

Page 1 of 28  
Received by OCD: 9/30/2020 3:25:14 PM  
Released to Imaging: 11/24/2021 11:10:54 AM

District I  
625 N. French Dr., Hobbs, NM 88240  
District II  
11 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.

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: <u>Phoenix Hydrocarbons Operating Corp</u> OGRID #: <u>188483</u>	
Address: <u>7415 E. Main Street Farmington, NM 87402</u>	
Facility or well name: <u>Federal D #001</u>	
API Number: <u>30-045-20561</u> OCD Permit Number: _____	
U/L or Qtr/Qtr <u>G</u> Section <u>22</u> Township <u>27N</u> Range <u>08W</u> County: <u>San Juan</u>	
Center of Proposed Design: Latitude <u>36.5623207</u> Longitude <u>-107.6683197</u> NAD83	
Surface Owner: <input checked="" type="checkbox"/> Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Tribal Trust or Indian Allotment	
2.	
<input type="checkbox"/> <b>Pit:</b> Subsection F, G or J of 19.15.17.11 NMAC	
Temporary: <input type="checkbox"/> Drilling <input type="checkbox"/> Workover	
<input type="checkbox"/> Permanent <input type="checkbox"/> Emergency <input type="checkbox"/> Cavitation <input type="checkbox"/> P&A <input type="checkbox"/> Multi-Well Fluid Management Low Chloride Drilling Fluid <input type="checkbox"/> yes <input type="checkbox"/> no	
<input type="checkbox"/> Lined <input type="checkbox"/> Unlined Liner type: Thickness _____ mil <input type="checkbox"/> LLDPE <input type="checkbox"/> HDPE <input type="checkbox"/> PVC <input type="checkbox"/> Other _____	
<input type="checkbox"/> String-Reinforced	
Liner Seams: <input type="checkbox"/> Welded <input type="checkbox"/> Factory <input type="checkbox"/> Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____	
3.	
<input checked="" type="checkbox"/> <b>Below-grade tank:</b> Subsection I of 19.15.17.11 NMAC	
Volume: <u>95</u> bbl Type of fluid: <u>Produced Water</u>	
Tank Construction material: <u>steel</u>	
<input type="checkbox"/> Secondary containment with leak detection <input type="checkbox"/> Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off	
<input type="checkbox"/> Visible sidewalls and liner <input checked="" type="checkbox"/> Visible sidewalls only <input type="checkbox"/> Other _____	
Liner type: Thickness _____ mil <input type="checkbox"/> HDPE <input type="checkbox"/> PVC <input type="checkbox"/> Other _____	
4.	
<input type="checkbox"/> <b>Alternative Method:</b>	
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	
5.	
<b>Fencing:</b> Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)	
<input type="checkbox"/> 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)	
<input type="checkbox"/> Four foot height, four strands of barbed wire evenly spaced between one and four feet	
<input checked="" type="checkbox"/> Alternate. Please specify <u>Four Foot height with mesh T-Post</u>	

Page 2 of 28  
Received by OCD: 9/30/2020 3:25:14 PM  
Released to Imaging: 11/24/2021 11:10:54 AM

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

- ☒ Screen ☐ Netting ☐ Other \_\_\_\_\_  
☐ 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.**

- ☐ NM Office of the State Engineer - iWATERS database search; ☐ USGS; ☐ Data obtained from nearby wells

☐ Yes ☒ No  
☐ NA

**Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit.**

NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No  
☐ NA

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**)

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☐ No

Within the area overlying a subsurface mine. (**Does not apply to below grade tanks**)

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☐ No

Within an unstable area. (**Does not apply to below grade tanks**)

- 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. (**Does not apply to below grade tanks**)

- FEMA map

☐ Yes ☐ No

**Below Grade Tanks**

Within 100 feet of a continuously flowing watercourse, significant watercourse, lakebed, sinkhole, wetland, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption.

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

☐ Yes ☒ No

**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.)

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 300 feet from a occupied 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 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 300 feet of any other fresh water well or spring, in 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 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: \_\_\_\_\_

2. **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<sub>2</sub>S, 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 regard 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.<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells   | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> NA |
| Ground water is between 25-50 feet below the bottom of the buried waste<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells   | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> NA |
| Ground water is more than 100 feet below the bottom of the buried waste.<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells  | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> 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).<br>- Topographic map; Visual inspection (certification) of the proposed site                        | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.<br>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image  | <input type="checkbox"/> Yes <input type="checkbox"/> 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.<br>- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Written confirmation or verification from the municipality; Written approval obtained from the municipality   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within 300 feet of a wetland.<br>US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance   | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |

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

<input type="checkbox"/>	Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
<input type="checkbox"/>	Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
<input type="checkbox"/>	Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC
<input type="checkbox"/>	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
<input type="checkbox"/>	Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
<input type="checkbox"/>	Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC
<input type="checkbox"/>	Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
<input type="checkbox"/>	Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
<input type="checkbox"/>	Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
<input type="checkbox"/>	Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
<input type="checkbox"/>	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)  
Report

OCD Representative Signature: Victoria Venegas Approval Date: 11/25/2021

Title: Environmental Specialist OCD Permit Number: \_\_\_\_\_

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: 8/3/2020

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.*

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

On-site Closure Location: Latitude 36.5623207 Longitude -107.6683197 NAD: ☐ 1927 ☒ 1983

**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: Agent/ Regulatory Compliance Manager

Signature:  Date: 9/30/2020

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

## Vanessa Fields

---

**From:** Vanessa Fields  
**Sent:** Wednesday, August 5, 2020 8:43 AM  
**To:** Smith, Cory, EMNRD; Adeloye, Abiodun A  
**Cc:** Vern Andrews; Jimmie McKinney  
**Subject:** RE: Phoenix Hydrocarbons Final Sample Results Federal D #001 non-detect  
**Attachments:** P007076 Envirotech2\_v26 FINAL 08 03 20 0758.pdf

Good morning Everyone,

Walsh Engineering on behalf of Phoenix Hydrocarbons will be backfilling the Federal D #001 as the analytical results were non-detect.

Thank you,

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

---

**From:** Vanessa Fields  
**Sent:** Friday, July 31, 2020 10:14 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>  
**Subject:** RE: Phoenix Hydrocarbons 72 Hour Tuesday August start at 9:00 am Release Sampling Phoenix Hydrocarbons Federal E #002A 30-0045-23465 & P&A Marker Cut Largo Federal #001

Good morning

Walsh Engineering on Behalf of Phoenix Hydrocarbons is providing 48 notice of the sampling of the Federal E #002A 30-0045-23465. Sampling was rescheduled due to Largo running and unable to pass.

Once the confirmation sampling is completed we will cut the P&A marker in the wash (Location below). The marker will be cut 3' below ground surface and a steel plate will be installed with all referenced identification. The plate as well will have a ½ inch hole for any pressure build up that could occur. The edges will be rounded as well. A Sundry and a C-102 will be submitted to the BLM and NMOCD.

Well Name: Largo Federal #001  
 Operator: Phoenix Hydrocarbons  
 Legals: M Sec 11, T27N, R08W  
 API #: 30-045-20946  
 Lease #: NMNM019401  
 County: San Juan  
 NS-Foot: 0850FSL, EW-Foot: 0790FWL

Please let me know if you have any questions.

**Vanessa Fields**

Regulatory Compliance Manager  
Walsh Engineering /Epic Energy LLC.

O: 505-327-4892

C: 505-787-9100

[vanessa@walsheng.net](mailto:vanessa@walsheng.net)

---

**From:** Vanessa Fields

**Sent:** Friday, July 24, 2020 9:14 AM

**To:** Smith, Cory, EMNRD <[Cory.Smith@state.nm.us](mailto:Cory.Smith@state.nm.us)>; Adeleye, Abiodun A <[aadeleye@blm.gov](mailto:aadeleye@blm.gov)>

**Cc:** Vern Andrews <[vern@walsheng.net](mailto:vern@walsheng.net)>; Jimmie McKinney <[jimmie@walsheng.net](mailto:jimmie@walsheng.net)>

**Subject:** Phoenix Hydrocarbons 72 Hour Tuesday July 28, 2020 start at 9:00 am BGT Removal/ Release Sampling Phoenix Hydrocarbons Federal D #001 30-045-20561 & Federal E #002A 30-0045-23465

Good morning,

Walsh Engineering on Behalf of Phoenix Hydrocarbons is providing 72/48 Tuesday July 28, 2020 start at 9:00 am . This work will be completed simultaneously as the locations are close to each other.

Start at 9:00am Tuesday July 28, 2020 on Federal D #001 30-045-20561 BGT Removal after completion of the BGT removal Walsh will move to the Federal E #002A 30-0045-23465 for release confirmation Sampling.

If there are any schedule changes and/or whether issues notice of cancellation will be provided.

Thank you,

**Vanessa Fields**

Regulatory Compliance Manager  
Walsh Engineering /Epic Energy LLC.

O: 505-327-4892

C: 505-787-9100

[vanessa@walsheng.net](mailto:vanessa@walsheng.net)



## Analytical Report

### Report Summary

Client: Phoenix Hydrocarbons

Samples Received: 7/28/2020

Job Number: 07173-0001

Work Order: P007076

Project Name/Location: Federal D #001

Report Reviewed By:

A handwritten signature in black ink, appearing to read 'Walter Hinchman', is written over a horizontal line.

Date: 8/3/20

Walter Hinchman, Laboratory Director



Envirotech Inc. certifies the test results meet all requirements of TNI unless footnoted 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 the data reported.  
Envirotech, Inc, holds the Texas TNI certification T104704557-19-2 for the data reported.





Phoenix Hydrocarbons	Project Name:	Federal D #001	
PO Box 3638	Project Number:	07173-0001	Reported:
Midland TX, 79702	Project Manager:	Vanessa Fields	08/03/20 07:58

Sample Summary

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
Federal D #001 BGT Removal 1-5 point Comp	P007076-01A	Soil	07/28/20	07/28/20	Glass Jar, 4 oz.

Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc.

Envirotech, Inc | 5796 U.S Highway 64 | Farmington, NM 87401 | 505.632.1881 | Envirotech-inc.com





Phoenix Hydrocarbons PO Box 3638 Midland TX, 79702	Project Name: Federal D #001 Project Number: 07173-0001 Project Manager: Vanessa Fields	Reported: 08/03/20 07:58
--	---	-----------------------------

**Federal D #001 BGT Removal 1-5 point Comp  
P007076-01 (Solid)**

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
<b>Volatile Organics by EPA 8021B</b>	mg/kg	mg/kg				Batch: 2031011
Benzene	ND	0.0250	1	07/29/20	07/29/20	
Toluene	ND	0.0250	1	07/29/20	07/29/20	
Ethylbenzene	ND	0.0250	1	07/29/20	07/29/20	
p,m-Xylene	ND	0.0500	1	07/29/20	07/29/20	
o-Xylene	ND	0.0250	1	07/29/20	07/29/20	
Total Xylenes	ND	0.0250	1	07/29/20	07/29/20	
Surrogate: 4-Bromochlorobenzene-PID	107 %	50-150		07/29/20	07/29/20	
<b>Nonhalogenated Organics by EPA 8015D - GRO</b>	mg/kg	mg/kg				Batch: 2031011
Gasoline Range Organics (C6-C10)	ND	20.0	1	07/29/20	07/29/20	
Surrogate: 1-Chloro-4-fluorobenzene-FID	93.4 %	50-150		07/29/20	07/29/20	
<b>Nonhalogenated Organics by EPA 8015D - DRO/ORO</b>	mg/kg	mg/kg				Batch: 2031010
Diesel Range Organics (C10-C28)	ND	25.0	1	07/29/20	07/29/20	
Oil Range Organics (C28-C40)	ND	50.0	1	07/29/20	07/29/20	
Surrogate: n-Nonane	92.9 %	50-200		07/29/20	07/29/20	
<b>Anions by EPA 300.0/9056A</b>	mg/kg	mg/kg				Batch: 2031012
Chloride	ND	20.0	1	07/29/20	07/29/20	

Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc.





Phoenix Hydrocarbons  
PO Box 3638  
Midland TX, 79702

Project Name: Federal D #001  
Project Number: 07173-0001  
Project Manager: Vanessa Fields

Reported:  
08/03/20 07:58

### Volatile Organics by EPA 8021B - Quality Control

Analyte	Result	Reporting Limit	Spike Level	Source Result	REC	REC Limits	RPD	RPD Limit	Notes
	mg/kg	mg/kg	mg/kg	mg/kg	%	%	%	%	

#### Blank (2031011-BLK1)

Prepared & Analyzed: 07/29/20 1

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	8.16		8.00		102	50-150			

#### LCS (2031011-BS1)

Prepared & Analyzed: 07/29/20 1

Benzene	5.16	0.0250	5.00		103	70-130			
Toluene	5.18	0.0250	5.00		104	70-130			
Ethylbenzene	5.15	0.0250	5.00		103	70-130			
p,m-Xylene	10.3	0.0500	10.0		103	70-130			
o-Xylene	5.17	0.0250	5.00		103	70-130			
Total Xylenes	15.5	0.0250	15.0		103	0-200			
Surrogate: 4-Bromochlorobenzene-PID	8.54		8.00		107	50-150			

#### Matrix Spike (2031011-MS1)

Source: P007075-01

Prepared & Analyzed: 07/29/20 1

Benzene	4.95	0.0250	5.00	ND	99.0	54.3-133			
Toluene	4.95	0.0250	5.00	ND	99.0	61.4-130			
Ethylbenzene	4.93	0.0250	5.00	ND	98.6	61.4-133			
p,m-Xylene	9.87	0.0500	10.0	ND	98.7	63.3-131			
o-Xylene	4.93	0.0250	5.00	ND	98.6	63.3-131			
Total Xylenes	14.8	0.0250	15.0	ND	98.7	0-200			
Surrogate: 4-Bromochlorobenzene-PID	8.17		8.00		102	50-150			

#### Matrix Spike Dup (2031011-MSD1)

Source: P007075-01

Prepared & Analyzed: 07/29/20 1

Benzene	5.24	0.0250	5.00	ND	105	54.3-133	5.71	20	
Toluene	5.22	0.0250	5.00	ND	104	61.4-130	5.30	20	
Ethylbenzene	5.19	0.0250	5.00	ND	104	61.4-133	5.17	20	
p,m-Xylene	10.4	0.0500	10.0	ND	104	63.3-131	5.12	20	
o-Xylene	5.20	0.0250	5.00	ND	104	63.3-131	5.28	20	
Total Xylenes	15.6	0.0250	15.0	ND	104	0-200	5.17	200	
Surrogate: 4-Bromochlorobenzene-PID	8.20		8.00		102	50-150			

Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc.

Envirotech, Inc | 5796 U.S Highway 64 | Farmington, NM 87401 | 505.632.1881 | Envirotech-inc.com



Phoenix Hydrocarbons	Project Name:	Federal D #001	
PO Box 3638	Project Number:	07173-0001	Reported:
Midland TX, 79702	Project Manager:	Vanessa Fields	08/03/20 07:58

### Nonhalogenated Organics by EPA 8015D - GRO - Quality Control

Analyte	Result	Reporting Limit	Spike Level	Source Result	REC	REC Limits	RPD	RPD Limit	Notes
	mg/kg	mg/kg	mg/kg	mg/kg	%	%	%	%	

#### Blank (2031011-BLK1)

Prepared & Analyzed: 07/29/20 1

Gasoline Range Organics (C6-C10)	ND	20.0							
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.51		8.00		93.9	50-150			

#### LCS (2031011-BS2)

Prepared & Analyzed: 07/29/20 1

Gasoline Range Organics (C6-C10)	47.5	20.0	50.0		95.0	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.42		8.00		92.7	50-150			

#### Matrix Spike (2031011-MS2)

Source: P007075-01

Prepared & Analyzed: 07/29/20 1

Gasoline Range Organics (C6-C10)	50.7	20.0	50.0	ND	101	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.58		8.00		94.8	50-150			

#### Matrix Spike Dup (2031011-MSD2)

Source: P007075-01

Prepared & Analyzed: 07/29/20 1

Gasoline Range Organics (C6-C10)	48.8	20.0	50.0	ND	97.6	70-130	3.83	20	
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.51		8.00		93.9	50-150			

Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc.



Phoenix Hydrocarbons  
PO Box 3638  
Midland TX, 79702

Project Name: Federal D #001  
Project Number: 07173-0001  
Project Manager: Vanessa Fields

Reported:  
08/03/20 07:58

### Nonhalogenated Organics by EPA 8015D - DRO/ORO - Quality Control

Analyte	Result	Reporting Limit	Spike Level	Source Result	REC	REC Limits	RPD	RPD Limit	Notes
	mg/kg	mg/kg	mg/kg	mg/kg	%	%	%	%	

#### Blank (2031010-BLK1)

Prepared & Analyzed: 07/28/20 1

Diesel Range Organics (C10-C28)  
Oil Range Organics (C28-C40)

ND  
ND

25.0  
50.0

Surrogate: n-Nonane

54.0

50.0

108

50-200

#### LCS (2031010-BS1)

Prepared & Analyzed: 07/28/20 1

Diesel Range Organics (C10-C28)

480

25.0

500

96.0

38-132

Surrogate: n-Nonane

48.9

50.0

97.9

50-200

#### Matrix Spike (2031010-MS1)

Source: P007070-01

Prepared & Analyzed: 07/28/20 1

Diesel Range Organics (C10-C28)

538

25.0

500

ND

108

38-132

Surrogate: n-Nonane

47.9

50.0

95.8

50-200

#### Matrix Spike Dup (2031010-MSD1)

Source: P007070-01

Prepared & Analyzed: 07/28/20 1

Diesel Range Organics (C10-C28)

514

25.0

500

ND

103

38-132

4.47

20

Surrogate: n-Nonane

43.2

50.0

86.4

50-200

Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc.

Envirotech, Inc | 5796 U.S Highway 64 | Farmington, NM 87401 | 505.632.1881 | Envirotech-inc.com





Phoenix Hydrocarbons	Project Name:	Federal D #001	
PO Box 3638	Project Number:	07173-0001	Reported:
Midland TX, 79702	Project Manager:	Vanessa Fields	08/03/20 07:58

**Anions by EPA 300.0/9056A - Quality Control**

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	REC %	REC Limits %	RPD %	RPD Limit %	Notes
<b>Blank (2031012-BLK1)</b>					Prepared & Analyzed: 07/29/20 1				
Chloride	ND	20.0							
<b>LCS (2031012-BS1)</b>					Prepared & Analyzed: 07/29/20 1				
Chloride	252	20.0	250		101	90-110			
<b>Matrix Spike (2031012-MS1)</b>					Source: P007075-01 Prepared & Analyzed: 07/29/20 1				
Chloride	353	20.0	250	97.6	102	80-120			
<b>Matrix Spike Dup (2031012-MSD1)</b>					Source: P007075-01 Prepared & Analyzed: 07/29/20 1				
Chloride	353	20.0	250	97.6	102	80-120	0.00283	20	

**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.

Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc.

Envirotech, Inc | 5796 U.S Highway 64 | Farmington, NM 87401 | 505.632.1881 | Envirotech-inc.com





Phoenix Hydrocarbons	Project Name:	Federal D #001	
PO Box 3638	Project Number:	07173-0001	Reported:
Midland TX, 79702	Project Manager:	Vanessa Fields	08/03/20 07:58

Notes and Definitions

ND Analyte NOT DETECTED at or above the reporting limit

NR Not Reported

RPD Relative Percent Difference

\*\* Methods marked with \*\* are non-accredited methods.

Soil data is reported on an "as received" weight basis, unless reported otherwise.

Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc.

Envirotech, Inc | 5796 U.S Highway 64 | Farmington, NM 87401 | 505.632.1881 | Envirotech-inc.com



[illegible]

5796 US Highway 54, Farmington, NM 87401  
24 Hour Emergency Response Phone (505) 352-1873

Ph (505) 632-1881 Fax (505) 632-1855

envirotech-inc.com  
labadmin@envirotech-inc.com

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	
District RP	
Facility ID	
Application ID	

## Release Notification

### Responsible Party

Responsible Party Phoenix Hydrocarbons Operating CORP	OGRID 188483
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 36.562307 Longitude -107.6683197  
(NAD 83 in decimal degrees to 5 decimal places)

Site Name Federal D #001	Site Type Gas
Date Release Discovered N/A	API# (if applicable) 30-045-20561

Unit Letter	Section	Township	Range	County
G	22	27N	08W	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)

<input type="checkbox"/> Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
<input type="checkbox"/> Produced Water	Volume Released (bbls)	Volume Recovered (bbls)
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input 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)

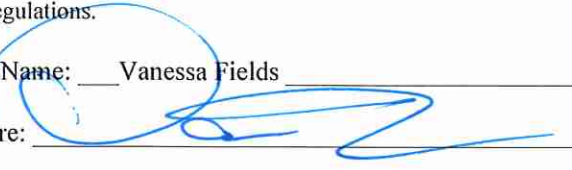
Cause of Release: Analytical results for Benzene were Non-Detect, Total BTEX was Non-Detect. DRO was Non-Detect ORO was Non-Detect, GRO was Non-Detect, chloride levels were Non-Detect demonstrating a release did not occur.

Incident ID	
District RP	
Facility ID	
Application ID	

Was this a major release as defined by 19.15.29.7(A) NMAC?  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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*

<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: <u>Vanessa Fields</u>	Title: <u>Agent Regulatory Compliance Manager</u>
Signature: 	Date: <u>9/30/2020</u>
email: <u>vanessa@walsheng.net</u>	Telephone: <u>505-787-9100</u>
<b><u>OCD Only</u></b>	
Received by: _____	Date: _____

Incident ID	
District RP	
Facility ID	
Application ID	

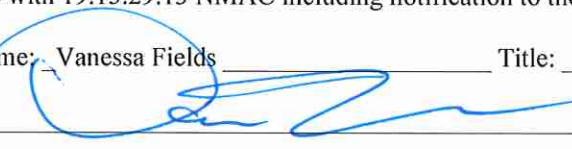
## Closure

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: Vanessa Fields Title: Agent /Regulatory Compliance Manager  
 Signature:  Date: 9/20/2020  
 email: vanessa@walsheng.net Telephone: 505-787-9100

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

## Phoenix Hydrocarbons Operating San Juan Basin Below Grade Tank Closure Plan

**Lease Name:** Federal D #001

**API No.:** 30-045-20561

**Description:** Unit G, Section 22, Township 27N, Range 08W, San Juan County

In accordance with Rule 19.15.17.13 NMAC the following information describes the closure requirements of below-grade tanks on Phoenix Hydrocarbons Operating locations. This is Phoenix Hydrocarbons Operating standard procedure for all below-grade tanks. A separate plan will be submitted for any below-grade tank which does not conform to this plan.

### General Plan

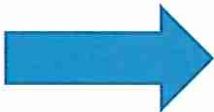
1. PHOENIX HYDROCARBONS OPERATING will obtain approval of this closure plan prior to commencing closure of the below grade tank at this location pursuant to 19.15.17.13.C (1) NMAC  
**Notification was provided to the NMOCD District III Office & BLM. Attached is a copy of the Email. An BLM representative was onsite to witness the removal of the BGT.**
  
2. PHOENIX HYDROCARBONS OPERATING will notify the surface owner by certified mail, return receipt requested, that the Phoenix Hydrocarbons Operating plans closure operations at least 72 hours, but no more than one week, prior to any closure operation. Notice will include:
  - a. Well Name
  - b. API #
  - c. Well Location**Notification was provided to the NMOCD District III Office & BLM. Attached is a copy of the Email. An BLM representative was onsite to witness the removal of the BGT.**
  
3. Within 60 days of cessation of operations, PHOENIX HYDROCARBONS OPERATING will remove liquids and sludge from below-grade tanks prior to implementing a closure method and will dispose of the liquids and sludge in a division-approved facility. Approved facilities and waste streams include:
  - a. Soils, tank bottoms, produced sand, pit sludge and other exempt wastes impacted by petroleum hydrocarbons will be disposed of at:  
*Envirotech: Permit #NM01-0011 and IEI: Permit # NM01-0010B*
  - b. Produced Water will be disposed of at:  
*Basin Disposal: Permit # NM01-005 and PHOENIX HYDROCARBONS OPERATING owned saltwater Disposal Facilities*

Within six (6) months of cessation of operations, PHOENIX HYDROCARBONS OPERATING will remove the below-grade tank and dispose of it in a division-approved facility or recycle,

reuse, or reclaim it in a manner that the appropriate division district office approves. If there is any equipment associated with a below-grade tank, then the Phoenix Hydrocarbons Operating shall remove the equipment, unless the equipment is required for some other purpose.

4. PHOENIX HYDROCARBONS OPERATING will collect a closure sample of the soil beneath the location of the below grade tank that is being closed. The closure sample will consist of a five-point composite sample to include any obvious stained or wet soils, or other evidence of contamination. The closure sample will be analyzed for all constituents listed in Table I below, including DRO+GRO, Chlorides, TPH, benzene and BTEX.

**Walsh Engineering on Behalf of PHOENIX HYDROCARBONS OPERATING collected one (5) point composite sample of where the BGT was removed. No staining was observed during the removal of the BGT. All analytical results were Non-Detect demonstrating a release did not occur.**

Table I Closure Criteria for Soils Impacted by a Release			
Minimum depth below any point within the horizontal boundary of the release to ground water less than 10,000 mg/l TDS	Constituent	Method*	Limit**
 ≤ 50 feet	Chloride***	EPA 300.0 or SM4500 Cl B	600 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	100 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg
51 feet-100 feet	Chloride***	EPA 300.0 or SM4500 Cl B	10,000 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg
	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg
>100 feet	Chloride***	EPA 300.0 or SM4500 Cl B	20,000 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg
	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg

5. If any contaminant concentration is higher than the parameters listed in Table I of 19.15.17.13 NMAC, the division may require additional delineation upon review of the results and the Phoenix Hydrocarbons Operating must receive approval before proceeding with closure. If all contaminant concentrations are less than or equal to the parameters listed in Table I of 19.15.17.13 NMAC, then the Phoenix Hydrocarbons Operating can proceed to backfill the pit, pad, or excavation with non-waste containing, uncontaminated, earthen material.

**Walsh Engineering on Behalf of PHOENIX HYDROCARBONS OPERATING collected one (5) point composite sample of where the BGT was removed. No staining was observed during the removal of the BGT. All analytical results were Non-Detect demonstrating a release did not occur. A C-141 is attached demonstrating a release did not occur.**

6. After closure has occurred, PHOENIX HYDROCARBONS OPERATING will reclaim the former BGT area, if it is no longer being used for extraction of oil and gas, by substantially restoring the impacted surface area to the condition that existed prior to oil and gas operations. PHOENIX HYDROCARBONS OPERATING will construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover materials. The soil cover shall consist of the background thickness of topsoil, or one foot of suitable materials to establish vegetation at the site, whichever is greater. All areas will be reclaimed as early as practicable, and as close to their original condition or land use as possible. They shall be maintained in a way as to control dust and minimize erosion.

**The area referenced where the BGT has been removed will be reclaimed once the well has been plugged and abandoned.**

7. PHOENIX HYDROCARBONS OPERATING will complete reclamation of all disturbed areas no longer in use when the ground disturbance activities at the site have been completed. The reseedling shall take place during the first favorable growing season after closure. Reclamation activities will be considered completed when a uniform vegetative cover has been established that reflects a life-form ratio of plus or minus fifty percent (50%) of pre-disturbance levels, and a total percent plant cover of at least seventy percent (70%) of pre-disturbance levels, excluding noxious weeds.

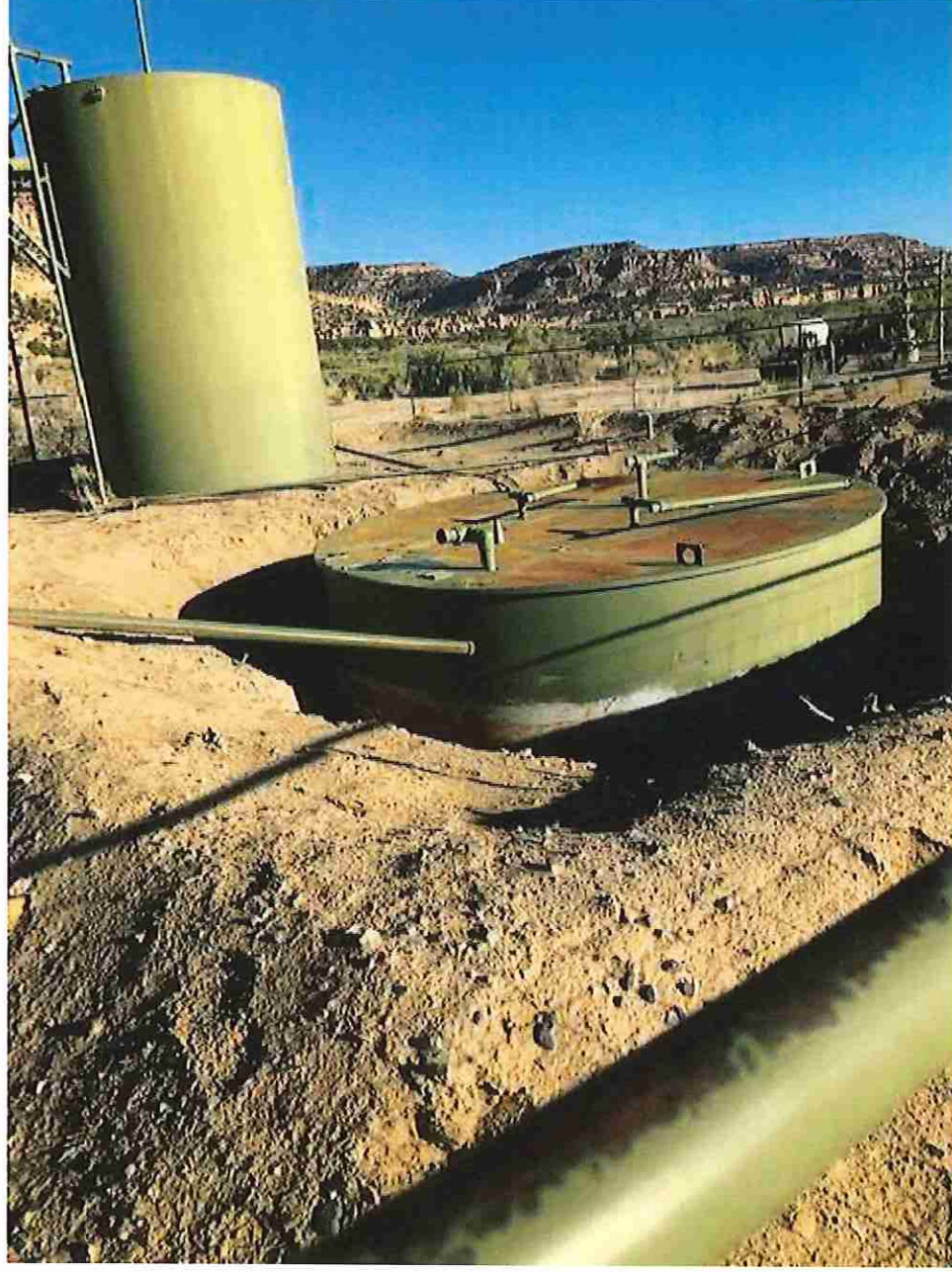
\*Re-vegetation and reclamation obligations imposed by other applicable federal, state or tribal agencies on lands managed by those agencies shall supersede the above requirements, provided they provide equal or better protection of fresh water, human health and the environment.

**The area referenced where the BGT has been removed will be reclaimed once the well has been plugged and abandoned.**

8. PHOENIX HYDROCARBONS OPERATING will notify the Aztec Office of the NMOCB by email when reclamation and closure activities are completed.

9. Within 60 days of closure, PHOENIX HYDROCARBONS OPERATING will submit a closure report to the Aztec office of the NMOCD, filed on Form C-144. The report will include the following:
  - a. Proof of closure notice to NMOCD and surface owner
  - b. Confirmation sampling analytical results
  - c. Soil backfill and cover installation information
  - d. Photo documentation of site reclamation







**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 10442

CONDITIONS

Operator: PHOENIX HYDROCARBONS OPERATING CORP P.O. Box 3638 Midland, TX 79705	OGRID: 188483
	Action Number: 10442
	Action Type: [C-144] PIT Generic Plan (C-144)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	None	11/24/2021