



January 10, 2024  
Forty Acres Energy, LLC  
11757 Katy Freeway, Suite 725  
Houston, TX 77079

Attn: New Mexico Oil Conservation District  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Re: Notice of Liner Inspection and Request for Closure

Tom Closson F32  
NMCOD Incident Number: nAPP2317251245  
32.42174°, -103.30337°  
Lea County, New Mexico  
Terracon Project No. KH237054

To Whom it May Concern:

On December 12, 2023, Forty Acres Energy, LLC (FAE) commissioned Terracon Consultants, Inc (Terracon) to conduct a Liner Inspection following a reportable release within the secondary containment of the Tom Closson F32 (nAPP2317251245) site. The New Mexico Oil Conservation District (NMOCD) was informed of incident on June 20, 2023, which involved a release of 320 barrels (bbls) of produced water, all of which was successfully recovered by FAE. The site is federally owned.

**Regulatory Criteria**

Groundwater elevation data, sourced from the New Mexico Office of the State Engineer (NMOSE) website, revealed a depth to groundwater of approximately 140 feet from the grade surface (bgs). The water level was recorded in a well approximately located 2 miles south of the Tom Closson F32 (nAPP2317251245) site. Geospatial data from the Bureau of Land Management (BLM) Carlsbad Field Office (CFO) website categorizes the site as low risk for karst formations. In accordance with New Mexico Administrative Code (NMAC) 19.15.29.12, remediation and closure criteria for a groundwater depth of less than 100 feet were applied to this release.

Tom Closson F32  
Liner Inspection ■ Lea County, New Mexico  
January 10, 2024 ■ NMOCD ID: nAPP2317251245



## **Activities**

On June 20, 2023, FAE executed recovery operations, successfully recovering all 320 BBLs of the released fluids from the lined secondary containment. On December 27, 2023, Terracon deployed to the Tom Closson F32 (nAPP2317251245) site to perform a visual assessment and Liner Inspection.

In compliance with NMOCD 19.15.29.11.5a, the battery containment liner at the Tom Closson F32 (nAPP2317251245) site was visually inspected and found to be intact, with no signs of tearing. Note that although it was not possible to visually inspect the entire liner, the areas where the liner was visible indicated the material was in good condition with no evidence of deterioration. Given the complete recovery of the released fluids and the absence of any evidence indicating a potential release from the containment, FAE is seeking approval for the closure of the incident.

For any additional information or clarification, please don't hesitate to contact the undersigned at (806) 507-7057.

Prepared by:

A handwritten signature in black ink, appearing to read 'Travis Casey'.

Travis Casey  
Senior Staff Scientist  
Carlsbad

Reviewed by:

A handwritten signature in black ink, appearing to read 'John Grams'.

John Grams  
Environmental Department Manager  
Lubbock

## **Attachments**

### **Appendix A – Exhibits**

- Exhibit 1 – Site Map
- Exhibit 2 – Cave Karst Public UCP Map
- Exhibit 3 – NMOSE POD Location Map
- Exhibit 4 – Photographic Log

## **APPENDIX A – EXHIBITS**



DATA SOURCES: Bing

0 40 80 160 Feet




 Site Boundary

Project No.:  
KH237054

Date:  
Jan 03 2024

Drawn By:  
JWL

Reviewed By:  
TLC



4526 W Pierce St  
Carlsbad, NM

PH. 806-300-0140      terracon.com

**Site Location Map**

Tom Closson Battery 2  
Forty Acres Energy LLC  
32.42174,-103.30337  
Lea County, New Mexico

**Exhibit**


**1**





- Site Boundary
- Karst Potential
  - Low
  - Medium
  - High

Project No.:	KH237054
Date:	Jan 03 2024
Drawn By:	JWL
Reviewed By:	TLC



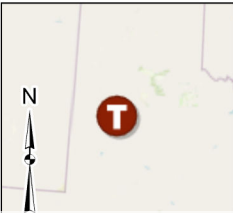
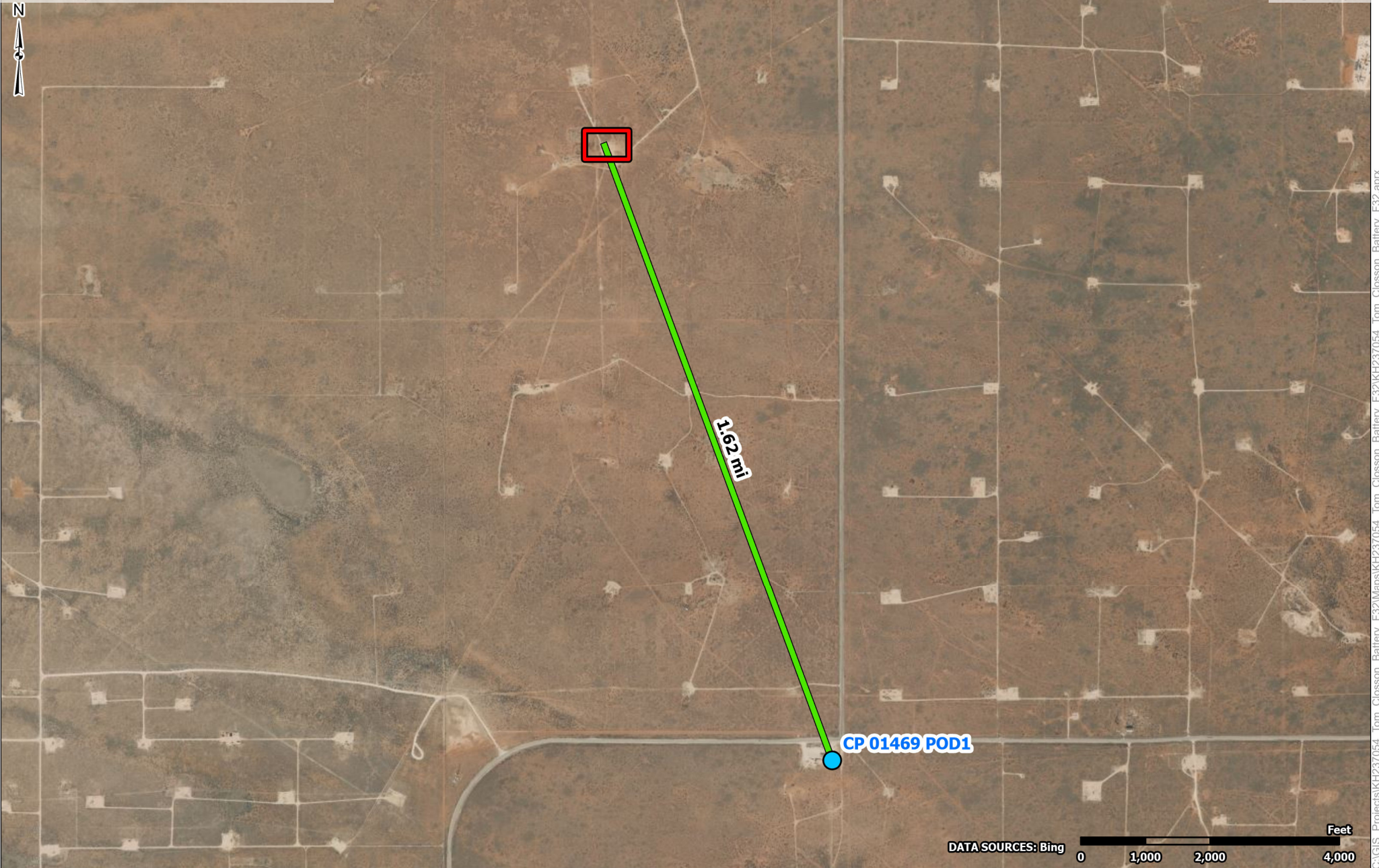
4526 W Pierce St  
Carlsbad, NM

PH. 806-300-0140      [terracon.com](http://terracon.com)

Cave Karst Public UCP Map
Tom Closson Battery 2 Forty Acres Energy LLC 32.42174,-103.30337 Lea County, New Mexico

Exhibit
2





- Site Boundary
- NMOSE POD Location

Project No.:  
KH237054

Date:  
Jan 08 2024

Drawn By:  
JWL

Reviewed By:  
TLC

**Terracon**

5847 50th St  
Lubbock, TX

PH. 806-300-0140      terracon.com

**NMOSE POD Location Map**

Tom Closson Battery 2  
Forty Acres Energy LLC  
32.42174,-103.30337  
Lea County, New Mexico

**Exhibit**

**3**



# 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	Tws	Rng	X	Y
CP 01469	POD1	2	2	2	18	22S	36E	660234	3585869

<b>Driller License:</b> 1706	<b>Driller Company:</b> ELITE DRILLERS CORPORATION
<b>Driller Name:</b> WALLACE, BRYCE J.	
<b>Drill Start Date:</b> 02/12/2016	<b>Drill Finish Date:</b> 02/13/2016
<b>Log File Date:</b> 03/03/2016	<b>PCW Rcv Date:</b>
<b>Pump Type:</b>	<b>Pipe Discharge Size:</b>
<b>Casing Size:</b> 6.00	<b>Depth Well:</b> 200 feet
	<b>Plug Date:</b>
	<b>Source:</b> Shallow
	<b>Estimated Yield:</b> 1 GPM
	<b>Depth Water:</b> 140 feet

Water Bearing Stratifications:	Top	Bottom	Description
	130	135	Sandstone/Gravel/Conglomerate

Casing Perforations:	Top	Bottom
	100	200





Photo 1 :

View of the battery



Photo 2 :

View of Southeast liner floor facing West





Photo 3 : View of east liner floor facing North



Photo 4 : View of the center battery liner floor facing North



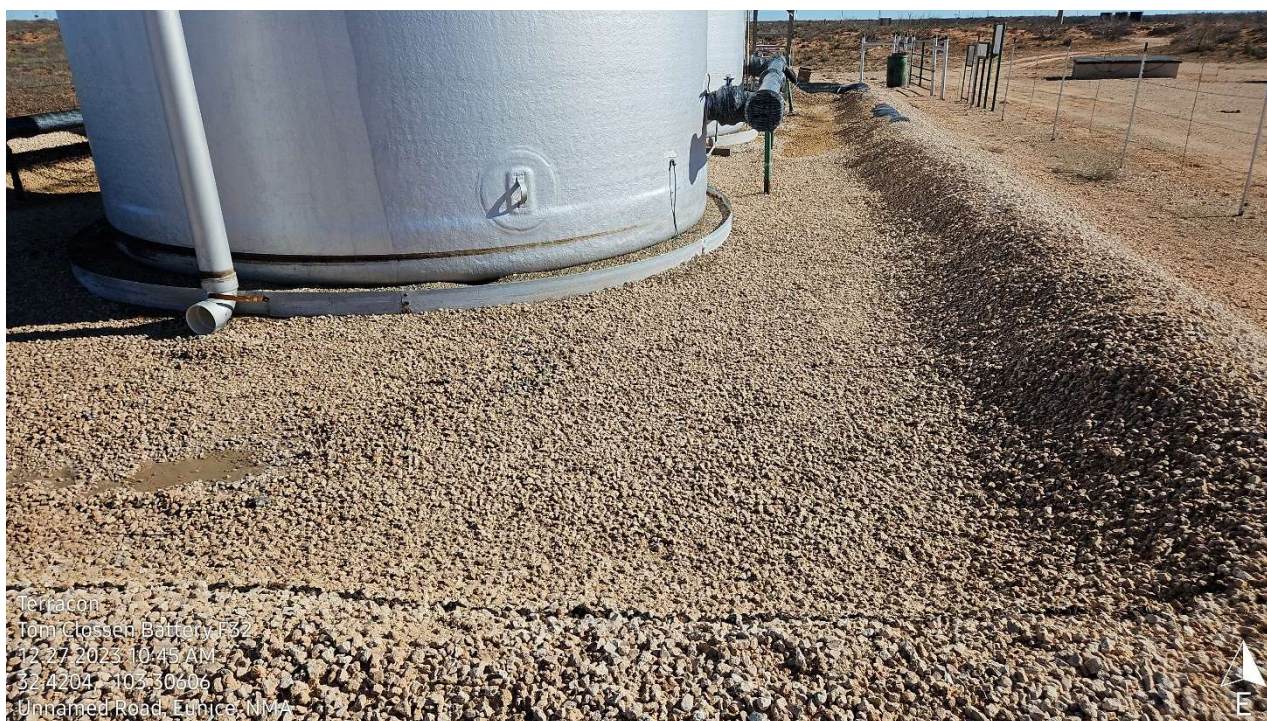


Photo 5 : View of West liner floor facing East



Photo 6 : View of West liner floor facing South





Photo 7 : View of liner North liner floor facing south



Photo 8 : View of Northeast liner floor facing West

## Site Assessment/Characterization

Complete this section with the most current information available at the time of the notification.  
Revisions can be submitted to [eco@slo.state.nm.us](mailto:eco@slo.state.nm.us) if new information becomes available.

What is the shallowest depth to groundwater beneath the area affected by the spill?	140 ft bgs
Did the spill impact areas <b>not</b> on an exploration, development, production, or storage site?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Did this spill impact groundwater or surface water?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Did the spill occur in an area where groundwater is potentially less than 50 ft bgs?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the spill within 300 feet of a continuously flowing watercourse or any other significant watercourse?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the spill within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the spill within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the spill 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the spill within 1,000 feet of any other fresh water well or spring?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the spill within incorporated municipal boundaries or within a defined municipal fresh water well field?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the spill within 300 feet of a wetland?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the spill overlying a subsurface mine?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the spill overlying an unstable area such as karst geology?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the spill within a 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the spill within 500 feet of any other sensitive receptor not documented above? If yes, list the receptor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

- If remediation has begun, please attach a narrative of actions to date with this initial spill notification.
- Submit subsequent workplans and closure reports to [eco@slo.state.nm.us](mailto:eco@slo.state.nm.us)



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	NAPP2317251245
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party	FAE II	OGRID	329326
Contact Name	Alex Bolanos	Contact Telephone	(832) 689-3788
Contact email	alex@faenergyus.com	Incident # (assigned by OCD)	nAPP2317251245
Contact mailing address	11757 Katy Freeway, Suite 725   Houston, TX 77079		

Location of Release Source

Latitude 32.42174 Longitude -103.30337  
(NAD 83 in decimal degrees to 5 decimal places)

Site Name	Tom Closson Battery	Site Type	Battery
Date Release Discovered	6/20/23	API# (if applicable)	30-025-08803

Unit Letter	Section	Township	Range	County
G	06	22S	36E	LEA

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)

<input type="checkbox"/> Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
<input checked="" type="checkbox"/> Produced Water	Volume Released (bbls) 320	Volume Recovered (bbls) 320
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Condensate	Volume Released (bbls)	Volume Recovered (bbls)
<input type="checkbox"/> Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
<input type="checkbox"/> Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)

Cause of Release

A connection at the pump split.

Incident ID	NAPP2317251245
District RP	
Facility ID	
Application ID	

Was this a major release as defined by 19.15.29.7(A) NMAC?  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, for what reason(s) does the responsible party consider this a major release?  Greater than 25 barrels of produced water.
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?  Yes, James Martinez called/emailed Mike Bradsher on 06/20/2023.	

### Initial Response

*The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury*

<input checked="" type="checkbox"/> The source of the release has been stopped. <input checked="" type="checkbox"/> The impacted area has been secured to protect human health and the environment. <input checked="" type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices. <input checked="" type="checkbox"/> All free liquids and recoverable materials have been removed and managed appropriately.	
If all the actions described above have <u>not</u> 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: Alex Bolanos	Title: Reg/Prod Analyst
Signature: <u>Alex Bolanos</u>	Date: 8/29/23
email: alex@faenergyus.com	Telephone: (832_689-3788
<b><u>OCD Only</u></b>	
Received by: Shelly Wells	Date: 9/1/2023



## Release Volume Calculation

$$38' \times 61' \times .78' = 1808.04 \text{ ft}^3 \text{ to bbl} = 320 \text{ Bbl's}$$

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

CONDITIONS  
  
Action 261435

CONDITIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 261435
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
scwells	None	9/1/2023

Incident ID	NAPP2317251245
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?	<u>&gt;55</u> (ft bgs)
Did this release impact groundwater or surface water?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of a wetland?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release overlying a subsurface mine?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release overlying an unstable area such as karst geology?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within a 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Did the release impact areas <b>not</b> on an exploration, development, production, or storage site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 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.



State of New Mexico  
Oil Conservation Division

Page 4

Incident ID	NAPP2317251245
District RP	
Facility ID	
Application ID	

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: Alex Bolanos Title: Reg/Prod Analyst

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

email: alex@faenergyus.com Telephone: (832\_689-3788

**OCD Only**

Received by: \_\_\_\_\_ Date: \_\_\_\_\_

Incident ID	NAPP2317251245
District RP	
Facility ID	
Application ID	

## Remediation Plan

**Remediation Plan Checklist:** *Each of the following items must be included in the plan.*

- ☐ Detailed description of proposed remediation technique
- ☐ Scaled sitemap with GPS coordinates showing delineation points
- ☐ Estimated volume of material to be remediated
- ☐ Closure criteria is to Table 1 specifications subject to 19.15.29.12(C)(4) NMAC
- ☐ Proposed schedule for remediation (note if remediation plan timeline is more than 90 days OCD approval is required)

**Deferral Requests Only:** *Each of the following items must be confirmed as part of any request for deferral of remediation.*

- ☐ Contamination must be in areas immediately under or around production equipment where remediation could cause a major facility deconstruction.
- ☐ Extents of contamination must be fully delineated.
- ☐ Contamination does not cause an imminent risk to human health, the environment, or groundwater.

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: Alex Bolanos Title: Reg/Prod Analyst  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
email: alex@faenergyus.com Telephone: (832)\_689-3788

**OCD Only**

Received by: \_\_\_\_\_ Date: \_\_\_\_\_

☐ Approved ☐ Approved with Attached Conditions of Approval ☐ Denied ☐ Deferral Approved

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Incident ID	NAPP2317251245
District RP	
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: Alex Bolanos Title: Reg/Prod Analyst

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

email: alex@faenergyus.com Telephone: (832\_689-3788

**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: \_\_\_\_\_





# 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	Tws	Rng	X	Y
	CP 00469	1	2	3	06	22S	36E	659127	3588245*

x

Driller License:

208

Driller Company:

VAN NOY, W.L.

Driller Name:

VAN NOY, W.L.

Drill Start Date:

01/28/1969

Drill Finish Date:

02/07/1969

Plug Date:

Log File Date:

02/12/1969

PCW Rcv Date:

Source:

Shallow

Pump Type:

Pipe Discharge Size:

Estimated Yield:

Casing Size:

8.00

Depth Well:

220 feet

Depth Water:

195 feet

x

Water Bearing Stratifications:	Top	Bottom	Description
	210	215	Sandstone/Gravel/Conglomerate

x

Casing Perforations:	Top	Bottom
	204	220

\*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

QUESTIONS

Action 330970

QUESTIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID:	329326
	Action Number:	330970
	Action Type:	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2317251245
Incident Name	NAPP2317251245 TOM CLOSSON #003 @ 0
Incident Type	Produced Water Release
Incident Status	Remediation Closure Report Received

Location of Release Source	
Please answer all the questions in this group.	
Site Name	TOM CLOSSON #003
Date Release Discovered	06/20/2023
Surface Owner	Federal

Incident Details	
Please answer all the questions in this group.	
Incident Type	Produced Water Release
Did this release result in a fire or is the result of a fire	No
Did this release result in any injuries	No
Has this release reached or does it have a reasonable probability of reaching a watercourse	No
Has this release endangered or does it have a reasonable probability of endangering public health	No
Has this release substantially damaged or will it substantially damage property or the environment	No
Is this release of a volume that is or may with reasonable probability be detrimental to fresh water	No

Nature and Volume of Release	
Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.	
Crude Oil Released (bbls) Details	Not answered.
Produced Water Released (bbls) Details	Cause: Corrosion   Pump   Produced Water   Released: 320 BBL   Recovered: 320 BBL   Lost: 0 BBL.
Is the concentration of chloride in the produced water >10,000 mg/l	Yes
Condensate Released (bbls) Details	Not answered.
Natural Gas Vented (Mcf) Details	Not answered.
Natural Gas Flared (Mcf) Details	Not answered.
Other Released Details	Not answered.
Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)	Not answered.

**District I**

1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**

811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**

1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS, Page 2

Action 330970

**QUESTIONS (continued)**

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID:	329326
	Action Number:	330970
	Action Type:	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

**QUESTIONS**

<b>Nature and Volume of Release (continued)</b>	
Is this a gas only submission (i.e. only significant Mcf values reported)	<b>No, according to supplied volumes this does not appear to be a "gas only" report.</b>
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	<b>Yes</b>
Reasons why this would be considered a submission for a notification of a major release	<b>From paragraph A. "Major release" determine using: (1) an unauthorized release of a volume, excluding gases, of 25 barrels or more.</b>
<i>With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e. gas only) are to be submitted on the C-129 form.</i>	

**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	True
The impacted area has been secured to protect human health and the environment	True
Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices	True
All free liquids and recoverable materials have been removed and managed appropriately	True
If all the actions described above have not been undertaken, explain why	On June 20, 2023, FAE executed recovery operations, successfully recovering all 320 BBLs of the released fluids from the lined secondary containment.

*Per Paragraph (4) of Subsection B of 19.15.29.8 NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please prepare and attach a narrative of actions to date in the follow-up C-141 submission. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC), please prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.*

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.

I hereby agree and sign off to the above statement	Name: Alexis Bolanos Title: Production & Regulatory Analyst Email: alex@faenergyus.com Date: 04/08/2024
--	--

**District I**

1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**

811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**

1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS, Page 3

Action 330970

**QUESTIONS (continued)**

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID:	329326
	Action Number:	330970
	Action Type:	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

**QUESTIONS****Site Characterization**

Please answer all the questions in this group (only required when seeking remediation plan approval and beyond). 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 in feet below ground surface (ft bgs)	Between 100 and 500 (ft.)
What method was used to determine the depth to ground water	NM OSE iWaters Database Search
Did this release impact groundwater or surface water	No
<b>What is the minimum distance, between the closest lateral extents of the release and the following surface areas:</b>	
A continuously flowing watercourse or any other significant watercourse	Greater than 5 (mi.)
Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)	Greater than 5 (mi.)
An occupied permanent residence, school, hospital, institution, or church	Greater than 5 (mi.)
A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes	Greater than 5 (mi.)
Any other fresh water well or spring	Greater than 5 (mi.)
Incorporated municipal boundaries or a defined municipal fresh water well field	Greater than 5 (mi.)
A wetland	Greater than 5 (mi.)
A subsurface mine	Greater than 5 (mi.)
An (non-karst) unstable area	Greater than 5 (mi.)
Categorize the risk of this well / site being in a karst geology	Low
A 100-year floodplain	Greater than 5 (mi.)
Did the release impact areas not on an exploration, development, production, or storage site	No

**Remediation Plan**

Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

Requesting a remediation plan approval with this submission	Yes
Attach a comprehensive report demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined, pursuant to 19.15.29.11 NMAC and 19.15.29.13 NMAC.	
Have the lateral and vertical extents of contamination been fully delineated	Yes
Was this release entirely contained within a lined containment area	Yes
Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC, which includes the anticipated timelines for beginning and completing the remediation.	
On what estimated date will the remediation commence	
On what date will (or did) the final sampling or liner inspection occur	
On what date will (or was) the remediation complete(d)	
What is the estimated surface area (in square feet) that will be remediated	2000
What is the estimated volume (in cubic yards) that will be remediated	148
These estimated dates and measurements are recognized to be the best guess or calculation at the time of submission and may (be) change(d) over time as more remediation efforts are completed.	
The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.	



**District I**

1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**

811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**

1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS, Page 4

Action 330970

**QUESTIONS (continued)**

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID:	329326
	Action Number:	330970
	Action Type:	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

**QUESTIONS****Remediation Plan (continued)**

Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

**This remediation will (or is expected to) utilize the following processes to remediate / reduce contaminants:**

(Select all answers below that apply.)

Is (or was) there affected material present needing to be removed	No
Is (or was) there a power wash of the lined containment area (to be) performed	No
OTHER (Non-listed remedial process)	Yes
Other Non-listed Remedial Process. Please specify	In compliance with NMOCD 19.15.29.11.5a, the battery containment liner at the Tom Closson F32 (nAPP2317251245) site was visually inspected and found to be intact, with no signs of tearing. Note that although it was not possible to visually inspect the entire liner, the areas where the liner was visible indicated the material was in good condition with no evidence of deterioration. Given the complete recovery of the released fluids and the absence of any evidence indicating a potential release from the containment, FAE is seeking approval for the closure of the incident.

Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC, which includes the anticipated timelines for beginning and completing the remediation.

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.

I hereby agree and sign off to the above statement	Name: Alexis Bolanos Title: Production & Regulatory Analyst Email: alex@faenergyus.com Date: 04/23/2024
--	--

The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.

**District I**

1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**

811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**

1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS, Page 6

Action 330970

**QUESTIONS (continued)**

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID:
	329326
	Action Number:
	330970
Action Type:	
[C-141] Remediation Closure Request C-141 (C-141-v-Closure)	

**QUESTIONS**

<b>Liner Inspection Information</b>	
Last liner inspection notification (C-141L) recorded	{Unavailable.}
Was all the impacted materials removed from the liner	Unavailable.

<b>Remediation Closure Request</b>	
Only answer the questions in this group if seeking remediation closure for this release because all remediation steps have been completed.	
Requesting a remediation closure approval with this submission	Yes
Have the lateral and vertical extents of contamination been fully delineated	Yes
Was this release entirely contained within a lined containment area	Yes
What was the total surface area (in square feet) remediated	2000
What was the total volume (cubic yards) remediated	148
Summarize any additional remediation activities not included by answers (above)	On June 20, 2023, FAE executed recovery operations, successfully recovering all 320 BBLs of the released fluids from the lined secondary containment. On December 27, 2023, Terracon deployed to the Tom Closson F32 (nAPP2317251245) site to perform a visual assessment and Liner Inspection. In compliance with NMOCD 19.15.29.11.5a, the battery containment liner at the Tom Closson F32 (nAPP2317251245) site was visually inspected and found to be intact, with no signs of tearing. Note that although it was not possible to visually inspect the entire liner, the areas where the liner was visible indicated the material was in good condition with no evidence of deterioration. Given the complete recovery of the released fluids and the absence of any evidence indicating a potential release from the containment, FAE is seeking approval for the closure of the incident.
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 (in .pdf format) 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.	
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.	
I hereby agree and sign off to the above statement	Name: Alexis Bolanos Title: Production & Regulatory Analyst Email: alex@faenergyus.com Date: 04/23/2024

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

CONDITIONS  
  
Action 330970

CONDITIONS

Operator: FAE II Operating LLC 11757 Katy Freeway, Suite 725 Houston, TX 77079	OGRID: 329326
	Action Number: 330970
	Action Type: [C-141] Remediation Closure Request C-141 (C-141-v-Closure)

CONDITIONS

Created By	Condition	Condition Date
nvelez	Liner inspeoction approved. Release resolved. Operator failed to provide proper Liner Inspection Notification pursuant to 19.15.29.11.A.(5).(a).(ii) NMAC. Failure to provide proper sampling notice is a compliance issue and OCD may pursue compliance actions pursuant to 19.15.5 NMAC. Operator shall ensure future compliance with 19.15.29.11.A.(5).(a).(ii) NMAC	5/16/2024