

Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-28162
5. Indicate Type of Lease STATE FEE
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Quality Brine Watson
8. Well Number 001
9. OGRID Number 130851
10. Pool name or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other X Brine Well

2. Name of Operator
Wasserhund, Inc.

3. Address of Operator
P.O. Box 2140, Lovington, NM 88260

4. Well Location
Unit Letter M : 593 feet from the South line and 639 feet from the West line
Section 20 Township 12S Range 36E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A XX
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

See Attached

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Larry Gandy TITLE Pres. DATE 9-28-21

Type or print name Larry Gandy E-mail address: Lgandy@gandy corporation.com PHONE: 575-396-0822

For State Use Only

APPROVED BY: Kerry Fortner TITLE Compliance Officer A DATE 11/19/21

Conditions of Approval (if any):

Submit One Copy To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised November 3, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.
30-025-28162
5. Indicate Type of Lease
STATE [] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name
Quality Brine Watson
8. Well Number 001
9. OGRID Number
130851
10. Pool name or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: [] Oil Well [] Gas Well [X] Other Brine Well
2. Name of Operator
Wasserhund, Inc.
3. Address of Operator
P.O. Box 2140, Lovington, NM 88260

4. Well Location
Unit Letter M : 593 feet from the South line and 639 feet from the West line
Section 20 Township 12S Range 36E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A [X]
CASING/CEMENT JOB []
[X] Location is ready for OCD inspection after P&A

- [X] All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
[X] Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
[X] A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. All INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- [X] The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
[X] Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
[X] If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
[X] All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
[X] All other environmental concerns have been addressed as per OCD rules.
[X] Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.
[X] If this is a one-well lease or last remaining well on lease: all electrical service poles and lines have been removed from lease and well location, except for utility's distribution infrastructure.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE _____ TITLE _____ DATE _____
TYPE OR PRINT NAME _____ E-MAIL: _____ PHONE: _____
For State Use Only
APPROVED BY: _____ TITLE _____ DATE _____

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Office
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87505

WELL API NO.
30-025-28162
5. Indicate Type of Lease
STATE [] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name
Quality Brine Watson
8. Well Number 001
9. OGRID Number
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SUNDRY NOTICES AND REPORTS ON WELLS
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1. Type of Well: Oil Well [] Gas Well [x] Other
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Wasserhund, Inc.
3. Address of Operator
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4. Well Location
Unit Letter M: 593 feet from the South line and 639 feet from the West line
Section 20 Township 12S Range 36E NMPM Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON [x]
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING [] MULTIPLE COMPL []
DOWNHOLE COMMINGLE []
CLOSED-LOOP SYSTEM []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: []

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 1. Move in rig up and POOH with tubing
2. Make gauge ring run and set 4 1/2" CIBP at 2150'.
3. RIH with tubing and tag CIBP-record. Circulate hole and test casing 300 psig-30 min with calibrated chart recorder 1000lb spring.
4. Spot 75 sx of neat Class "C" (14.8 Lbs/Gal 1.32 CuFt/Sk) cement on top of CIBP. WOC 4 hrs and tag.
5. Fill the rest of the wellbore to surface with Class "C" from the tag point.
6. Remove wellhead, insure cement is to surface in all strings of casing and install marker.

All Fluids Will Be Circulated to a Steel Pit

Spud Date: []

Rig Release Date: []

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE _____ TITLE _____ DATE _____

Type or print name _____ E-mail address: _____ PHONE: _____

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Plugging Report
Quality Brine Watson #1
30-025-28162

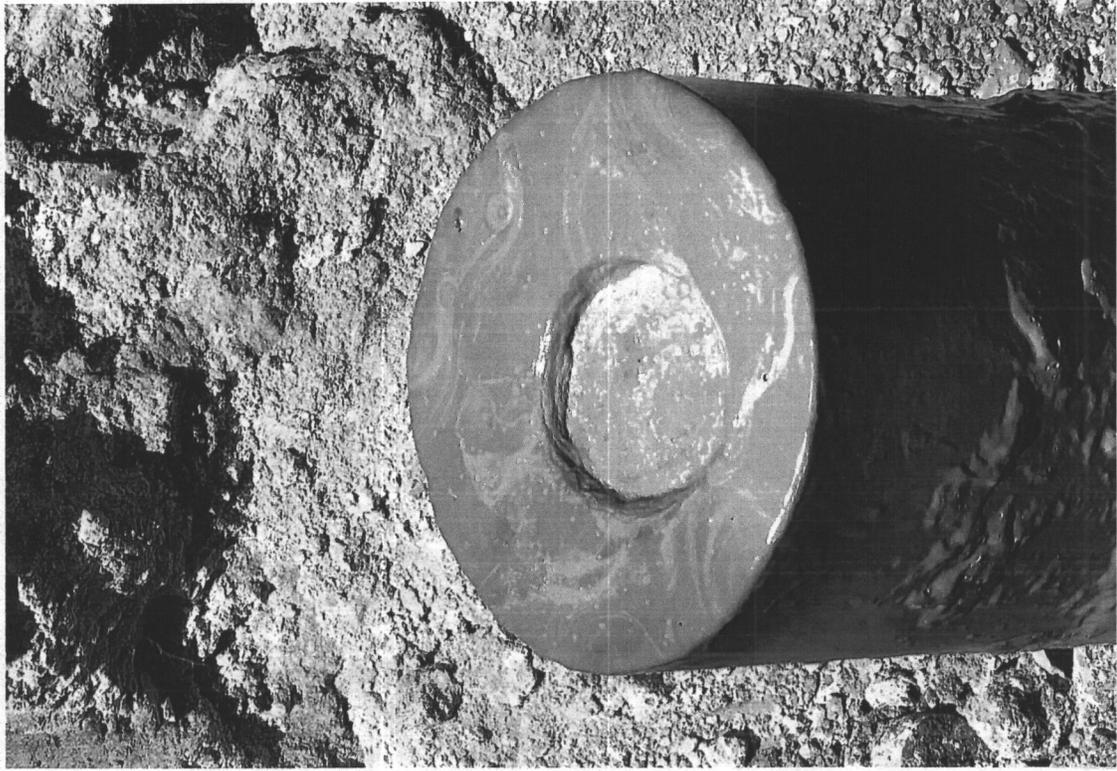
7/27/2021 Rigged up. Nipped down the wellhead and installed BOP. POOH with tubing. 59 joints of 2 3/8" and 11 joints of 2 7/8" hydrill.

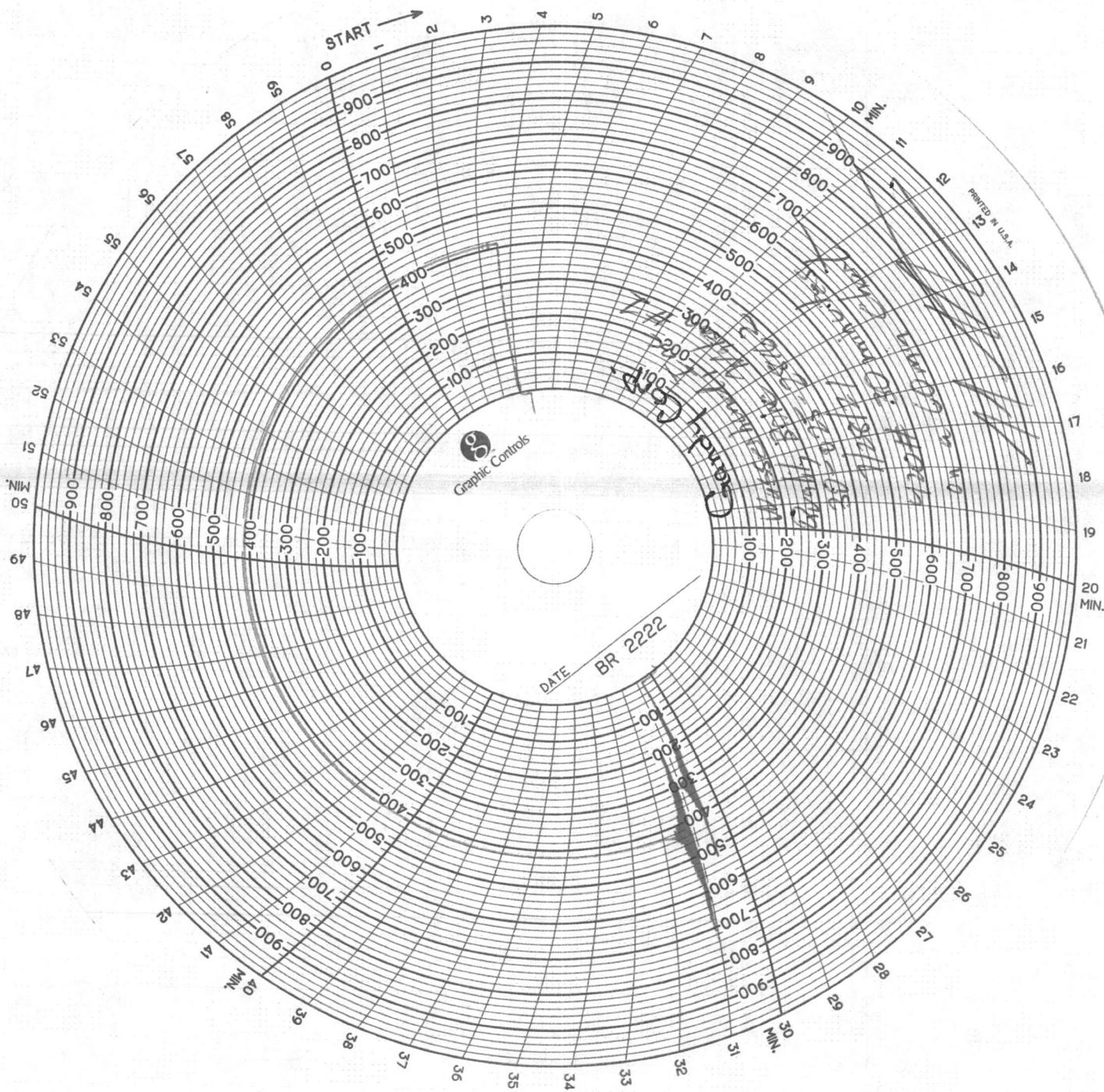
7/28/2021 Laid down the 2 3/8" tubing. Picked up a 3 3/4" bit and the workstring. Made bit trip to 2157'. POOH with bit and RIH with 4 1/2" HM CIBP on the tubing. Set the CIBP at 2150'. Depth verified with tubing tally. Circulated the casing and chart tested the casing to 420# for 30 minutes. Spot 75 sx Class C cement on top of the CIBP. SION

7/29/2021 Tagged cement at 1093'. Circulated cement to surface from 1093' with 70 sx Class C cement. Rigged down and removed the wellhead. Good cement in the 8 5/8" X 5 1/2" annulus and the 5 1/2" X 4 1/2" annulus. Filled up the 4 1/2" casing with 7 sx cement. Cement was low in the 4 1/2" casing due to pulling of tubing out of the wellbore after circulating cement from 1093'. Installed BGM at land owner's request and OCD approval.

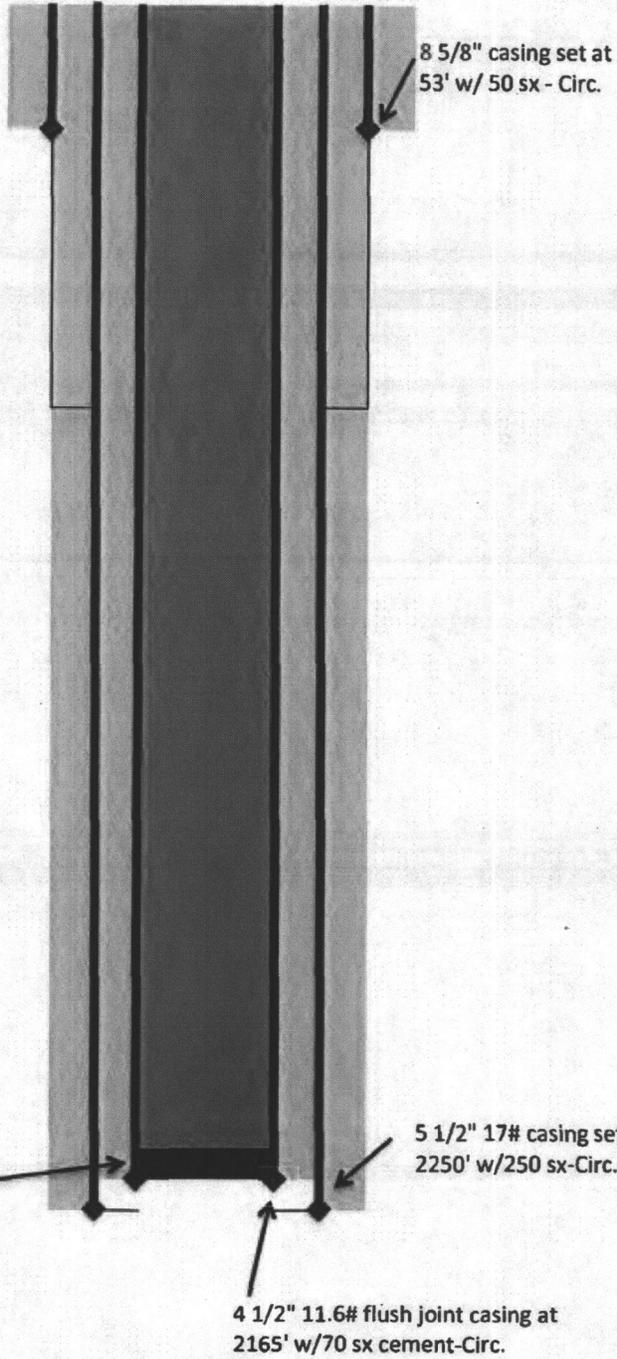
Below ground marker location: Lat: 33.258587 Long: -103.332863

Attached: Chart and BGM pictures





Wasserhund, Inc.
Quality Brine Watson #1
API 30-025-28162
WBD After P&A



Cement will be Class "C" neat
with a slurry volume of 1.32 CuFt/Sk
14.8 Lbs/Gal

Set 4 1/2" CIBP @ 2150' and circulate
cement to surface in 2 stages.
1st stage will be 75 sx. WOC 4 hrs and
tag. Then fill to surface with second
stage.

5 1/2" 17# casing set
2250' w/250 sx-Circ.

4 1/2" 11.6# flush joint casing at
2165' w/70 sx cement-Circ.

GENERAL CONDITIONS OF APPROVAL:

- 1) Insure all bradenheads have been exposed, identified, and valves are operational prior to rigging up on well.
- 2) Contact the appropriate NMOCD District Office no later than 24 hours prior to moving in and rigging up.
- 3) A copy of the approved C103 intent to P&A should be distributed to the onsite company and plugging representatives. Approved procedures are good for a period of one year from approved date, unless otherwise specified on the C103 intent. Approvals past this date will require the submission and approval of a new C103 intent.
- 4) A company representative is required to be present to witness all operations including setting CIBP's, circulation of mud laden fluids, perforating, squeezing or spotting cement plugs, tags, or any other operations approved on the C103 intent to P&A. Company representative should contact the NMOCD and report all operations.
- 5) Any changes that may be required during plugging operations should be approved by the NMOCD before proceeding.
- 6) A closed loop system is to be used for all plugging operations. Contents of the steel pits to be hauled to a NMOCD permitted disposal facility.
- 7) Mud laden fluids must be placed between all cement plugs mixed at 25 sacks of salt gel per 100 barrels of brine.
- 8) All cement plugs will be 100' or 25 sacks cement, whichever is greater. Class 'C' cement will be used above 7500' and Class 'H' below 7500'. Plugs should be no more than 3000' apart
- 9) Site remediation due within one year of well plugging completion.

Submit 1 Copy To Appropriate District Office
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 1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD
APR 15 2019
RECEIVED

State of New Mexico
 Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised August 1, 2011

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-28162
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11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 130851
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		10. Pool name or Wildcat

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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6. Remove wellhead, insure cement is to surface in all strings of casing and install marker.

All Fluids Will Be Circulated to a Steel Pit

See Attached Conditions of Approval

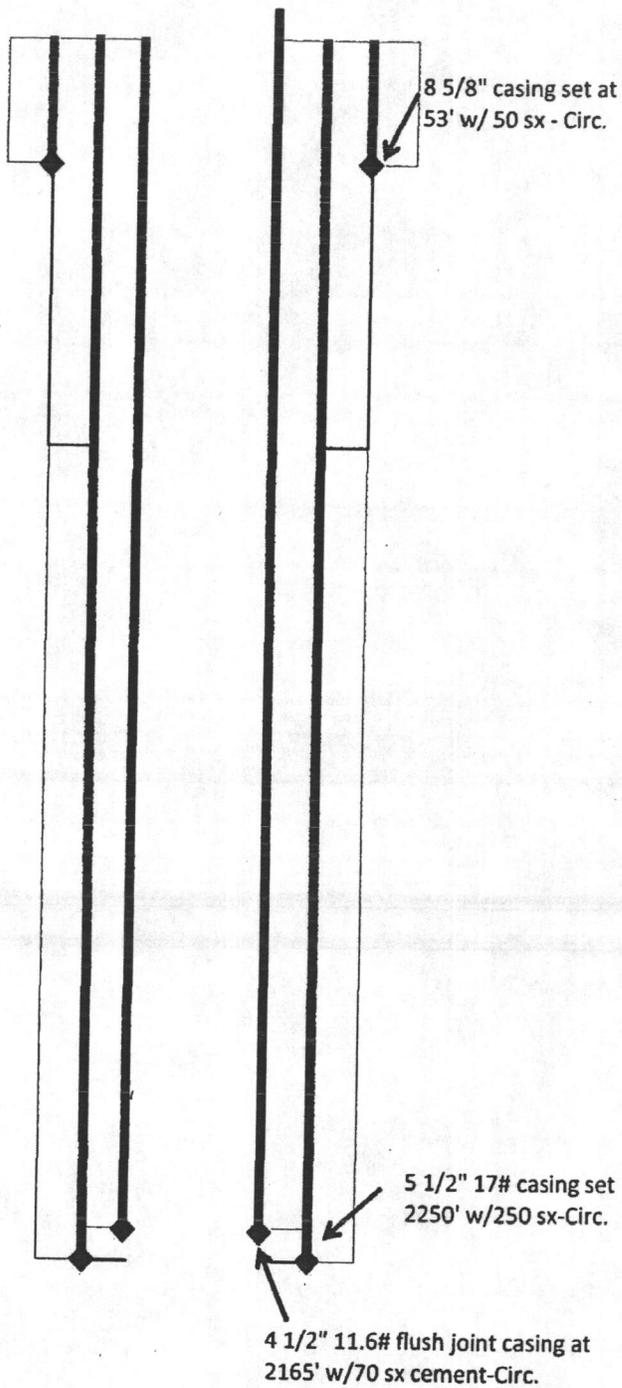
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Larry Cooney TITLE Partner DATE 4-11-19

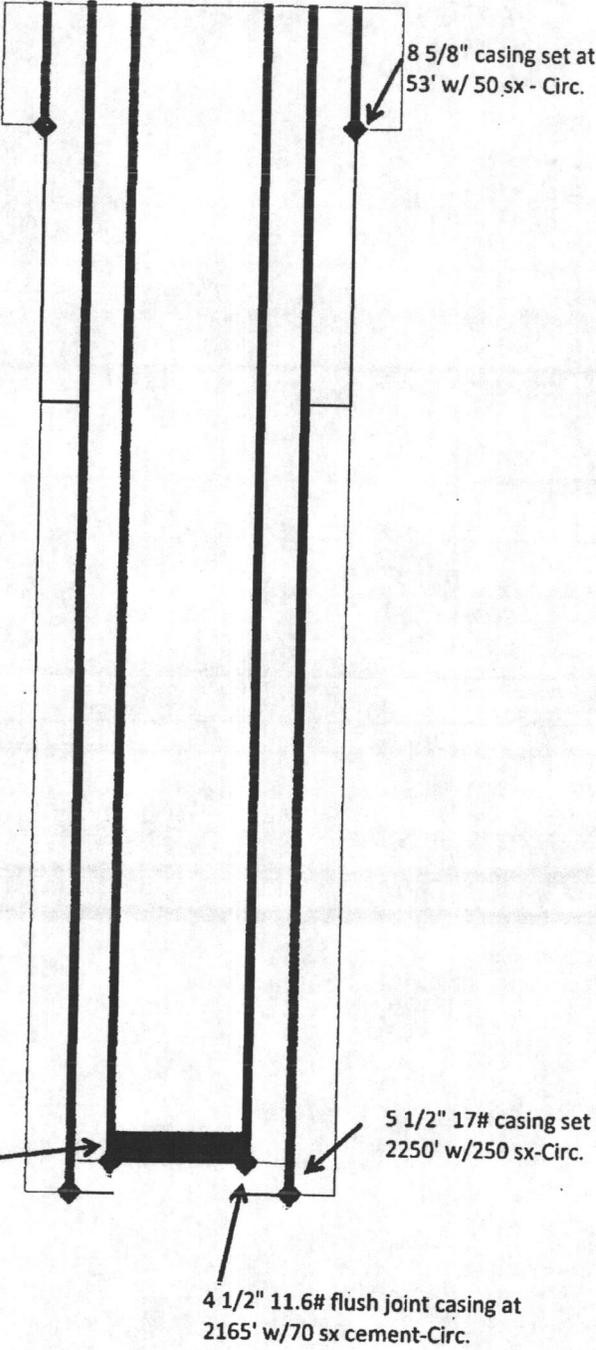
Type or print name Larry Cooney E-mail address: Lgandegandy@corporation.com PHONE: 575-394-0522

APPROVED BY: Kerry Fortna TITLE Compliance Officer A DATE 4-24-19
 Conditions of Approval (if any):

Wasserhund, Inc.
Quality Brine Watson #1
API 30-025-28162
WBD Before P&A



Wasserhund, Inc.
Quality Brine Watson #1
API 30-025-28162
WBD After P&A



Cement will be Class "C" neat
with a slurry volume of 1.32 CuFt/Sk
14.8 Lbs/Gal

Set 4 1/2" CIBP @ 2150' and circulate
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1st stage will be 75 sx. WOC 4 hrs and
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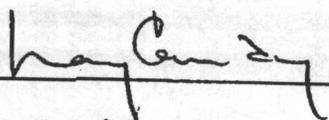
5 1/2" 17# casing set
2250' w/250 sx-Circ.

4 1/2" 11.6# flush joint casing at
2165' w/70 sx cement-Circ.

WASSERHUND, INC.

BW-22

CLOSURE PLAN AND C-103



Larry Gandy

4-12-19.

Date

PRE-CLOSURE NOTIFICATION, P&A AND CLOSURE PLAN**Gandy Corp FOR:****~~WASSERHUND INC.~~ OCD PERMIT BW-022****Quality Brine Watson Well No. 1" (API# 30-025-28162)****20.6.2.5005 PRE-CLOSURE NOTIFICATION AND CLOSURE REQUIREMENTS:**

A. Any person proposing to close a Class I, III, IV or V underground injection control well must submit pre-closure notification to the department at least 30 days prior to closure. Pre-closure notification must include the following information:

- (1) Name of facility.- "Quality Brine Watson Well No. 1" (API# 30-025-28162)**
 - (2) Address of facility.- UL: M Section 20 Township 12 South, Range 36 East, 593 FSL, 639 FWL, Lat. 33.25859°, Long. -103.33286° NAD83, NMPM, Lea County, New Mexico**
 - (3) Name of Owner/Operator.- Wasserhund Inc.**
 - (4) Address of Owner/Operator. P.O. Box 2140 Lovington, New Mexico 88260.**
 - (5) Contact Person.- Larry Gandy**
 - (6) Phone Number.- 575-399-5721**
 - (7) Type of Well(s). In-situ Brine Well**
 - (8) Number of Well(s). One**
 - (9) Well Construction (e.g. drywell, improved sinkhole, septic tank, leachfield, cesspool, other...). - 53' of 8-5/8" conductor pipe cemented to surface; 2250' of 5.5" casing cemented to surface; 2160' of 4.5" casing cemented to surface; 2850' of 2-3/8 tubing.- See attached Appendix I as built well bore diagram superimposed on well log.**
 - (10) Type of Discharge.- Contained Brine Water Production**
 - (11) Average Flow (gallons per day).- 200-300 barrels of brine water per month**
 - (12) Year of Well Construction.- July 1983**
 - (13) Proposed Well Closure Activities (e.g. sample fluids/sediment, appropriate disposal of remaining fluids/sediments, remove well and any contaminated soil, clean out well, install permanent plug, conversion to other type well, ground water and vadose zone investigation, other).- See Closure Plan below.**
 - (14) Proposed Date of Well Closure.- Within 30 days of approval or rig availability.**
 - (15) Name of Preparer.- Wayne Price-Price LLC**
 - (16) Date.- April 5, 2019**
 - (17) Well plugging plan as submitted to the Office of the State Engineer pursuant to 19.27.4 NMAC.- Non-Applicable**
- B. Proposed well closure activities must be approved by the department prior to implementation.- Noted**
[20.6.2.5005 NMAC - N, 12-1-01; A; 12-21-18]

CLOSURE PLAN:

P&A: Please see attached Appendix II a C-103 with diagrams describing the P&A of this well.

1. **Site Ownership and Control:** The site is situated on private land owned by Gandy Corporation.
2. **Future Plans:** The facility will be converted to a Fresh Water Station.
3. **Dismantle Activities:**
 - A. After the well has been properly plugged and abandoned per OCD approval, then all brine water will be, sold, recycled or disposed of in an approved manner.
 - B. Ancillary brine water tanks, associated piping and valves, and secondary collection devices, will be removed from the site.
 - C. The only underground brine water line from the wellhead area to the brine water tanks will be flushed out with fresh water and abandoned in place.
 - D. The pump house and associated utilities, meters, etc. will remain for the fresh water station.

4. Site Assessment:

- A. OCD and Wasserhund Inc. records did not reveal any defined releases at this site.
- B. Wasserhund Inc. upon discovery of any significant visual contamination or wet salty soils, other than de minimus issues, will conduct a phase I site assessment pursuant to OCD rule 19.15.29 NMAC (Releases) and report to OCD.

Environment

5. **Final Closure Report:** Wasserhund Inc. will submit a final closure report describing all activities of the closure process and file all required subsequent reports.

Appendix I- As-Built Well Diagram and Log

Appendix II- C-103 P&A

Plugging Report
Quality Brine Watson #1
30-025-28162

7/27/2021 Rigged up. Nipped down the wellhead and installed BOP. POOH with tubing. 59 joints of 2 3/8" and 11 joints of 2 7/8" hydrill.

7/28/2021 Laid down the 2 3/8" tubing. Picked up a 3 3/4" bit and the workstring. Made bit trip to 2157'. POOH with bit and RIH with 4 1/2" HM CIBP on the tubing. Set the CIBP at 2150'. Depth verified with tubing tally. Circulated the casing and chart tested the casing to 420# for 30 minutes. Spot 75 sx Class C cement on top of the CIBP. SION

7/29/2021 Tagged cement at 1093'. Circulated cement to surface from 1093' with 70 sx Class C cement. Rigged down and removed the wellhead. Good cement in the 8 5/8" X 5 1/2" annulus and the 5 1/2" X 4 1/2" annulus. Filled up the 4 1/2" casing with 7 sx cement. Cement was low in the 4 1/2" casing due to pulling of tubing out of the wellbore after circulating cement from 1093'. Installed BGM at land owner's request and OCD approval.

Below ground marker location: Lat: 33.258587 Long: -103.332863

Attached: Chart and BGM pictures

September 17, 2021

Re: Phase 1 Environmental Site Assessment

Gandy Corporation

1623 Main St.

Lovington, New Mexico 88260

Dear Clients,

Enclosed is the Environmental Site Assessment report on the Gandy Corporation location at Lat 33.258587, Long -103.332863, Section 20 Township 12 S Range 36 E NMPM Lea County, New Mexico. All of the agencies responded to our requests for information, with the exception of local medical facilities. Information obtained in the process of completing this assessment does not indicate the presence of recognized environmental conditions.

Twin Horse Environmental appreciates this opportunity this opportunity to be of service to you and to Gandy Corporation. If you have any additional questions regarding this report, please call me at (575) 441-8664.

Sincerely,

Monica P. Cervantes WSO-CSI(ML)/CST, BS, ASP/CSP

Industrial Hygienist

**Phase 1
Environmental Site
Assessment**

**Gandy Corporation
1623 Main Street
Lovington, New Mexico 88260**

**Prepared for
Gandy Corporation**

2021

Prepared by

**Twin Horse Environmental
4008 N. Grimes #226
Hobbs, New Mexico 88240
Project 01**

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**APPENDIX H STATEMENT OF QUALIFICATIONS FOR TWIN
HORSE ENVIRONMENTAL**

PROFESSIONAL CERIFICATION

This Phase 1 Environmental Site Assessment (ESA) was conducted consistent with generally accepted environmental consulting practices within the limitations included as Appendix A. The site visits and records reviews were performed by Monica P. Cervantes, WSO-CSI(ML)/CST, BS, ASP/CSP, Industrial Hygienist, consistent with the proposal submitted to Gandy Corporation. The information contained in this ESA was obtained from personal inspection, from various government agencies and from sources deemed to be reliable.

PHASE 1 ENVIRONMENTAL SITE ASSESSMENT

**Gandy Corporation
1623 Main St.
Lovington, New Mexico 88260**

Project 1

I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental professional as defined in Section 312.10 of 40 CFR 312.

I have the specific qualifications based on education, training and experience to assess a property of the nature, history, and setting of the Subject Property. I have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Monica P. Cervantes WSO-CSI(ML)/,CST, BS, ASP/CSP
Industrial Hygienist

1 SUMMARY

This ESA was performed on Gandy Corporation at Lat 33.258587, Long -103.332863, Section 20 Township 12 S Range 36 E NMPM Lea County, New Mexico, (hereinafter collectively referred to as the “Subject Property”).

After inspecting the Subject Property; reviewing its past uses; observing surrounding properties; searching through the Federal Environmental Protection Agency, State of New Mexico, Lea County, and City of Tatum, it can be concluded that there is no evidence of “recognized environmental conditions”, as defined by the ASTM, in connection with the Subject Property. No further action is required at this time.

2 INTRODUCTION

2.1 Purpose

The purpose of the ESA is to identify “recognized environmental conditions” in connection with the Subject Property. The ASTM Standard Practice for Environmental Site Assessments E 1527-13 defines “recognized environmental conditions” as “the presence of likely presence of any hazardous substance or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of an hazardous substances or petroleum products into structure of the property or into the ground, groundwater, or surface water on the property.”

2.2 Scope of Work

As agreed, to between Twin Horse Environmental and Gandy Corporation, the scope of work for the ESA included the following:

- Site Inspection
- Surrounding Property Observation
- Interviews with Individuals Having Knowledge of the Operations on the Subject Property.
- Inspection of Owner/Operator’s books and records
- Inspection of City of building permits
- Inspection of City of Fire Department Records
- State and Federal Regulatory Agency Database Search for Posted Properties Within An ASTM Designated Radius of the Subject Property
- Search for Records of Permits for Underground or Aboveground Storage Tanks
- Inspection of Historical Aerial Photographs
- Research of Archive City Directories for Subject Property and Adjoining Properties
- Preparation and Presentation of Two Reports

2.3 Limitations and Exceptions of Assessments

The ESA is based upon the information available from a variety of sources and on the inspection of the Subject Property. The ESA was performed in accordance with industry standards and using appropriate methods. It is intended to allow a party to make an informed decision regarding the Subject Property.

Twin Horse Environmental is not responsible or liable for the accuracy of the information

provided by others. This ESA is not a guaranty that there is no subsurface contamination, nor can it be warranted that those areas of environmental concern herein noted are the only areas of potential contamination at the Subject Property.

There was no sampling or testing for the possible presence or absence of, nor is any definitive statement made in this ESA regarding the possible presence or absence of, any of the following:

- 1) Asbestos Containing Materials
- 2) Radon
- 3) Lead Based Paints
- 4) Lead in the Drinking Water

2.4 Limiting Conditions

There were no limiting conditions with regard to the ability of Twin Horse Environmental to conduct the property inspection portion of this ESA. Access was made available to all parts of the Subject Property.

2.5 Previous Environmental Site Assessments/Investigations

Neither the Gandy Corporation nor Twin Horse Environmental were aware of any previous Environmental Assessments or investigations.

2.6 Data Gaps

A data gap exists in one area in this report. In the records search section, the Lea County Health Agency has not responded to a request for information. This data gap does not impair the ability of Twin Horse Environmental to form an opinion as to the environmental condition of the Subject Property.

3 SUBJECT PROPERTY DESCRIPTION AND USE HISTORY

3.1 Site and Improvement Description

The Subject Property consists of Lat 33.258587, Long -103.332863, Section 20 Township 12 S Range 36 E NMPM Lea County, New Mexico. Blocks One (1), Two (2), Three (3), Four (4), Five (5), Six (6), Seven (7) and Eight (8) of the West Addition to the Town of Tatum, Lea County, New Mexico.

The topography for the general area of Subject Property is flat. The elevation is approximately 4,003 feet above sea level. This report does not provide information on the groundwater in this area, nor does the Lea County Water District Ground water Contour Map.

Structure -No building structure present.

3.2 Subject Property-Use History

Quality Brine Watson Well No. 1 (API# 30-025-28162), UL: M Section 20 Township 12 South Range 36 East, 593 FSL, 639 FWL, LAT 33.258592 Degrees, Long -103.33286 Degrees NAD83, NMPM, Lea County, New Mexico. The type of well on this location is an In-situ Brine Well.

3.2.1 Subject Property-Past Uses

Past uses for the Subject Property were determined by reviewing photographs dating back to In addition, EDR aerial photographs provided demonstrated past uses in 1970, 1984, 2013, and current aerial photographs. (Appendix E-EDR Aerials photographs). EDR search revealed no Sanborn Fire Insurance Map.

3.3 Adjoining-Use History

Several properties adjoin to the Subject Property. The current uses are as follows:

Nothing was observed on any of these properties that would be of environmental concern to the Subject Property.

3.3.1 Adjoining Properties- Past Uses

Prior uses for the properties discussed above were determined by interview.

3.4 Historical Photograph

Historical photographs for the Subject Property dating back to 1970. This photo revealed the following:

- EDR-aerial photographs 1970, 1984, and 2013

Copies of these photos can be seen in Appendix E.

USGS Map Analysis

Topographic Map for The Subject Property is found in Appendix F.

4 RECORDS SEARCH

4.1 Regulatory Agencies Database Search

The following Federal, State of New Mexico, Tribal and local government agency databases and sources were searched for postings within designated radii of the Subject Property:

FEDERAL SOURCES

- National Priority List (NPL) Within 1.0 Mile
- National Priority Delisted (NPDL) within ½ Mile
- CERCLIS No Further Remedial Action Planned (NFRAP) Within ½ Miles
- RCRA Corrective Action (CORRACTS) Within 1.0 Mile
- EDR RADIUS MAP REPORT WITH GEOCHECK

STATE OF NEW MEXICO AND LOCAL GOVERNMENT SOURCES

- New Mexico/Tribal EPA (NM Sites) Within 1.0 Mile
- New Mexico Spills (Spills) Within 1/8 Mile

A compilation of the Federal State of New Mexico and Tribal databases is included in Appendix D.

SUBJECT PROPERTY POSTINGS The Subject Property was not found on researched databases.

ADJOINING PROPERTY POSTINGS None of the adjoining properties are posted onto databases.

NEARBY PROPERTY POSTINGS No sites within 1/8 of a mile are posted onto databases.

OTHER PROPERTY POSTINGS- 3 sites within 1.4 miles are posted onto databases.

4.2 Regional Source

4.2.1 State of New Mexico

The State of New Mexico Water Quality records did not show subject property listed.

4.3 County Sources

4.3.1 Lea County Health Facility

In Lea County, a request for information was submitted to this agency.

As of the date of this report, Lea County Health facility has not yet responded due to HIPAA which prevent release of medical records.

4.3.2 Lea County Waste Management

In Lea County, the Lea County Environmental Services is the agency responsible for citing and monitoring solid waste management in Lea County. No citations were found.

4.3.3 Lea County Sanitation

In Lea County, the Lea County Environmental Services is the agency responsible for citing and monitoring solid waste management in Lea County. No citations were found.

4.4 Municipal Sources

4.4.1 City of Tatum

The City of Tatum Building Department files are examined as part of an ESA to determine building permits no building permits found for property.

4.4.2 City of Tatum Fire Department

The City of Tatum Department files showed no records.

5 Subject Property inspection

The Subject Property was visited on September 20, 2021 by Monica P. Cervantes, WSO-CSI(ML)/CST, BS, ASP/CSP, Industrial Hygienist. The purpose of the site visit is to seek out and to report on visible environmental concerns, or to note use and storage of hazardous materials which could affect the environment condition of the Subject Property.

5.1 Use and Storage of Hazardous Materials at the Subject Property

The Subject Property consists no building structures. Use and storage of hazardous materials were not observed on the day of the inspections, along with no generation and storage of hazardous wastes. The inspection of the property showed the following:

No existing building structure. No use or storage of hazardous materials were observed in this building. As can be seen in Photograph 1.

In the area, no visible drums are present or waste material are visible throughout property.

According to ASTM E1527-13 specifically requires assessing the potential for hazardous vapors to migrate onto or within the target property. It does so by defining “migrate/migration” as “the movement of hazardous substances or petroleum products in any form, including, for example, solid and liquid at the surface or subsurface, and vapor in the subsurface,” and then requiring an analysis of surrounding property uses and data-base records for migration potential. No such vapor encroachment was found upon visit to subject property.

5.2 Indications of PCBS

There is no indication that polychlorinated biphenyls (PCBs) were used or stored at the Subject Property.

5.3 Indications of Solid Waste Disposal

No Solid waste currently is generated on the Subject Property.

5.4 Indications of Hazardous Waste Disposal

Hazardous wastes currently are not generated on the Subject Property.

5.5 Indication of Asbestos Containing Materials (ACMs)

No existing structure present.

6 INTERVIEW

An important part of any Phase 1 is interviews with individuals having knowledge of the facilities and the operations at the property being assessed. For this ESA, an informal interview was conducted with Larry Gandy, the owner of Gandy Corporation. Larry Gandy provided access to all parts of the Subject Property, which showed no visible presence of hazardous materials storage. He stated that his company has occupied the Subject Property consists of Lat 33.258587, Long -103.332863, Section 20 Township 12 S Range 36 E NMPM Lea County, New Mexico. Blocks One (1), Two (2), Three (3), Four (4), Five (5), Six (6), Seven (7) and Eight (8) of the West Addition to the Town of Tatum, Lea County, New Mexico

Appendix A
Limitations

LIMITATIONS

The services described in this report were performed consistent with generally accepted consulting principles and practices. No other warranty, expressed or implied, is made. These services were performed consistent with our agreement with Gandy Corporation. This report is solely for the use and information of Gandy Corporation unless otherwise noted. Any reliance on this report by a third party is at such party's sole risk.

Opinions and recommendations contained in this report apply to conditions existing when services were performed and are intended only for Gandy Corporation, purposes, locations, time frames, and project parameters indicated. We are not responsible for the impacts of any changes in environmental standards, practices, or regulations subsequent to the performance of services. We do not warrant the accuracy of the information supplied by others.

The purpose of an environmental assessment is to reasonably evaluate the potential for or actual impact of past and current practices on the Subject Property. In performing an environmental assessment, it is understood that a balance must be struck between a reasonable inquiry into the environmental issues and an exhaustive analysis of each conceivable issue of potential concern. The following paragraph discusses the assumptions and parameters under which such an opinion is rendered.

No investigation is thorough enough to exclude the presence of hazardous materials at a given site. If hazardous conditions have not been identified during the assessment, such a finding should not therefore be construed as a guarantee of the absence of such materials on the site, but rather as the services performed within the scope, limitations, and cost of the work performed. Environmental conditions may exist on the Subject Property that cannot be identified by visual observation.

Appendix B
Property Data

Appendix C
Historical data



EDR Historical TOPO.pdf (Command Line)

Appendix D
SUBJECT PROPERTY PHOTOGRAPHS



EDR Aerial
Photos.pdf

APPENDIX E
REGULATORY DATABASE LIST



EDR Environmental
lien.pdf

Appendix F
BUILDING PERMITS & CITY DIRECTORY

Appendix G
USGS TOPOGRAPHIC MAP

Appendix H
STATEMENT OF QUALIFICATION FOR
TWIN HORSE ENVIRONMENTAL

Plugging Report
Quality Brine Watson #1
30-025-28162

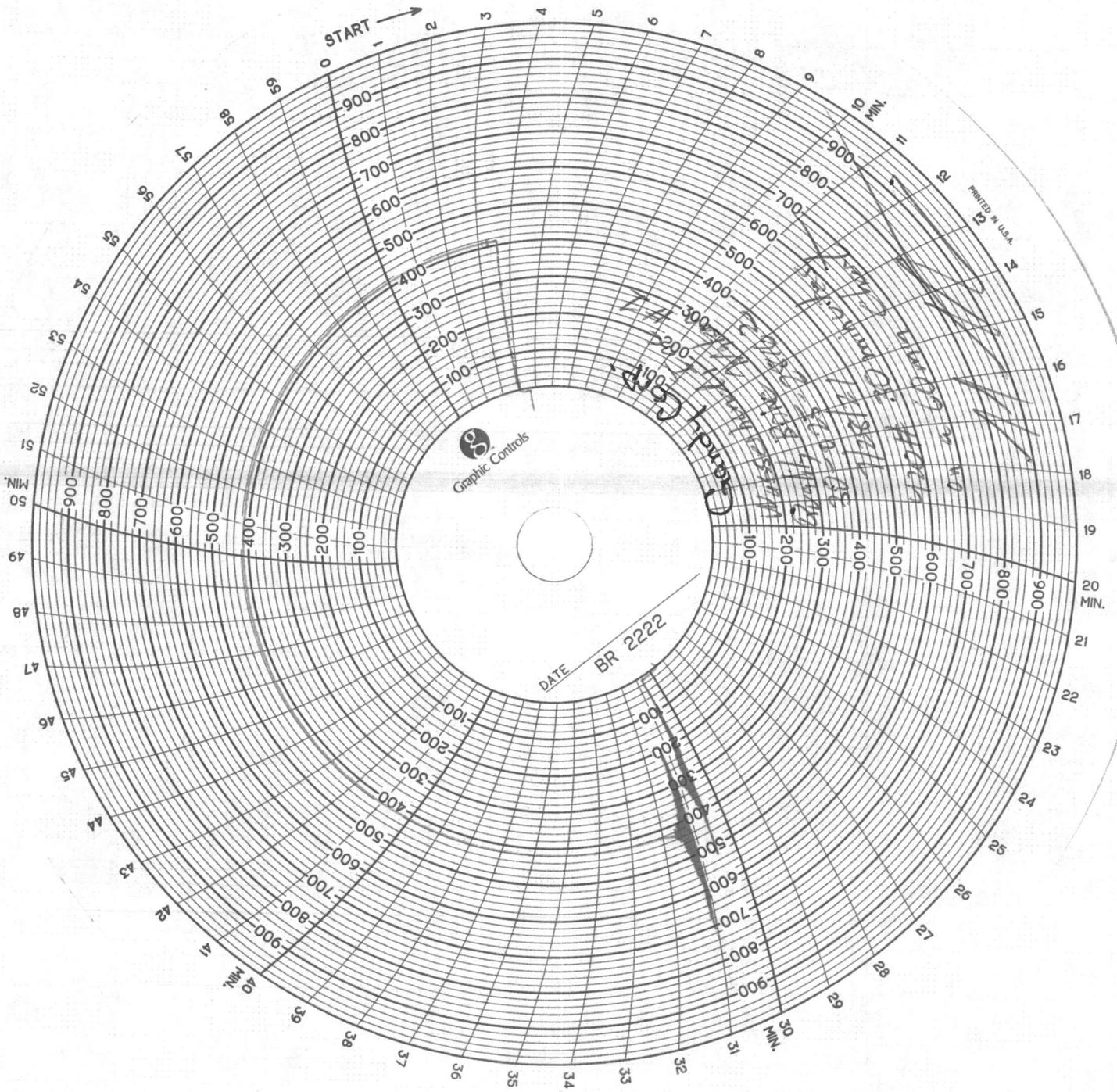
7/27/2021 Rigged up. Nipped down the wellhead and installed BOP. POOH with tubing. 59 joints of 2 3/8" and 11 joints of 2 7/8" hydrill.

7/28/2021 Laid down the 2 3/8" tubing. Picked up a 3 3/4" bit and the workstring. Made bit trip to 2157'. POOH with bit and RIH with 4 1/2" HM CIBP on the tubing. Set the CIBP at 2150'. Depth verified with tubing tally. Circulated the casing and chart tested the casing to 420# for 30 minutes. Spot 75 sx Class C cement on top of the CIBP. SION

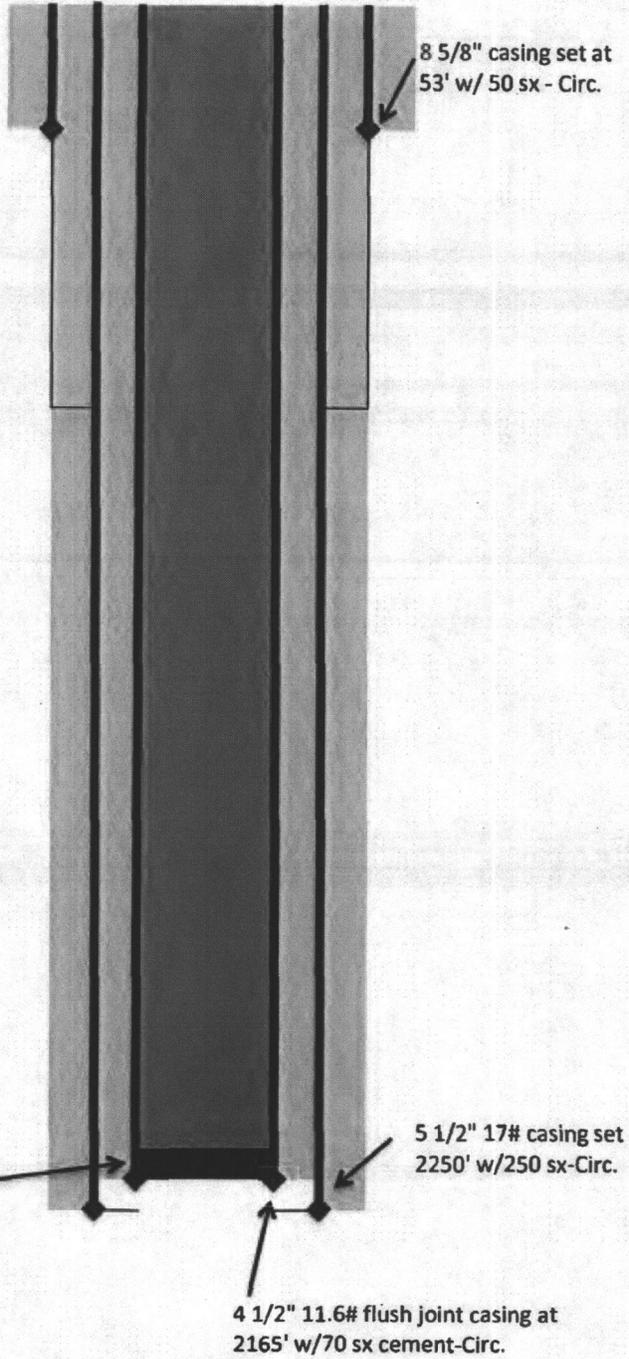
7/29/2021 Tagged cement at 1093'. Circulated cement to surface from 1093' with 70 sx Class C cement. Rigged down and removed the wellhead. Good cement in the 8 5/8" X 5 1/2" annulus and the 5 1/2" X 4 1/2" annulus. Filled up the 4 1/2" casing with 7 sx cement. Cement was low in the 4 1/2" casing due to pulling of tubing out of the wellbore after circulating cement from 1093'. Installed BGM at land owner's request and OCD approval.

Below ground marker location: Lat: 33.258587 Long: -103.332863

Attached: Chart and BGM pictures



Wasserhund, Inc.
Quality Brine Watson #1
API 30-025-28162
WBD After P&A



8 5/8" casing set at
53' w/ 50 sx - Circ.

Cement will be Class "C" neat
with a slurry volume of 1.32 CuFt/Sk
14.8 Lbs/Gal

Set 4 1/2" CIBP @ 2150' and circulate
cement to surface in 2 stages.
1st stage will be 75 sx. WOC 4 hrs and
tag. Then fill to surface with second
stage.

5 1/2" 17# casing set
2250' w/ 250 sx - Circ.

4 1/2" 11.6# flush joint casing at
2165' w/ 70 sx cement - Circ.

GENERAL CONDITIONS OF APPROVAL:

- 1) Insure all bradenheads have been exposed, identified, and valves are operational prior to rigging up on well.
- 2) Contact the appropriate NMOCD District Office no later than 24 hours prior to moving in and rigging up.
- 3) A copy of the approved C103 intent to P&A should be distributed to the onsite company and plugging representatives. Approved procedures are good for a period of one year from approved date, unless otherwise specified on the C103 intent. Approvals past this date will require the submission and approval of a new C103 intent.
- 4) A company representative is required to be present to witness all operations including setting CIBP's, circulation of mud laden fluids, perforating, squeezing or spotting cement plugs, tags, or any other operations approved on the C103 intent to P&A. Company representative should contact the NMOCD and report all operations.
- 5) Any changes that may be required during plugging operations should be approved by the NMOCD before proceeding.
- 6) A closed loop system is to be used for all plugging operations. Contents of the steel pits to be hauled to a NMOCD permitted disposal facility.
- 7) Mud laden fluids must be placed between all cement plugs mixed at 25 sacks of salt gel per 100 barrels of brine.
- 8) All cement plugs will be 100' or 25 sacks cement, whichever is greater. Class 'C' cement will be used above 7500' and Class 'H' below 7500'. Plugs should be no more than 3000' apart
- 9) Site remediation due within one year of well plugging completion.

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 52434

CONDITIONS

Operator: GANDY CORP P.O. Box 2140 Lovington, NM 88267	OGRID: 8426
	Action Number: 52434
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kfortner	None	11/19/2021