

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

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

☒ Initial Report ☐ Final Report

Name of Company Flare Oil, Inc.	Contact H. T. Cook
Address 202 Hwy. 35 South, #243, Rockport, TX 78382	Telephone No. 956-494-7158
Facility Name State IL Com No. 001	Facility Type Gas well

Surface Owner State of New Mexico	Mineral Owner State of New Mexico	Lease No. 30-015-23349-00-00
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LOCATION OF RELEASE

Unit Letter G	Section 03	Township 19S	Range 24E	Feet from the 1980	North/South Line North	Feet from the 1980	East/West Line East	County Eddy
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Latitude 32 41.533N Longitude 104 34.436W

NATURE OF RELEASE

Type of Release No release occurred.	Volume of Release	Volume Recovered
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Describe Area Affected and Cleanup Action Taken.*

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: OSB/ H. T. Cook	OIL CONSERVATION DIVISION Accepted for record NMOCD		
Printed Name: H. T. Cook			
Title: President	Approved by District Supervisor:	Approval Date:	Expiration Date:
E-mail Address: tomcook9@msn.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 5/26/10	Phone: 956-494-7158		

* Attach Additional Sheets If Necessary



May 25, 2010

AMARILLO
521 North Smith
Amarillo, Texas 79107
Phone 800 467 0607
Fax 806 467 0622

ARTESIA
104 West Hernandez
Artesia, New Mexico 88210
Phone 505 749 0768
Fax 505 749 8805

AUSTIN
901 West Automation Lane
Suite 1202
Austin, Texas 78757
Phone 512 409 9474
Fax 512 409 0444

HOUSTON
318 East Taylor Street
Houston, New Mexico 78210
Phone 505 563 0091
Fax 505 563 4055

MIDLAND
2001 State Hwy 311
Midland, Texas 79706
Phone 432 522 2400
Fax 432 522 2450

SAN ANTONIO
1770 Jordan Rd.
Suite 102
Solon, Texas 78156
Phone 214 575 0235
Fax 214 568 2191

FOULSBY
325 South Main Street
Suite 505
Folsom, California 94601
Phone 916 742 0837
Fax 916 362 0232

TYLER
814 North Main
Suite 255
Tyler, Texas 75702
Phone 936 591 3371
Fax 936 591 0679

ENVIRONMENTAL CONSULTING
ENGINEERING
DRILLING
CONSTRUCTION
EMERGENCY RESPONSE

Toll Free: 866.742.0742
www.talonlpe.com

Mr. Brad A. Jones
Environmental Engineer
Environmental Bureau
NM Oil Conservation Division (NMOCD)
120 S. St. Francis Drive
Santa Fe, New Mexico 87505

RE: Permanent Pit Closure Sampling at Flare Oil, Inc. State-IL #1

Mr. Jones,

Talon/LPE (Talon) was retained by Mr. Tom Cook of Flare Oil, Inc. (Flare) to perform pit closure sampling activities at the State-IL #1 permanent pit.

Based on information provided by Mr. Cook, he had previously performed sampling activities (April 21, 2010) to obtain pit closure. Mr. Cook's information indicates that the five-part composite sample he collected was analyzed by Cardinal Laboratories for total chlorides via Method 4500-Cl-B; benzene, toluene, ethylbenzene, and xylenes (BTEX) via EPA SW-846 Method 8021B; and total petroleum hydrocarbons (TPH) via EPA SW-846 Method 8015M. The analytical results from this sample were previously provided to the NMOCD and indicate all parameters regulated by NMOCD 19.15.17.13 were below the required levels for pit closure. Subsequently, the NMOCD requested that Mr. Cook analyze the composite sample for TPH utilizing EPA Method 418.1.

Mr. Cook complied with the request to analyze the sample using EPA Method 418.1, and the resulting TPH value (478 mg/Kg) exceeded the allowable concentration for a permanent pit closure (100 mg/Kg). At that time, Mr. Cook contacted Talon to assess the situation and review the information.

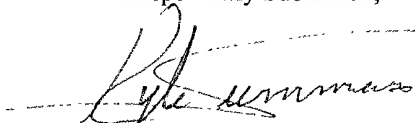
Talon met with Mr. Cook at the site, and documented a small, shallow (essentially at surface) pit placed directly on limestone bedrock, and exhibiting shallow berms. No evidence of current or historic staining was evident. The floor of the pit was limestone bedrock, with a veneer of soil and live vegetation present in the few cracks and depressions. Mr. Cook indicated that he collected his sample from these areas of limited soil due to his inability to penetrate the bedrock. Talon believes that, due to the nature of the requested analysis, it is possible that an excess of naturally occurring organic matter (i.e. root materials and detritus) was responsible for the method 418.1 detection that did not register in the method 8015M analysis.

On May 12, 2010, Talon collected a follow-up five-part composite sample of the pit floor, for analysis of TPH using EPA Method 418.1 (attached). The resulting analysis indicates that TPH concentrations are <100 mg/Kg in the pit floor, meeting NMOCD 19.15.17.13 regulatory limits.

On behalf of Flare, Talon requests permission to close this permanent pit and remove the associated berms.

If you have any questions please call me at (432) 230-7673.

Respectfully Submitted;

A handwritten signature in black ink, appearing to read "Kyle Summers", is written over a horizontal dashed line.

Kyle Summers
District Manager
Talon/LPE – Artesia
432.230.7673

Attachment: 05/12/2010 Analytical Results
 C-141



ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

May 21, 2010

Kyle Summers
Talon LPE
408 Texas St.
Artesia, NM 88210

Re: State-II.

Enclosed are the results of analyses for sample number H19904, received by the laboratory on 05/14/10 at 3:31 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

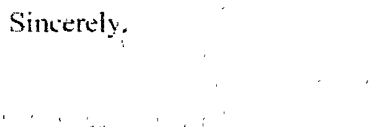
Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,


Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



ANALYTICAL RESULTS FOR
TALON/LPE
ATTN: KYLE SUMMERS
408 TEXAS ST.
ARTESIA, NM 88210
FAX TO: (575) 746-8905

Receiving Date: 05/14/10
Reporting Date: 05/18/10
Project Number: NOT GIVEN
Project Name: STATE-1L
Project Location: EDDY COUNTY, NM

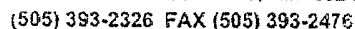
Analysis Date: 05/18/10
Sampling Date: 05/12/10
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 4⁰C
Sample Received By: AB
Analyzed By: AB

LAB NUMBER	SAMPLE ID	418.1 TPH (mg/kg)
H19904-1	ROCK COMP-1	<100
Quality Control		293
True Value QC		300
% Recovery		97.7
Relative Percent Difference		5

METHOD: EPA 418.1. Reported on wet weight.
Not accredited for TPH 418.1

Date _____

[illegible]



† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



May 4, 2010

H.T. Cook
Flare Oil, Inc.
202 Hwy. 35 S. #243
Rockport, TX 78382

Re: State-IL-#1 (Revised Report)

Enclosed are the results of analyses for sample number H19752, received by the laboratory on 04/26/10 at 12:00 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 4 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240


ANALYTICAL RESULTS FOR
FLARE OIL, INC.
ATTN: H.T. COOK
202 HWY 35 SUITE #243
ROCKPORT, TX 78382


Receiving Date: 04/26/10
Reporting Date: 05/04/10
Project Number: #1
Project Name: STATE - IL - #1
Project Location: SEC. 3 T19S, R24E

Analysis Date: 05/04/10
Sampling Date: 04/21/10
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 4°C
Sample Received By: JH
Analyzed By: AB

LAB NUMBER	SAMPLE ID	418.1
		TPH (mg/kg)
H19752-1	SAMPLE #1	478
Quality Control		304
True Value QC		300
% Recovery		101
Relative Percent Difference		1.0

METHOD: EPA 418.1. Reported on wet weight.
Not accredited for 418.1 TPH.


Chemist


Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. **H19752 418.1 FLARE** shall be for incidental or consequential damages including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



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ANALYTICAL RESULTS FOR
FLARE OIL, INC.
ATTN: H.T. COOK
202 HWY. 35 S. #243
ROCKPORT, TX 78382

Receiving Date: 04/26/10
Reporting Date: 04/30/10
Project Number: #1
Project Name: STATE-IL-#1
Project Location: SEC 3 T19S, R24E

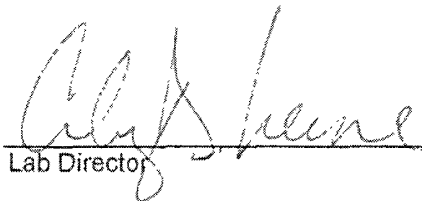
Sampling Date: 04/21/10
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 4°C
Sample Received By: JH
Analyzed By: AB/ZL/HM

LAB NO.	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (C ₁₀ -C ₂₀) (mg/kg)	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)	CI* (mg/kg)
ANALYSIS DATE:		04/28/10	04/28/10	04/29/10	04/29/10	04/29/10	04/29/10	04/28/10
H19752-1	SAMPLE #1	<10.0	<10.0	<0.050	0.123	0.126	0.413	144
Quality Control		596	569	0.051	0.045	0.047	0.145	500
True Value QC		500	500	0.050	0.050	0.050	0.150	500
% Recovery		119	114	102	90.0	94.0	96.7	100
Relative Percent Difference		0.6	1.1	6.0	5.9	12.4	11.3	2.0

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B; CI-: Std. Methods 4500-CI-B

*Analysis performed on a 1:4 w/v aqueous extract. Reported on wet weight.

TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
AND TOTAL XYLENES. Not accredited for GRO/DRO and Chloride.


Lab Director

04/30/10
Date

H19752 TBCL FLARE

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CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>FLARE OIL, INC</u>				BILL TO				ANALYSIS REQUEST																													
Project Manager: <u>H.T. COOK</u>				P.O. #:																																	
Address: <u>202 Hwy 35 S., #243</u>				Company: <u>Same</u>																																	
City: <u>Rockport</u> State: <u>TX</u> Zip: <u>78382</u>				Attn:																																	
Phone #: <u>956-494-7158</u> Fax #:				Address:																																	
Project #: <u>571-1111</u> Project Owner: <u>FLWZE</u>				City:																																	
Project Name: <u>STATE - JL - #1</u>				State: Zip:																																	
Project Location: <u>SEC 3 T 19S, R 24E</u>				Phone #:																																	
Sampler Name: <u>H.T. COOK</u>				Fax #:																																	
FOR LAB USE ONLY		Lab I.D.		Sample I.D.		GRAB OR (COMP. # CONTAINERS		MATRIX		PRESERV.		SAMPLING																									
						GROUNDWATER		WASTEWATER		SOIL		SLUDGE		OTHER		ACID/BASE		ICE / COOL		OTHER		DATE		TIME													
		<u>H19792-1</u>		<u>Sample #1</u>																		<u>4/21</u>				<div style="display: flex; justify-content: space-between;"> <div> <u>CS-</u> <u>TPH</u> <u>BTEX</u> <u>TPH 4/21</u> </div> <div> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> </div> </div>											

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By: <u>H.T. Cook</u>		Date: <u>4/26/10</u>		Received By: <u>John Newson</u>		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Phone #:	
		Time: <u>12:00</u>				Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No Add'l Fax #:	
Relinquished By:		Date:		Received By:		REMARKS:	
						<u>email results</u> <u>tomcook9@msn.com</u> <u>* Add'l as per Tom 5/1/10.</u>	
Delivered By: (Circle One)				Sample Condition		CHECKED BY:	
<input checked="" type="checkbox"/> Sampler <input type="checkbox"/> UPS <input type="checkbox"/> Bus <input type="checkbox"/> Other:				<input type="checkbox"/> Cool <input type="checkbox"/> Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No		<u>JA</u> (Initials)	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

#26

Bratcher, Mike, EMNRD

From: TOM COOK [tomcook9@msn.com]
Sent: Thursday, June 17, 2010 3:38 PM
To: Bratcher, Mike, EMNRD
Subject: C141 State IL #1
Attachments: C141.FlareOilInc..DOC; C141.TalonLPE.Cardinal418.1.pdf; Cardinal.5.4.2010.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Mike,

The C144 Closure Plan was filed by email with Brad Jones and approved by him some time ago. Do you need a copy of it? I will be glad to forward to you via email.

Our deadline on this plan is June 30 and if we can get a quick approval to go ahead it would be appreciated.

You can respond via email or to my cell phone at 956-494-7158.

Thanks for your help.

Tom Cook, Flare Oil, Inc.

P.S. The reason you did not get this before, I see, is because I left out the dot after Mike. Sorry.

From: tomcook9@msn.com
To: tomcook9@msn.com
Subject: C141 State IL #1
Date: Wed, 26 May 2010 19:35:04 +0000