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-144
Revised April 3, 2017

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office.
For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

BGT Dehy

Pit, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

Type of action:
- ☐ Below grade tank registration
- ☐ Permit of a pit or proposed alternative method
- ☒ Closure of a pit, below-grade tank, or proposed alternative method
- ☐ Modification to an existing permit/or registration
- ☐ Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: EPIC ENERGY, LLC OGRID #: 372834
Address: 7415 E. Main Street Farmington, NM 87402
Facility or well name: Horton #002_Dehy Pit
API Number: 30-045-11371 OCD Permit Number:
U/L or Qtr/Qtr A Section 22 Township 32N Range 11W County: San Juan
Center of Proposed Design: Latitude 36.9749756 Longitude -107.9710007 NAD83
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F, G or J of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover

Release Confirmed Addtional C-141 Required, Incident# NCS2035753482

☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ Multi-Well Fluid Management Low Chloride Drilling Fluid ☐ yes ☐ no
☐ Lined ☐ Unlined Liner type: Thickness mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other Volume: bbl Dimensions: L x W x D

3.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: 25 bbl Type of fluid: Produced Water
Tank Construction material: Fiberglass
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☒ Visible sidewalls only ☐ Other
Liner type: Thickness other mil ☐ HDPE ☐ PVC ☐ Other

4.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

5.
Fencing: Subsection D of 19.15.17.11 NMAC *(Applies to permanent pits, temporary pits, and below-grade tanks)*
☐ Chain link, six feet in height, two strands of barbed wire at top *(Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)*
☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
☒ Alternate. Please specify 48" high rebar and hog wire

6.
Netting: Subsection E of 19.15.17.11 NMAC *(Applies to permanent pits and permanent open top tanks)*

☐ Screen ☐ Netting ☒ Other_____expanded metal _____

☐ Monthly inspections (If netting or screening is not physically feasible)

7.
Signs: Subsection C of 19.15.17.11 NMAC

☒ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☐ Signed in compliance with 19.15.16.8 NMAC

8.
Variances and Exceptions:
Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

☐ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

9.
Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. **Siting criteria does not apply to drying pads or above-grade tanks.**

General siting

Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. ☐ Yes ☒ No ☐ NA
- ☐ NM Office of the State Engineer - iWATERS database search; ☐ USGS; ☐ Data obtained from nearby wells

Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit . ☐ Yes ☐ No ☐ NA
NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. **(Does not apply to below grade tanks)** ☐ Yes ☐ No
- Written confirmation or verification from the municipality; Written approval obtained from the municipality

Within the area overlying a subsurface mine. **(Does not apply to below grade tanks)** ☐ Yes ☐ No
- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

Within an unstable area. **(Does not apply to below grade tanks)** ☐ Yes ☐ No
- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

Within a 100-year floodplain. **(Does not apply to below grade tanks)** ☐ Yes ☐ No
- FEMA map

Below Grade Tanks

Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). ☒ Yes ☐ No
- Topographic map; Visual inspection (certification) of the proposed site

Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. ☐ Yes ☒ No
- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)

Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) ☐ Yes ☐ No
- Topographic map; Visual inspection (certification) of the proposed site

Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application. ☐ Yes ☐ No
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. ☐ Yes ☐ No
NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

Within 100 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Temporary Pit Non-low chloride drilling fluid	
Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
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, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Permanent Pit or Multi-Well Fluid Management Pit	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

10.
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

11.
Multi-Well Fluid Management Pit Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ A List of wells with approved application for permit to drill associated with the pit.
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

13.
Proposed Closure: 19.15.17.13 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☒ Below-grade Tank ☐ Multi-well Fluid Management Pit ☐ Alternative

Proposed Closure Method: ☐ Waste Excavation and Removal
☒ Waste Removal (Closed-loop systems only)
☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ In-place Burial ☐ On-site Trench Burial
☐ Alternative Closure Method

14.
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15.
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC
Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 25 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 25-50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	

adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☐ No

16.
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
- ☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC
- ☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- ☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.
Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

18.
OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure ~~Plan (only)~~ ☒ OCD Conditions (see ~~attachment~~) Front

OCD Representative Signature: _____ **Approval Date:** 12/22/2020

Title: Environmental Specialist **OCD Permit Number:** BGT Dehy

19.
Closure Report (required within 60 days of closure completion): 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☒ **Closure Completion Date: 11/2/2020**

20.
Closure Method:

☒ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

21.
Closure Report Attachment Checklist: ***Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.***

- ☒ Proof of Closure Notice (surface owner and division)
- ☐ Proof of Deed Notice (required for on-site closure for private land only)
- ☐ Plot Plan (for on-site closures and temporary pits)
- ☒ Confirmation Sampling Analytical Results (if applicable)
- ☐ Waste Material Sampling Analytical Results (required for on-site closure)
- ☒ Disposal Facility Name and Permit Number
- ☒ Soil Backfilling and Cover Installation
- ☒ Re-vegetation Application Rates and Seeding Technique
- ☐ Site Reclamation (Photo Documentation

On-site Closure Location: Latitude 36.9749756 Longitude -107.9710007 NAD: ☐ 1927 ☒ 1983

22.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Vanessa Fields Title: Regulatory Compliance Manager

Signature: Date: 12/02/2020

e-mail address: vanessa@walsheng.net Telephone: 505-787-9100

Vanessa Fields

From: Vanessa Fields
Sent: Tuesday, September 29, 2020 9:21 AM
To: 'Smith, Cory, EMNRD'; Adeloye, Abiodun A
Cc: Vern Andrews; Jimmie McKinney; 'Kelly, Jonathan, EMNRD'
Subject: RE: Horton #002 BGT prior Removal Friday October 2, 2020 at 8:30 am. cJK1800242511

Good morning,

Epic Energy will be auguring to 8' deep in the area of the second referenced BGT that was previously removed as identified in the compliance. It was our understanding that only one area of where the BGT was previously removed needed sampling. Per Google images we will sample where the 2nd BGT was removed in 2017.

Epic Energy will collect 1 (5) point composite at 8' BGS Friday October 2, 2020 at 8:30 am.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Wednesday, September 23, 2020 8:00 AM
To: Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>

Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: RE: Horton #002 BGT prior Removal Thursday September 3, 2020 at 9:30 am. cJK1800242511

Good morning Jonathan,

As discussed this morning after I conducted a file review it was observed that there were two previous BGTs on location in 2017. We will conduct a onsite and determine where the previous BGT was placed. I apologize for the oversight on this.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
Sent: Wednesday, September 23, 2020 7:35 AM
To: Vanessa Fields <vanessa@walsheng.net>
Subject: RE: Horton #002 BGT prior Removal Thursday September 3, 2020 at 9:30 am. cJK1800242511

Thank you Vanessa, I have updated the compliance to reflect that 1 out of 2 C-144 closure reports have been received by the NMOCD and the other is in progress.

Jonathan D. Kelly
Compliance Officer
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505) 320-0701
jonathan.kelly@state.nm.us

From: Vanessa Fields <vanessa@walsheng.net>
Sent: Tuesday, September 22, 2020 1:45 PM
To: Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
Subject: [EXT] RE: Horton #002 BGT prior Removal Thursday September 3, 2020 at 9:30 am. cJK1800242511

Good afternoon Jonathan,

The final C-144 was submitted to the NMOCD today.

Please see attached receipt.

Thank you,

Vanessa Fields

Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
Sent: Friday, September 18, 2020 7:15 AM
To: Vanessa Fields <vanessa@walsheng.net>
Subject: RE: Horton #002 BGT prior Removal Thursday September 3, 2020 at 9:30 am. cJK1800242511

Thank you Vanessa, just send me a copy of the submittal receipt once submitted through the fee portal to close this one out.

Jonathan D. Kelly
Compliance Officer
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505) 320-0701
jonathan.kelly@state.nm.us

From: Vanessa Fields <vanessa@walsheng.net>
Sent: Monday, September 14, 2020 10:04 AM
To: Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
Subject: [EXT] FW: Horton #002 BGT prior Removal Thursday September 3, 2020 at 9:30 am. cJK1800242511

Good morning Jonathan,

I did a review and the Horton #002 BGT was removed prior to EPICs purchase from Hallador. We did get a back hoe and dig to 5-8' and collect (1) 5-point composite sample,. Emmanuel with the BLM to witness.

I will submit a Final C-144. I almost have all legacy compliance issues cleared up for EPIC.

Please let me know if you have any questions.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Friday, September 11, 2020 1:48 PM
To: 'Smith, Cory, EMNRD' <Cory.Smith@state.nm.us>; 'Adeloye, Abiodun A' <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: RE: Horton #002 BGT prior Removal Thursday September 3, 2020 at 9:30 am. cJK1800242511

Good afternoon everyone,

The analytical results for the BGT sample on the Horton #002 were non-detect. Epic Energy request approval for backfill.

The final C-144 will be submitted to both agencies within 60 days.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Monday, August 31, 2020 2:30 PM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: Horton #002 BGT prior Removal Thursday September 3, 2020 at 9:30 am. cJK1800242511

Good afternoon,

It was brought to EPIC Energy's attention that the Horton #002 BGT was noted from a compliance (JK1800242511) issue as having a BGT that was closed without a final C-144 in the well file. A internal audit was performed and it was determined that the BGT was removed prior to the purchase of the well.

Epic Energy is providing 72 hour notice of sampling where the previous BGT was by collected. One 5- point composite sample will be collected where the previous BGT was removed. This will be accomplished by utilizing a backhoe to collect a composite sample at a depth of 8' BGS and/or the first encounter with any hydrocarbons.

Sampling will occur Thursday September 3, 2020 at 9:30 am.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

Vanessa Fields

From: Vanessa Fields
Sent: Monday, November 2, 2020 9:37 AM
To: Adeloye, Abiodun A; Smith, Cory, EMNRD
Cc: Vern Andrews; Jimmie McKinney
Subject: RE: [EXTERNAL] RE: Horton #002 BGT Confirmation Samples November 4 , 2020 at 9:00 am. cJK1800242511 BGT sample above regulatory Standards

Good morning,

Epic Energy is providing 48 hour notice of confirmation sampling on November 4 , 2020 at 9:00 am.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Wednesday, October 28, 2020 3:10 PM
To: Adeloye, Abiodun A <aadeloye@blm.gov>; Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: RE: [EXTERNAL] RE: Horton #002 BGT Confirmation Samples October 20, 2020 at 9:00 am. cJK1800242511 BGT sample above regulatory Standards

Thank you Emmanuel. I will await Cory's approval.

Thank you,
Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Adeloye, Abiodun A <aadeloye@blm.gov>
Sent: Wednesday, October 28, 2020 3:01 PM
To: Vanessa Fields <vanessa@walsheng.net>; Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: Re: [EXTERNAL] RE: Horton #002 BGT Confirmation Samples October 20, 2020 at 9:00 am. cJK1800242511 BGT sample above regulatory Standards

Hi Vanessa, BLM approves Epic Energy request as requested. Please make sure you get approval from other regulatory agencies.
Thank you.

Abiodun Adeloye (Emmanuel), NRS
Bureau of Land Management
Farmington Field Office
6251 College Blvd., Suite A
Farmington, NM 87402
Office Phone: 505-564-7665
Cell Phone: 505-635-0984

From: Vanessa Fields <vanessa@walsheng.net>
Sent: Wednesday, October 28, 2020 2:49 PM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: [EXTERNAL] RE: Horton #002 BGT Confirmation Samples October 20, 2020 at 9:00 am. cJK1800242511 BGT sample above regulatory Standards

Good afternoon,

Well, my samples failed again and are a little over regulatory standards. Epic Energy will remediate further.

Epic Energy is requesting to run the next analytical samples for only DRO/ORO as the last two samples have been ND for all other constituents .

48 Hour notice will be provided to both agencies prior to sampling.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Friday, October 16, 2020 9:10 AM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>; Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
Subject: RE: Horton #002 BGT Confirmation Samples October 20, 2020 at 9:00 am. cJK1800242511 BGT sample above regulatory Standards

Good morning,

Epic Energy will be collecting final confirmation samples For the Horton #002 Tuesday October 20, 2020 at 9:00 am.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Tuesday, October 13, 2020 8:04 AM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>; Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
Subject: RE: Horton #002 BGT prior Removal Friday October 2, 2020 at 8:30 am. cJK1800242511 BGT sample above regulatory Standards

Cory,

It will be dig and haul.

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Sent: Tuesday, October 13, 2020 6:59 AM
To: Vanessa Fields <vanessa@walsheng.net>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>; Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>

Subject: RE: Horton #002 BGT prior Removal Friday October 2, 2020 at 8:30 am. cJK1800242511 BGT sample above regulatory Standards

Vanessa,

What is the remediation plan to further remediate?

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

From: Vanessa Fields <vanessa@walsheng.net>
Sent: Monday, October 12, 2020 7:33 PM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>; Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
Subject: [EXT] RE: Horton #002 BGT prior Removal Friday October 2, 2020 at 8:30 am. cJK1800242511 BGT sample above regulatory Standards

Good evening everyone,

The analytical results that were collected on 10/9/2020 were above regulatory standards. Epic Energy will continue to remediate. Epic Energy will provide 48 hour notice prior to confirmation sampling.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Tuesday, September 29, 2020 9:21 AM
To: 'Smith, Cory, EMNRD' <Cory.Smith@state.nm.us>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>; 'Kelly, Jonathan, EMNRD' <Jonathan.Kelly@state.nm.us>
Subject: RE: Horton #002 BGT prior Removal Friday October 2, 2020 at 8:30 am. cJK1800242511

Good morning,

Epic Energy will be auguring to 8' deep in the area of the second referenced BGT that was previously removed as identified in the compliance. It was our understanding that only one area of where the BGT was previously removed needed sampling. Per Google images we will sample where the 2nd BGT was removed in 2017.

Epic Energy will collect 1 (5) point composite at 8' BGS Friday October 2, 2020 at 8:30 am.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Wednesday, September 23, 2020 8:00 AM
To: Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: RE: Horton #002 BGT prior Removal Thursday September 3, 2020 at 9:30 am. cJK1800242511

Good morning Jonathan,

As discussed this morning after I conducted a file review it was observed that there were two previous BGTs on location in 2017. We will conduct a onsite and determine where the previous BGT was placed. I apologize for the oversight on this.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
Sent: Wednesday, September 23, 2020 7:35 AM
To: Vanessa Fields <vanessa@walsheng.net>
Subject: RE: Horton #002 BGT prior Removal Thursday September 3, 2020 at 9:30 am. cJK1800242511

Thank you Vanessa, I have updated the compliance to reflect that 1 out of 2 C-144 closure reports have been received by the NMOCD and the other is in progress.

Jonathan D. Kelly
Compliance Officer
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505) 320-0701
jonathan.kelly@state.nm.us

From: Vanessa Fields <vanessa@walsheng.net>
Sent: Tuesday, September 22, 2020 1:45 PM
To: Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
Subject: [EXT] RE: Horton #002 BGT prior Removal Thursday September 3, 2020 at 9:30 am. cJK1800242511

Good afternoon Jonathan,

The final C-144 was submitted to the NMOCD today.

Please see attached receipt.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
Sent: Friday, September 18, 2020 7:15 AM
To: Vanessa Fields <vanessa@walsheng.net>
Subject: RE: Horton #002 BGT prior Removal Thursday September 3, 2020 at 9:30 am. cJK1800242511

Thank you Vanessa, just send me a copy of the submittal receipt once submitted through the fee portal to close this one out.

Jonathan D. Kelly
Compliance Officer
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505) 320-0701
jonathan.kelly@state.nm.us

From: Vanessa Fields <vanessa@walsheng.net>
Sent: Monday, September 14, 2020 10:04 AM
To: Kelly, Jonathan, EMNRD <Jonathan.Kelly@state.nm.us>
Subject: [EXT] FW: Horton #002 BGT prior Removal Thursday September 3, 2020 at 9:30 am. cJK1800242511

Good morning Jonathan,

I did a review and the Horton #002 BGT was removed prior to EPICs purchase from Hallador. We did get a back hoe and dig to 5-8' and collect (1) 5-point composite sample,. Emmanuel with the BLM to witness.

I will submit a Final C-144. I almost have all legacy compliance issues cleared up for EPIC.

Please let me know if you have any questions.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Friday, September 11, 2020 1:48 PM
To: 'Smith, Cory, EMNRD' <Cory.Smith@state.nm.us>; 'Adeloye, Abiodun A' <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: RE: Horton #002 BGT prior Removal Thursday September 3, 2020 at 9:30 am. cJK1800242511

Good afternoon everyone,

The analytical results for the BGT sample on the Horton #002 were non-detect. Epic Energy request approval for backfill.

The final C-144 will be submitted to both agencies within 60 days.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Monday, August 31, 2020 2:30 PM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Adeloye, Abiodun A <aadeloye@blm.gov>
Cc: Vern Andrews <vern@walsheng.net>; Jimmie McKinney <jimmie@walsheng.net>
Subject: Horton #002 BGT prior Removal Thursday September 3, 2020 at 9:30 am. cJK1800242511

Good afternoon,

It was brought to EPIC Energy's attention that the Horton #002 BGT was noted from a compliance (JK1800242511) issue as having a BGT that was closed without a final C-144 in the well file. A internal audit was performed and it was determined that the BGT was removed prior to the purchase of the well.

Epic Energy is providing 72 hour notice of sampling where the previous BGT was by collected. One 5- point composite sample will be collected where the previous BGT was removed. This will be accomplished by utilizing a backhoe to collect a composite sample at a depth of 8' BGS and/or the first encounter with any hydrocarbons.

Sampling will occur Thursday September 3, 2020 at 9:30 am.

Thank you,

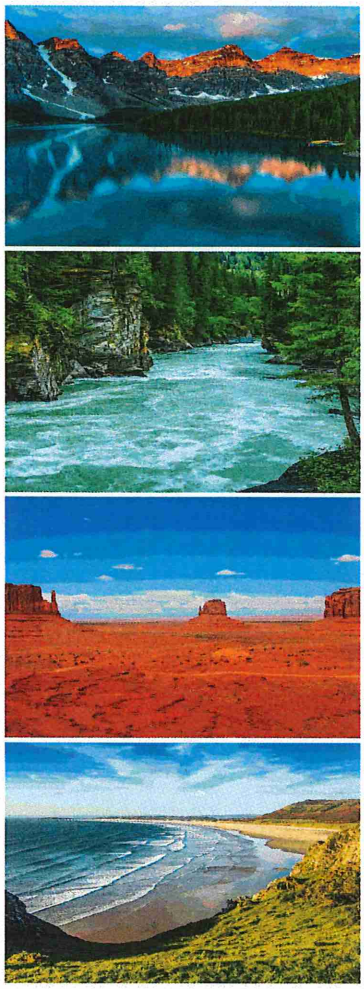
Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100

Horton # 002 Sitting Criteria
API# 30-045-23392

Report to:

Vanessa Fields

7420 Main Street
Farmington, NM 87402



5796 U.S. Hwy 64
Farmington, NM 87401

Phone: (505) 632-1881
Envirotech-inc.com

NELAP ACCREDITED TNI LABORATORY

envirotech

Practical Solutions for a Better Tomorrow

Analytical Report

Epic Energy

Project Name:	Horton #002 Dey Pit
Work Order:	E010011
Job Number:	18012-0006
Received:	10/2/2020

Revision: 1

Report Reviewed By:

Walter Hinchman
Laboratory Director
10/9/20

Envirotech Inc. certifies the test results meet all requirements of TNI unless noted otherwise.
Statement of Data Authenticity: Envirotech Inc, attests the data reported has not been altered in any way.
Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech Inc.
Envirotech Inc, holds the Utah TNI certification NM009792018-1 for data reported.
Envirotech Inc, holds the Texas TNI certification T104704557-19-2 for data reported.

Date Reported: 10/9/20

Vanessa Fields
7420 Main Street
Farmington, NM 87402

Project Name: Horton #002 Dey Pit
Workorder: E010011
Date Received: 10/2/2020 12:25:00PM

Vanessa Fields,

Thank you for choosing Envirotech, Inc. as your analytical testing laboratory for the sample(s) received on, 10/2/2020 12:25:00PM, under the Project Name: Horton #002 Dey Pit.

The analytical test results summarized in this report with the Project Name: Horton #002 Dey Pit apply to the individual samples collected, identified and submitted bearing the project name on the enclosed chain-of-custody. Subcontracted sample analyses not conducted by Envirotech, Inc., are attached in full as issued by the subcontract laboratory.

Please review the Chain-of-Custody (COC) and Sample Receipt Checklist (SRC) for any issues reguarding sample receipt temperature, containers, preservation etc. To best understand your test results, review the entire report summarizing your sample data and the associated quality control batch data.

All reported data in this analytical report were analyzed according to the referenced method(s) and are in compliance with the latest NELAC/TNI standards, unless otherwise noted. Samples or analytical quality control parameters not meeting specific QC criteria are qualified with a data flag. Data flag definitions are located in the Notes and Definitions section of this analytical report.

If you have any questions concerning this report, please feel free to contact Envirotech, Inc.

Respectfully,

Walter Hinchman
Laboratory Director
Office: 505-632-1881
Cell: 775-287-1762
whinchman@envirotech-inc.com

Raina Lopez
Laboratory Administrator
Office: 505-632-1881
rlopez@envirotech-inc.com

Alexa Michaels
Sample Custody Officer
Office: 505-632-1881
labadmin@envirotech-inc.com

Envirotech Web Address: www.envirotech-inc.com

Table of Contents

Sample Summary

Epic Energy	Project Name:	Horton #002 Dey Pit	**Reported:**
7420 Main Street	Project Number:	18012-0006	
Farmington NM, 87402	Project Manager:	Vanessa Fields	10/09/20 09:19

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
Horton #002 North Dey Pit	E010011-01A	Soil	10/02/20	10/02/20	Glass Jar, 4 oz.

Sample Data

Epic Energy	Project Name:	Horton #002 Dey Pit	
7420 Main Street	Project Number:	18012-0006	**Reported:**
Farmington NM, 87402	Project Manager:	Vanessa Fields	10/9/2020 9:19:49AM

Horton #002 North Dey Pit

E010011-01

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Volatile Organics by EPA 8021B	mg/kg	mg/kg	Analyst: RS			Batch: 2041006
Benzene	ND	0.0250	1	10/05/20	10/05/20	
Toluene	ND	0.0250	1	10/05/20	10/05/20	
Ethylbenzene	ND	0.0250	1	10/05/20	10/05/20	
p,m-Xylene	ND	0.0500	1	10/05/20	10/05/20	
o-Xylene	ND	0.0250	1	10/05/20	10/05/20	
Total Xylenes	ND	0.0250	1	10/05/20	10/05/20	
Surrogate: 4-Bromochlorobenzene-PID		*98.8 %*	*70-130*	*10/05/20*	*10/05/20*	
Nonhalogenated Organics by EPA 8015D - GRO	mg/kg	mg/kg	Analyst: RS			Batch: 2041006
Gasoline Range Organics (C6-C10)	ND	20.0	1	10/05/20	10/05/20	
Surrogate: 1-Chloro-4-fluorobenzene-FID		*87.4 %*	*70-130*	*10/05/20*	*10/05/20*	
Nonhalogenated Organics by EPA 8015D - DRO/ORO	mg/kg	mg/kg	Analyst: JL			Batch: 2041007
Oil Range Organics (C28-C40)	**92.9**	50.0	1	10/06/20	10/07/20	
Diesel Range Organics (C10-C28)	**36.7**	25.0	1	10/06/20	10/07/20	
Surrogate: n-Nonane		*108 %*	*50-200*	*10/06/20*	*10/07/20*	
Anions by EPA 300.0/9056A	mg/kg	mg/kg	Analyst: IY			Batch: 2041019
Chloride	ND	20.0	1	10/07/20	10/08/20	

QC Summary Data

Epic Energy	Project Name:	Horton #002 Dey Pit	**Reported:**
7420 Main Street	Project Number:	18012-0006	
Farmington NM, 87402	Project Manager:	Vanessa Fields	10/9/2020 9:19:49AM

Volatile Organics by EPA 8021B

Analyst: RS

Analyte	Result	Reporting Limit	Spike Level	Source Result	Rec	Rec Limits	RPD	RPD Limit	Notes
	mg/kg	mg/kg	mg/kg	mg/kg	%	%	%	%	
Blank (2041006-BLK1)									Prepared: 10/05/20 Analyzed: 10/05/20
Benzene	ND	0.0250							
Toluene	ND	0.0250							
Ethylbenzene	ND	0.0250							
p,m-Xylene	ND	0.0500							
o-Xylene	ND	0.0250							
Total Xylenes	ND	0.0250							
Surrogate: 4-Bromochlorobenzene-PID	*7.66*		*8.00*		*95.8*	*70-130*			
LCS (2041006-BS1)									Prepared: 10/05/20 Analyzed: 10/05/20
Benzene	4.94	0.0250	5.00		98.7	70-130			
Toluene	5.03	0.0250	5.00		101	70-130			
Ethylbenzene	5.03	0.0250	5.00		101	70-130			
p,m-Xylene	10.2	0.0500	10.0		102	70-130			
o-Xylene	5.08	0.0250	5.00		102	70-130			
Total Xylenes	15.3	0.0250	15.0		102	70-130			
Surrogate: 4-Bromochlorobenzene-PID	*8.31*		*8.00*		*104*	*70-130*			
Matrix Spike (2041006-MS1)				**Source: E010011-01**					Prepared: 10/05/20 Analyzed: 10/05/20
Benzene	5.18	0.0250	5.00	ND	104	54-133			
Toluene	5.29	0.0250	5.00	ND	106	61-130			
Ethylbenzene	5.29	0.0250	5.00	ND	106	61-133			
p,m-Xylene	10.7	0.0500	10.0	ND	107	63-131			
o-Xylene	5.36	0.0250	5.00	ND	107	63-131			
Total Xylenes	16.1	0.0250	15.0	ND	107	63-131			
Surrogate: 4-Bromochlorobenzene-PID	*8.53*		*8.00*		*107*	*70-130*			
Matrix Spike Dup (2041006-MSD1)				**Source: E010011-01**					Prepared: 10/05/20 Analyzed: 10/05/20
Benzene	5.09	0.0250	5.00	ND	102	54-133	1.76	20	
Toluene	5.17	0.0250	5.00	ND	103	61-130	2.26	20	
Ethylbenzene	5.19	0.0250	5.00	ND	104	61-133	1.86	20	
p,m-Xylene	10.5	0.0500	10.0	ND	105	63-131	2.06	20	
o-Xylene	5.21	0.0250	5.00	ND	104	63-131	2.85	20	
Total Xylenes	15.7	0.0250	15.0	ND	105	63-131	2.32	20	
Surrogate: 4-Bromochlorobenzene-PID	*8.41*		*8.00*		*105*	*70-130*			

QC Summary Data

Epic Energy	Project Name:	Horton #002 Dey Pit	**Reported:**
7420 Main Street	Project Number:	18012-0006	
Farmington NM, 87402	Project Manager:	Vanessa Fields	10/9/2020 9:19:49AM

Nonhalogenated Organics by EPA 8015D - GRO

Analyst: RS

Analyte	Result	Reporting Limit	Spike Level	Source Result	Rec	Rec Limits	RPD	RPD Limit	Notes
	mg/kg	mg/kg	mg/kg	mg/kg	%	%	%	%	
Blank (2041006-BLK1)									Prepared: 10/05/20 Analyzed: 10/05/20
Gasoline Range Organics (C6-C10)	ND	20.0							
Surrogate: 1-Chloro-4-fluorobenzene-FID	*6.96*		*8.00*		*87.0*	*70-130*			
LCS (2041006-BS2)									Prepared: 10/05/20 Analyzed: 10/05/20
Gasoline Range Organics (C6-C10)	44.9	20.0	50.0		89.8	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	*7.02*		*8.00*		*87.8*	*70-130*			
Matrix Spike (2041006-MS2)				**Source: E010011-01**					Prepared: 10/05/20 Analyzed: 10/05/20
Gasoline Range Organics (C6-C10)	43.6	20.0	50.0	ND	87.2	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	*6.86*		*8.00*		*85.8*	*70-130*			
Matrix Spike Dup (2041006-MSD2)				**Source: E010011-01**					Prepared: 10/05/20 Analyzed: 10/05/20
Gasoline Range Organics (C6-C10)	45.0	20.0	50.0	ND	90.1	70-130	3.19	20	
Surrogate: 1-Chloro-4-fluorobenzene-FID	*6.91*		*8.00*		*86.4*	*70-130*			

QC Summary Data

Epic Energy	Project Name:	Horton #002 Dey Pit	**Reported:**
7420 Main Street	Project Number:	18012-0006	
Farmington NM, 87402	Project Manager:	Vanessa Fields	10/9/2020 9:19:49AM

Nonhalogenated Organics by EPA 8015D - DRO/ORO

Analyst: JL

Analyte	Result	Reporting Limit	Spike Level	Source Result	Rec	Rec Limits	RPD	RPD Limit	Notes
	mg/kg	mg/kg	mg/kg	mg/kg	%	%	%	%	
Blank (2041007-BLK1)									Prepared: 10/05/20 Analyzed: 10/05/20
Oil Range Organics (C28-C40)	ND	50.0							
Diesel Range Organics (C10-C28)	ND	25.0							
Surrogate: n-Nonane	*48.5*		*50.0*		*97.0*	*50-200*			
LCS (2041007-BS1)									Prepared: 10/05/20 Analyzed: 10/05/20
Diesel Range Organics (C10-C28)	491	25.0	500		98.1	38-132			
Surrogate: n-Nonane	*51.2*		*50.0*		*102*	*50-200*			
Matrix Spike (2041007-MS1)				**Source: E010014-01**					Prepared: 10/05/20 Analyzed: 10/05/20
Diesel Range Organics (C10-C28)	480	25.0	500	ND	96.0	38-132			
Surrogate: n-Nonane	*35.5*		*50.0*		*71.0*	*50-200*			
Matrix Spike Dup (2041007-MSD1)				**Source: E010014-01**					Prepared: 10/05/20 Analyzed: 10/05/20
Diesel Range Organics (C10-C28)	469	25.0	500	ND	93.8	38-132	2.29	20	
Surrogate: n-Nonane	*44.9*		*50.0*		*89.7*	*50-200*			

QC Summary Data

Epic Energy	Project Name:	Horton #002 Dey Pit	**Reported:**
7420 Main Street	Project Number:	18012-0006	
Farmington NM, 87402	Project Manager:	Vanessa Fields	10/9/2020 9:19:49AM

Anions by EPA 300.0/9056A

Analyst: IY

Analyte	Result	Reporting Limit	Spike Level	Source Result	Rec	Rec Limits	RPD	RPD Limit	Notes
	mg/kg	mg/kg	mg/kg	mg/kg	%	%	%	%	
Blank (2041019-BLK1)									Prepared: 10/07/20 Analyzed: 10/07/20
Chloride	ND	20.0							
LCS (2041019-BS1)									Prepared: 10/07/20 Analyzed: 10/07/20
Chloride	264	20.0	250		106	90-110			
Matrix Spike (2041019-MS1)				**Source: E010022-01**					Prepared: 10/07/20 Analyzed: 10/08/20
Chloride	13200	100	250	12700	201	80-120			M5
Matrix Spike Dup (2041019-MSD1)				**Source: E010022-01**					Prepared: 10/07/20 Analyzed: 10/08/20
Chloride	13200	100	250	12700	226	80-120	0.464	20	M5

QC Summary Report Comment:
Calculations are based off of the raw (non-rounded) data. However, for reporting purposes all QC data is rounded to three significant figures. Therefore, hand calculated values may differ slightly.

Definitions and Notes

Epic Energy	Project Name:	Horton #002 Dey Pit	
7420 Main Street	Project Number:	18012-0006	**Reported:**
Farmington NM, 87402	Project Manager:	Vanessa Fields	10/09/20 09:19

M5	The analysis of the MS sample required a dilution such that the spike recovery calculation does not provide useful information. The accociated LCS spike recovery was acceptable.
ND	Analyte NOT DETECTED at or above the reporting limit
NR	Not Reported
RPD	Relative Percent Difference

Note (1): Methods marked with ** are non-accredited methods.

Note (2): Soil data is reported on an "as received" weight basis, unless reported otherwise.

Project Information

Chain of Custody

Page 1 of 1

Client:	HILCORP Energy
Project:	Horton #002 North Dey P.t
Project Manager:	Vanessa Fields
Address:	7541 E. Main
City, State, Zip	Farmington NM 87402
Phone:	505-787-9100
Email:	Vanessa@walsheng.net
Report due by:	Standard

Bill To

Attention:	HILCORP Energy
Address:	7541 E Main St
City, State, Zip	Farmington NM
Phone:	505-787-9100
Email:	Vanessa@walsheng.net

Lab Use Only

Lab WO#	Job Number
E610011	1R01200006

TAT: 1D | 2D | 3D | Standard

EPA Program: CWA | SDWA | RCRA

State: NM | CO | UT | AZ | TX

Time Sampled	Date Sampled	Matrix	No. of Containers	Sample ID	Lab Number	DRO/ORO by 8015	GRO/DRO by 8015	BTEX by 8021	VOC by 8260	Metals 6010	Chloride 300.0	Remarks
9:03	10/2/2020		1 402	Horton #002 North Dey P.t	1	X	X	X			X	

Additional Instructions:

I, (field sampler), attest to the validity and authenticity of this sample. I am aware that tampering with or intentionally mislabelling the sample location, date or time of collection is considered fraud and may be grounds for legal action. Sampled by:

Samples requiring thermal preservation must be received on ice the day they are sampled or received packed in ice at an avg temp above 0 but less than 6 °C on subsequent days.

Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
			Rai Lopez	10/2/20	12:25
	10/2/2020	12:25			

Lab Use Only

Received on ice: (Y) / N

T1 T2 T3

AVG Temp °C 4

Sample Matrix: S - Soil, Sd - Solid, Sg - Sludge, A - Aqueous, O - Other

Container Type: g - glass, p - poly/plastic, ag - amber glass, v - VOA

Note: Samples are discarded 30 days after results are reported unless other arrangements are made. Hazardous samples will be returned to client or disposed of at the client expense. The report for the analysis of the above samples is applicable only to those samples received by the laboratory with this COC. The liability of the laboratory is limited to the amount paid for on the report.

envirotech

Envirotech Analytical Laboratory

Printed: 10/2/2020 3:16:04PM

Sample Receipt Checklist (SRC)

Instructions: Please take note of any NO checkmarks.
If we receive no response concerning these items within 24 hours of the date of this notice, all the samples will be analyzed as requested.

Client:	Epic Energy	Date Received:	10/02/20 12:25	Work Order ID:	E010011
Phone:	(505) 327-4892	Date Logged In:	10/02/20 14:49	Logged In By:	Alexa Michaels
Email:	vanessa@walsheng.net	Due Date:	10/09/20 17:00 (5 day TAT)		

Chain of Custody (COC)

1. Does the sample ID match the COC?	Yes	
2. Does the number of samples per sampling site location match the COC	Yes	
3. Were samples dropped off by client or carrier?	Yes	Carrier: Vanessa Fields
4. Was the COC complete, i.e., signatures, dates/times, requested analyses?	Yes	
5. Were all samples received within holding time? Note: Analysis, such as pH which should be conducted in the field, i.e, 15 minute hold time, are not included in this disucssion.	Yes	

Comments/Resolution

Sample Turn Around Time (TAT)

6. Did the COC indicate standard TAT, or Expedited TAT?	Yes	

Sample Cooler

7. Was a sample cooler received?	Yes	
8. If yes, was cooler received in good condition?	Yes	
9. Was the sample(s) received intact, i.e., not broken?	Yes	
10. Were custody/security seals present?	No	
11. If yes, were custody/security seals intact?	NA	
12. Was the sample received on ice? If yes, the recorded temp is 4°C, i.e., 6°±2°C Note: Thermal preservation is not required, if samples are received w/i 15 minutes of sampling	Yes	
13. If no visible ice, record the temperature. Actual sample temperature: 4°C		

Sample Container

14. Are aqueous VOC samples present?	No	
15. Are VOC samples collected in VOA Vials?	NA	
16. Is the head space less than 6-8 mm (pea sized or less)?	NA	
17. Was a trip blank (TB) included for VOC analyses?	NA	
18. Are non-VOC samples collected in the correct containers?	No	
19. Is the appropriate volume/weight or number of sample containers collected?	Yes	

Field Label

20. Were field sample labels filled out with the minimum information:		
Sample ID?	Yes	
Date/Time Collected?	Yes	
Collectors name?	Yes	

Sample Preservation

21. Does the COC or field labels indicate the samples were preserved?	No	
22. Are sample(s) correctly preserved?	NA	
24. Is lab filteration required and/or requested for dissolved metals?	No	

Multiphase Sample Matrix

26. Does the sample have more than one phase, i.e., multiphase?	No	
27. If yes, does the COC specify which phase(s) is to be analyzed?	NA	

Subcontract Laboratory

28. Are samples required to get sent to a subcontract laboratory?	No	
29. Was a subcontract laboratory specified by the client and if so who?	NA	Subcontract Lab: NA

Client Instruction

Signature of client authorizing changes to the COC or sample disposition.

Date

envirotech Inc.

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	NCS1912332788
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party EPIC Energy L.L.C	OGRID 372834
Contact Name Vanessa Fields	Contact Telephone 505-787-9100
Contact email vanessa@walsheng.net	Incident # *(assigned by OCD) N/A*
Contact mailing address 7415 East Main Street Farmington, NM 87402	

Location of Release Source

Latitude 36.9749756 Longitude -107.9710007
(NAD 83 in decimal degrees to 5 decimal places)

Site Name Horton #002 Dehy Pit	Site Type Gas
Date Release Discovered N/A	API# *(if applicable) 30-045-11371*

Unit Letter	Section	Township	Range	County
A	22	32N	11W	San Juan

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)	Volume Recovered (bbls)
☐ 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: One 5- point composite sample was collected during the removal of the BGT. Analytical results were above the regulatory standards. Further remediation required.

State of New Mexico
Oil Conservation Division

Incident ID	
District RP	
Facility ID	
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: Vanessa Fields Title: Regulatory Compliance Manager

Signature: Date: 12/01/2020

email: vanessa@walsheng.net Telephone: 505-787-9100

OCD Only

Received by: Date:

EPIC Energy L.L.C

Below Grade Tank Closure Plan

Horton #002

Dehy Pit

U/L: A, Section 22, TWN: 32N. RNG: 11W

San Juan County, New Mexico

30-045-11371

As stipulated in Rule 19 .15 .17 .13 NMAC, the following information adheres to the requirements established in closing below-grade tanks (BGTs) on EPIC Energy L.L.C well sites. This plan will address the standard protocols and procedures for closure of BGTs.

EPIC Energy L.L.C proposes to close its existing BGTs that do not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or are not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC in accordance with this closure plan and the transitional provisions of Subsection E of 19.15.17.17 NMAC, or within five (5) years after the effective date (June 16, 2008) of 19.15.17 NMAC.

The following outline addresses all requirements for closure of EPIC Energy L.L.C BGTs:

1.Prior notification of EPIC Energy L.L.C intent to close the BGT will follow 19.15.17.13J (I) and (2).

a. EPIC Energy L.L.C will notify the surface owner by certified mail, return receipt requested, of closure plans. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records is enough to demonstrate compliance with this requirement.

b. notification will also be given to the division District III office verbally or by other means at least 72 hours, but not more than one (1) week, prior to any closure operation. The notice will include the operator's name and the well's name, number, and API number, in addition to the well's legal description, including the unit letter, section, township, and range.

Notification was provided to the NMOCD District III office. Attached is a copy of the notification. BLM representative was on-site to witness sampling.

2.EPIC Energy L.L.C will remove liquids and sludge from the BGT prior to implementing a closure method and dispose of the liquids and sludge in a NMOCD's division-approved facility. A list of EPIC Energy L.L.C approved disposal facilities is below:

Fluid disposal:

Agua Moss

Sunco well #1

U/L=E, SWNW, Section 2, T29N-Rl2W San Juan, New Mexico

Permit #NM-01-0009

Basin Disposal Inc.

Basin Disposal well # 1

U/L=F, SWNW, Section 3, T29N-Rl 1 W San Juan, New Mexico

Permit #NM-01-0005

Solid disposal:

Envirotech Land Farm

Disposal Facility

Section 6, T26N-R10W, County Road #7175 San Juan, New Mexico

Permit #NM-01-0011

3.EPIC Energy L.L.C will remove the BGT from the pit and place it at ground level adjacent to the original BGT site.

The Below Grade tank was transported for recycling by the previous operator. One 5-point composite sample was collected at 5' below ground surface in the area of the previous BGT area of refusal. The method was conducted by utilizing Google Imagery to determine where the previous BGT was located

4.EPIC Energy L.L.C will hook up necessary equipment and piping for temporary tank use. At this time, any on-site equipment not necessary to the operation of the tank will be removed from the site.

All Equipment was removed by the previous operator. Epic Energy remediated the area to closure standards and backfilled with BLM approved earthen soil.

5.EPIC Energy L.L.C will test the soils beneath the original BGT location to determine whether a release has occurred. At a minimum, a five (5) point composite sample will be collected in addition to individual grab samples from areas that are wet, discolored, or showing other evidence of a release. The samples will be analyzed for BTEX, TPH, and chlorides to demonstrate that they do not exceed certain concentrations. The testing methods and closure standards for those constituents are as follows:

The 5-point Analytical sample collected results were Benzene Non-Detect, 8021 Non-Detect GRO Non-Detect, Oil Range Organics 92.9 mg/kg Diesel Range Organics 36.7 with a total TPH of 129.6 mg. Chloride levels were Non-Detect.

Constituents	Testing Method	Closure Standards (mg/Kg)
Benzene	US EPA SW-846 methods 8021B or 8260B	0.2
total BTEX	US EPA SW-846 methods 8021B or 8260B	50
TPH	US EPA method 418.1	100
Chlorides	US EPA method 300.1	250 or background

Notes: mg/Kg= milligram per kilogram; BTEX = benzene, toluene, ethylbenzene, and total xylenes; TPH = total petroleum hydrocarbons. Other EPA methods that the division approves may be applied to all constituents listed. The Chlorides closure standards will be determined by whichever concentration level is greatest.

6. EPIC Energy L.L.C will notify the division District III office of the soil test results on Form C-14 l. It is understood that the NMOCD may require additional delineation upon review of the results.

An initial C-141 is attached demonstrating the analytical results were above closure standards and release occurred.

7. If it is determined that a release has occurred, then EPIC Energy L.L.C will comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC, as appropriate.

An initial C-141 is attached demonstrating the analytical results were above closure standards and release occurred.

8. If the confirmation sampling demonstrates that a release has not occurred or that any release does not exceed the concentrations specified above, then EPIC Energy L.L.C will backfill the · excavation with compacted, non-waste containing, earthen material; construct a division prescribed soil cover; re-contour the site; and move the fiberglass tank onto the newly backfilled and compacted site. The division-prescribed soil cover, re-contouring, and re-vegetation requirements shall comply with Subsections G, H, and I of 19.15.17.13

NMAC.

9.Reclamation will follow 19.15.17.130 (1) and (2).

a. The BGT location and all areas associated with the BGT, including associated access roads, if applicable, will be reclaimed to a safe and stable condition that blends with the surrounding undisturbed area. It is understood that EPIC Energy L.L.C shall substantially restore the impacted surface area to the condition that existed prior to oil and gas operations by placement of the soil cover as provided in Subsection H of 19 .15 .1 7 .13 NMA C and re-contour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography.

b. Re-vegetation will not be completed at the time the BGT pit is reclaimed but will instead be applied for as part of the P&A process when the well is plugged and abandoned.

10.Soil cover will follow 19.15.17.13H (1) and (3).

a. The soil cover for closures where the BGT has been removed or contaminated soil has been remediated to the NMOCD's satisfaction will consist of the background thickness of topsoil or one (1) foot of suitable material to establish vegetation at the site, whichever is greater.

b. The soil cover will be constructed to the site's existing grade, and all possible efforts will be conducted to prevent ponding of water and erosion of the cover material.

The area has been backfilled and will be reclaimed once the well has been plugged and abandoned.

11.Within 60 days of closure completion, EPIC Energy L.L.C will submit a closure report on NMOCD's Form C-144, with necessary attachments to document all closure activities, including sampling results; information required by 19.15.17 NMAC; and details on backfilling, capping, and covering, where applicable. EPIC Energy L.L.C will certify that all information in the report and attachments is correct and that EPIC Energy L.L.C has complied with all applicable closure requirements and conditions specified in the approved closure plan.