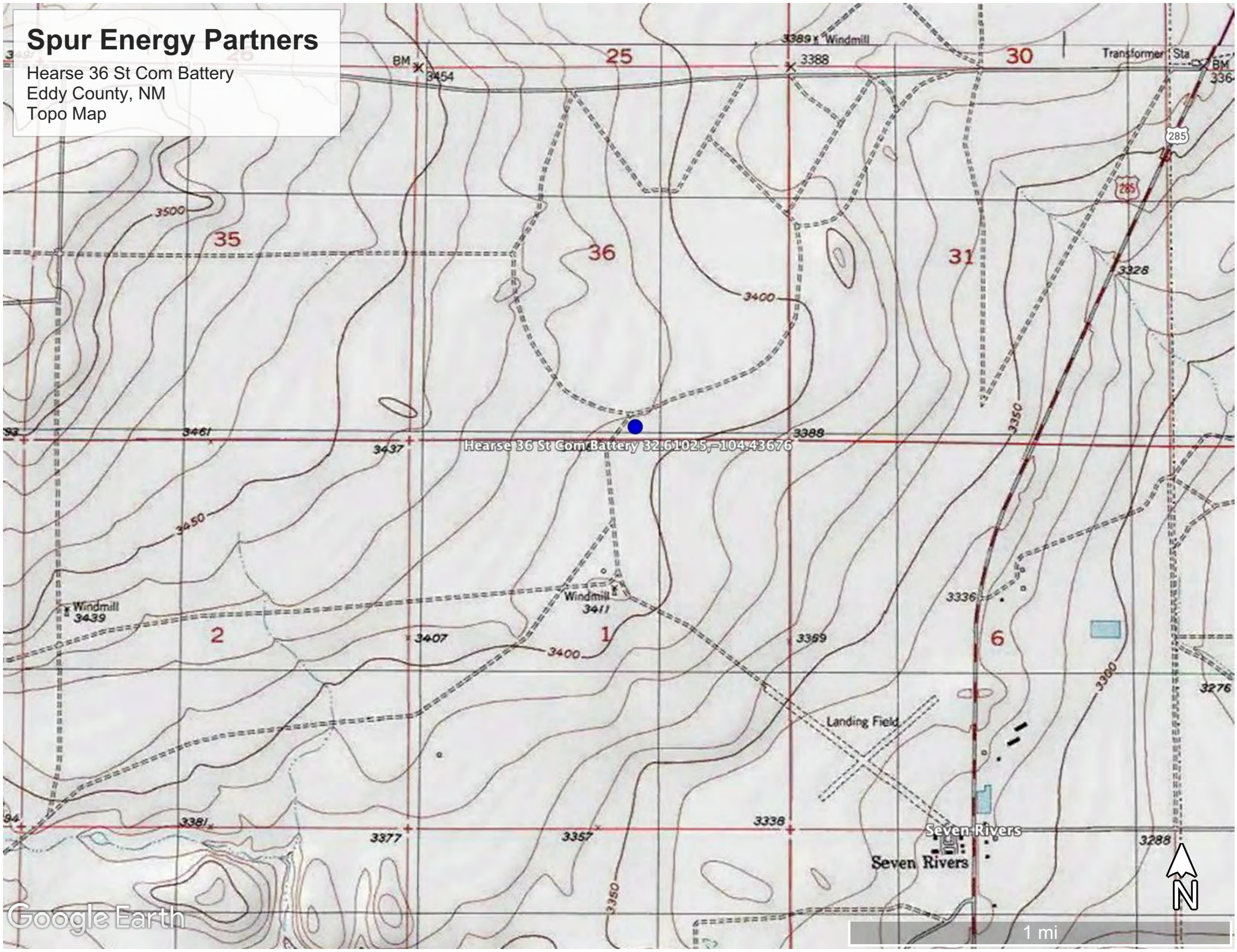
- Appendix A- Referenced Water Data
- Appendix B- Soil Survey & FEMA Flood Map
- Appendix C- C-141
- Appendix D- Email, Liner Inspection and Photographic Documentation

Figures:

1-Topo Map
2- Aerial Map

Spur Energy Partners

Hearse 36 St Com Battery
Eddy County, NM
Topo Map




Spur Energy Partners
Hearse 36 St Com Battery
Eddy County, NM
Aerial Map
381
23
Hearse 36 St Com Battery 32.61025,-104.43676
Seven Rivers
Brantley Lake
31A
27
28A
Google Earth
N
2 mi

Appendix A
Referenced Water Data:

New Mexico State of Engineers Office

New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	Code	POD Sub-basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
RA 10898 POD1		RA	ED	2	1	3	01	20S	25E	552198	3607248*	1168	810	121	689

Average Depth to Water: **121 feet**

Minimum Depth: **121 feet**

Maximum Depth: **121 feet**

Record Count: 1

UTMNAD83 Radius Search (in meters):

Easting (X): 552846.784 **Northing (Y):** 3608219.966 **Radius:** 1500

***UTM location was derived from PLSS - see Help**

New Mexico Office of the State Engineer

Point of Diversion Summary

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters)

Well Tag	POD Number	Q64	Q16	Q4	Sec	Twn	Rng	X	Y
	RA 10898 POD1	2	1	3	01	20S	25E	552198	3607248*

Driller License: 331
Driller Company: SBQ2, LLC DBA STEWART BROTHERS DRILLING CO.
Driller Name:

Drill Start Date: 02/17/2006
Drill Finish Date: 03/08/2006
Plug Date:
Log File Date: 03/27/2006
PCW Rcv Date:
Source: Artesian
Pump Type:
Pipe Discharge Size:
Estimated Yield: 1000 GPM
Casing Size: 8.63
Depth Well: 810 feet
Depth Water: 121 feet

Water Bearing Stratifications:	Top	Bottom	Description
	460	802	Limestone/Dolomite/Chalk

Casing Perforations:	Top	Bottom
	542	802

***UTM location was derived from PLSS - see Help**

Appendix B
Soil Survey:

U.S.D.A.

FEMA Flood Map

Eddy Area, New Mexico

RE—Reagan-Upton association, 0 to 9 percent slopes

Map Unit Setting

National map unit symbol: 1w5d
Elevation: 1,100 to 5,400 feet
Mean annual precipitation: 6 to 14 inches
Mean annual air temperature: 60 to 64 degrees F
Frost-free period: 180 to 240 days
Farmland classification: Farmland of statewide importance

Map Unit Composition

Reagan and similar soils: 70 percent
Upton and similar soils: 25 percent
Minor components: 5 percent
Estimates are based on observations, descriptions, and transects of the mapunit.

Description of Reagan

Setting

Landform: Fan remnants, alluvial fans
Landform position (three-dimensional): Rise
Down-slope shape: Convex, linear
Across-slope shape: Linear
Parent material: Alluvium and/or eolian deposits

Typical profile

H1 - 0 to 8 inches: loam
H2 - 8 to 60 inches: loam

Properties and qualities

Slope: 0 to 3 percent
Depth to restrictive feature: More than 80 inches
Drainage class: Well drained
Runoff class: Low
Capacity of the most limiting layer to transmit water (Ksat): Moderately high to high (0.60 to 2.00 in/hr)
Depth to water table: More than 80 inches
Frequency of flooding: None
Frequency of ponding: None
Calcium carbonate, maximum content: 40 percent
Maximum salinity: Very slightly saline to moderately saline (2.0 to 8.0 mmhos/cm)
Sodium adsorption ratio, maximum: 1.0
Available water supply, 0 to 60 inches: Moderate (about 8.2 inches)

Interpretive groups

Land capability classification (irrigated): 2e
Land capability classification (nonirrigated): 6e

Hydrologic Soil Group: B
Ecological site: R070DY153NM - Loamy
Hydric soil rating: No

Description of Upton

Setting

Landform: Ridges, fans
Landform position (three-dimensional): Side slope, rise
Down-slope shape: Convex
Across-slope shape: Convex
Parent material: Residuum weathered from limestone

Typical profile

H1 - 0 to 9 inches: gravelly loam
H2 - 9 to 13 inches: gravelly loam
H3 - 13 to 21 inches: cemented
H4 - 21 to 60 inches: very gravelly loam

Properties and qualities

Slope: 0 to 9 percent
Depth to restrictive feature: 7 to 20 inches to petrocalcic
Drainage class: Well drained
Runoff class: High
Capacity of the most limiting layer to transmit water (Ksat): Low to moderately high (0.01 to 0.60 in/hr)
Depth to water table: More than 80 inches
Frequency of flooding: None
Frequency of ponding: None
Calcium carbonate, maximum content: 75 percent
Maximum salinity: Nonsaline to very slightly saline (0.0 to 2.0 mmhos/cm)
Sodium adsorption ratio, maximum: 1.0
Available water supply, 0 to 60 inches: Very low (about 1.4 inches)

Interpretive groups

Land capability classification (irrigated): None specified
Land capability classification (nonirrigated): 7s
Hydrologic Soil Group: D
Ecological site: R070DY159NM - Shallow Loamy
Hydric soil rating: No

Minor Components

Atoka

Percent of map unit: 3 percent
Ecological site: R042XC007NM - Loamy
Hydric soil rating: No

Pima

Percent of map unit: 2 percent
Ecological site: R042XC017NM - Bottomland

Hydric soil rating: No

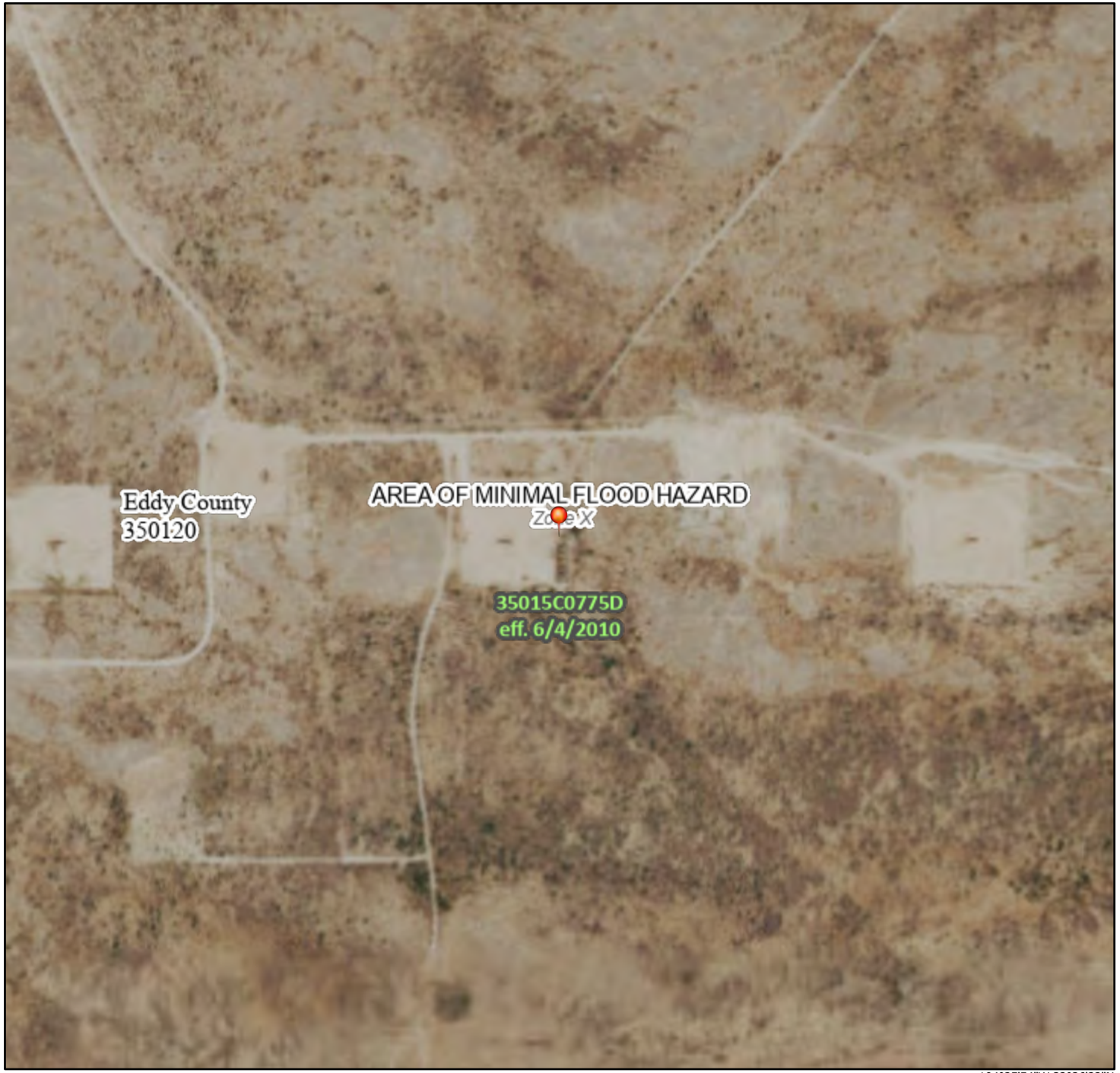
Data Source Information

Soil Survey Area: Eddy Area, New Mexico
Survey Area Data: Version 17, Sep 12, 2021

National Flood Hazard Layer FIRMette

FEMA

104°26'31"W 32°36'52"N



104°25'54"W 32°36'22"N

Feet 1:6,000

0 250 500 1,000 1,500 2,000

Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS
- Without Base Flood Elevation (BFE) *Zone A, V, A99*
- With BFE or Depth *Zone AE, AO, AH, VE, AR*
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD
- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile *Zone X*
- Future Conditions 1% Annual Chance Flood Hazard *Zone X*
- Area with Reduced Flood Risk due to Levee. See Notes. *Zone X*
- Area with Flood Risk due to Levee *Zone D*

OTHER AREAS
- NO SCREEN Area of Minimal Flood Hazard *Zone X*
- Effective LOMRs
- Area of Undetermined Flood Hazard *Zone D*

GENERAL STRUCTURES
- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES
- 20.2 Cross Sections with 1% Annual Chance
- 17.5 Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS
- Digital Data Available
- No Digital Data Available
- Unmapped

N

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 8/5/2022 at 1:32 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Appendix C:

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

Form C-141
Revised August 24, 2018
Submit to appropriate OCD District office

Incident ID	NAPP2113945611
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party	Spur Energy Partners LLC	OGRID	328947
Contact Name	Braidy Moulder	Contact Telephone	713-264-2517
Contact email	bmoulder@spurepllc.com	Incident # *(assigned by OCD)*	
Contact mailing address	2407 Pecos Avenue, Artesia, NM 88210		

Location of Release Source

Latitude 32.61025 Longitude -104.43676
(NAD 83 in decimal degrees to 5 decimal places)

Site Name	HEARSE 36 STATE COM BATTERY	Site Type	Production
Date Release Discovered	5/19/2021	API# *(if applicable)*	

Unit Letter	Section	Township	Range	County
0	36	19S	25E	Eddy

Surface Owner: ■ State ☐ Federal ☐ Tribal ☐ Private (*Name:* _____)

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

☐ Crude Oil	Volume Released (bbls) 17	Volume Recovered (bbls) 17
☐ Produced Water	Volume Released (bbls)	Volume Recovered (bbls)
	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: This release occurred when a pinhole developed on the circulating line. The release remained within the falcon lined facility. Vacuum trucks were immediately dispatched to recover all standing fluids.

State of New Mexico
Oil Conservation Division

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Application ID	

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 party consider this a major release?
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?	

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.
- ■ 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: Dakota Neel Title: HSE Coordinator

Signature: Dakota Neel Date: 5/27/2021

email: dneel@spurepllc.com Telephone: 832-849-7837

OCD Only

Received by: Ramona Marcus Date: 6/1/2021

State of New Mexico
Oil Conservation Division

Form C-141

Incident ID	NAPP2113945611
District RP	
Facility ID	
Application ID	

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?	121 (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
☒ Depth to water determination
☒ Determination of water sources and significant watercourses within ½-mile of the lateral extents of the release
☐ 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

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Oil Conservation Division

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Facility ID	
Application ID	

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.

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: Chad Hensley. Title: HSE Coordinator

Signature: _____ Date:

email: chensley@spurenergy.com Telephone: 346-339-1494

OCD Only

Received by: _____ Date: _____

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Facility ID	
Application ID	

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.

Closure Report Attachment Checklist: *Each of the following items must be included in the closure report.*

☒ A scaled site and sampling diagram as described in 19.15.29.11 NMAC

☐ Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)

☐ Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling)

☒ Description of remediation activities

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.

Printed Name: Chad Hensley. Title: HSE Coordinator

Signature: _____ Date:

email: chensley@spurenergy.com Telephone: 346-339-1494

OCD Only

Received by: _____ Date: _____

Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.

Closure Approved by: _____ Date: _____

Printed Name: _____ Title: _____

Appendix D:

Liner Inspection

Email Notification

Photographic Documentation

Paragon Environmental LLC

Liner Inspection Form

Company Name: SPUR ENERGY PARTNERS

Site: Hearse 36 St Com Battery

Lat/Long: 32.61025, -104.43676

NMOCD Incident ID & Incident Date: nAPP2113945611

2-Day Notification Sent: 07/18/2022

Inspection Date: 07/21/2022

Liner Type: Earthen w/liner | Earthen no liner | Polystar | Steel w/poly liner | Steel w/spray epoxy | No Liner

Other: _____

Visualization	Yes	No	Comments
Is there a tear in the liner?		x	
Are there holes in the liner?		x	
Is the liner retaining any fluids?		x	
Does the liner have integrity to contain a leak?	x		

Comments: _____

Inspector Name: Tristan Jones

Subject: Liner Inspections
Date: Monday, July 18, 2022 at 7:04:13 PM Mountain Daylight Time
From: Chris Jones
To: OCDOnline@state.nm.us, Bratcher, Mike, EMNRD, Hamlet, Robert, EMNRD, Nobui, Jennifer, EMNRD
CC: Chad Hensley, Braidy Moulder
Attachments: image001.jpg

Mike,

This is to inform you all that Paragon will be conducting Liner Inspections on behalf of Spur Energy on 7-20-22 beginning at 800 am MST at the following locations going in this order.

HEARSE 36 STATE COM BATTERY- nAPP2113945611- 32.61025,-104.43676

Shelby 23 Tank Battery- nAPP2202848888- 32.636495,-104.449015

Bradley 8 Fee #2- nRM2020535132- 32.6684265,-104.4068375

SECREST ET AL #001- nAPP2118846106- 32.6808357,-104.41922

Clydesdale 1 Fee #6H Battery- nAPP2130547657- 32.68579,-104.4303

These are all in a general location from each other and should be an easy day of it. If you have any questions or show up at a site we are not at feel free to give me a call and verify.

Thank You,

Chris Jones
Environmental Professional
1601 N. Turner Ste. 500
Hobbs, NM 88240
chris@paragonenvironmental.net
575-631-6977 cell

PARAGON ENVIRONMENTAL

"We do not inherit the Earth
from our ancestors; we borrow
it from our children."
Chief Seattle

PARAGON ENVIRONMENTAL

Photographic Documentation

Liner Inspection