

Remediation Summary Report Form

General Information

This report prepared by Hungry Horse, LLC on 12Jun14, is in response to the release for Alamo Permian Resources at the Delhi B State #3, located in Eddy County, New Mexico for the spill that occurred 26Mar14, releasing 20 bbls of oil due to the blow out of a stuffing box.

Date: 12Jun14

Client: Alamo Permian Resources

Site Name: Delhi B State #3

County: Eddy County

State: New Mexico

Legals: UL, M, Sec. 28, T17S, R28E

Site Coordinates Latitude: 32.8002
Longitude: -104.1878

Property Owner: State of New Mexico

NM OCD Report No.: 2RP-2263

Release Description and Assessment

The information below is related to the spill (Date, Type, Cause, and Quantity) and the area impacted.

Date of Spill: 26Mar14

Type of Spill: ☒ Oil ☐ Produced Water ☐ Condensate ☐ Other (Specify):

Cause of Spill: ☐ Equipment Failure ☐ Valve Failure ☐ Line Rupture ☐ Leaking Tank ☐ Tank Overfill
☒ Other (Specify): Stuffing Box Blow Out

Other Contributing Factors or Comments:

Quantity Spilled: 20 bbls **Quantity Recovered:** 20 bbls **Total Released:** 0

Method of Recovery: ☒ Vacuum Truck ☐ Other (Specify):

New Mexico Oil Conservation Division Notified: ☒ Yes ☐ No

C-141 Completed and Submitted: ☒ Yes ☐ No

Spill Area Impacted: ☐ Inside Firewall ☒ On Production Pad ☐ In Pasture ☐ In Cultivated Land
☐ Other (Specify):

Total Square Foot Impacted: 1600sf **Estimated Depth:** 1.5' **Volume (Cu. Yards):** 100 yds

Other Comments:

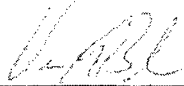
Remediation Activity Summary

The following summarizes the activities used to remediate the spill.

The remediation of the impacted area was conducted within the scope of the approved work plan. The impacted area was approximately 50 x 50', and was the portion of the pad around the well head and to the east of the well head. Hand excavation was conducted around the well head to a depth of approximately 2.5' below ground surface (BGS). Once a safe zone around the well head had been hand excavated, the remainder of the impacted area was mechanically excavated to a depth of approximately 1.5' BGS. At this point, impenetrable rock was encountered and excavation halted. It was determined that due to the close proximity of the well head, further excavation using a hammer-hoe or drill would threaten the integrity of the well head as well as pose a serious safety hazard.

Two soil samples were then obtained and analyzed for Chlorides, TPH, and BTEX. Lab results were presented to NM OCD's Mike Bratcher along with the explanation behind stopping the excavation. It was agreed that the excavation could be closed and backfilled with the stipulation that a complete remediation would be conducted when the well was plugged and abandon and the location reclaimed.

The area was backfilled with clean material and brought back to grade. All impacted soil was placed on a plastic liner and then transported to a division approved disposal facility for disposal.



Vernon K. Black, Hungry Horse, LLC

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
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

MAR 27 2014

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Form C-141
Revised August 8, 2011

Release Notification and Corrective Action

nHMP1411826132

Name of Company ALAMO PERMIAN RESOURCES, LLC		Contact CARIE STOKER	
Address 415 W. WALL ST. SUITE 500 274841		Telephone No. 432 664 7659	
Facility Name DELHI B STATE 3		Facility Type WELL	

Surface Owner STATE	Mineral Owner STATE	API No. 30-015-39590
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LOCATION OF RELEASE

	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	28	17S	28E	835	S	330	W	EDDY

Latitude 32.800283
Longitude -104.187839

NATURE OF RELEASE

Type of Release: OIL	Volume of Release: 20 BBLS	Volume Recovered: 20 BBLS
Source of Release: STUFFING BOX	Date and Hour of Occurrence: MARCH 26 2014	Date and Hour of Discovery: MARCH 27 2014, 10:00 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? MIKE BRATCHER	
By Whom? CARIE STOKER	Date and Hour MARCH 27 2014, 4:30 P.M., LEFT VOICE MESSAGE	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Cause of problem: Packing blew out of stuffing box; Remedial Action Taken: Shut well in

Describe Area Affected and Cleanup Action Taken.*

Clean up action: Spill contained to wellhead area; Backhoe scheduled to scrape up top layer of contaminated earth

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <u>Carie Stoker</u>		OIL CONSERVATION DIVISION	
Printed Name: CARIE STOKER		Approved by Environmental Specialist: <u>H. Pen</u>	
Title: REGULATORY AFFAIRS COORDINATOR		Approval Date: <u>4/28/14</u>	Expiration Date: <u>NA</u>
E-mail Address: carie@stokeroilfield.com		Conditions of Approval:	Attached <input type="checkbox"/>
Date: 03/27/2014	Phone: 432 664 7659	Remediation per OCD Rule & Guidelines. SUBMIT REMEDIATION PROPOSAL NO LATER THAN: <u>5/28/14</u>	

* Attach Additional Sheets If Necessary

2RP-2263



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

May 30, 2014

VERNON BLACK

Hungry Horse Environmental

P.O. Box 1058

Hobbs, NM 88240

RE: DELHI STATE #3

Enclosed are the results of analyses for samples received by the laboratory on 05/23/14 15:30.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T10470-398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

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

Method EPA 552.2	Halacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Caley D. Keene

Lab Director/Quality Manager

JUN 02 2014



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

Analytical Results For:

Hungry Horse Environmental
 VERNON BLACK
 P.O. Box 1058
 Hobbs NM, 88240
 Fax To: (505) 391-4585

Received: 05/23/2014
 Reported: 05/30/2014
 Project Name: DELHI B STATE #3
 Project Number: NONE GIVEN
 Project Location: EDDY COUNTY, NM

Sampling Date: 05/23/2014
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: SP #1-25' E OF WELLHEAD 1.5' BGS (H401595-01)

BTX 60216	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	05/29/2014	ND	130	115	2.00	1.75	
Toluene*	<0.050	0.050	05/29/2014	ND	133	116	2.00	2.54	
Ethylbenzene*	<0.050	0.050	05/29/2014	ND	123	111	2.00	2.07	
Total Xylenes*	<0.150	0.150	05/29/2014	ND	506	116	6.00	2.23	
Total BTX	<0.300	0.300	05/29/2014	ND					

Surrogate: 4-Bromofluorobenzene (FIL) 166 % 82.4-136

Chloride, SM4500Cl-6	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	1570	16.0	05/29/2014	ND	432	108	400	3.77	

TPH 8015H	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg	mg/kg
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	05/28/2014	ND	192	95.2	200	1.06	
DRO >C10-C20	<10.0	10.0	05/28/2014	ND	206	103	200	4.66	

Surrogate: 1-Chlorooctane 119 % 65.2-140

Surrogate: 1-Chlorooctadecane 116 % 63.6-154

Cardinal Laboratories

* = Accredited Analyte

NOTE: These are analytical results only. They do not constitute a statement of opinion or a warranty of any kind. The results are based on the information provided by the client. The client is responsible for the accuracy of the information provided. The results are not to be used for legal or regulatory purposes. The results are not to be used for any other purpose without the written consent of Cardinal Laboratories.

Coley D. Keene, Lab Director/Quality Manager

JUN 02 2014



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

Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit.
RPD	Relative Percent Difference
ns	Samples not received at proper temperature of 65°C or below.
nm	Inefficient time to reach temperature.
-	Chloride by SM4500Cl-8 does not require samples be received at or below 65°C.
	Samples reported on an as received basis (wt) unless otherwise noted on report.

Cardinal Laboratories

†=Accredited Analyte

[illegible]

Handwritten signature

Celcy D. Keene, Lab Director/Quality Manager

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JUN 02 2014



CARDINAL Laboratories

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Highland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2576

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[illegible]

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

JUN 02 2014

HUNGRY HORSE, LLC
ENVIRONMENTAL SERVICES

Dirt Work * On-Site Remediation * Soil Testing * Excavation

19May14

To: Mike Bratcher, New Mexico Oil Conservation Division, District 2
Reference: Remediation Work Plan
Location: Delhi B State #003
Operator: Alamo Permian Resources
API: 30-025-39590
Legals: UL. M, Sec. 28, T17S, R28E (Eddy County)
GPS: N32.80044, W-104.18832
2RP-2263

Dear Mr. Bratcher,

Hungry Hose, LLC has been contracted Alamo Permian Resources to conduct the soil remediation at the above referenced location for the release that occurred 26Mar14. This remediation work plan is being submitted for your review and feedback.

Location

This location is in rural Eddy County, New Mexico and is located west of Loco Hills, New Mexico on the north side of Highway 82 at mile marker #120, approximately 400 yards off the highway. The vegetation in this area is primarily creosote bushes, mesquite, yucca cactus, and various range grasses. The area is relatively flat with a few rolling sand dunes. Based upon the Eddy County Depth to Groundwater Map, the depth to groundwater is greater than 100'. There are no known water wells or surface bodies of water within 1000' of this location.

Work Conducted to Date

Upon detection of the release, a back-hoe was used to help contain the release and to remove the saturated layer of soil. A thin layer of caliche was then spread over the hydrocarbon stained area to assist in the drying of the remaining areas that were damp.

Proposed Remediation Plan

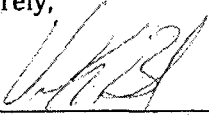
The impacted area is approximately a 50' x 50' area in the immediate vicinity of the well head and to the east of the wellhead. The release was contained to the existing well pad and no area off the caliche pad was impacted.

I propose to hand excavate the impacted soil around the well head until a safe work zone is created for a back-hoe to begin excavating the pad. The back-hoe will be used to excavate the impacted soil from the pad. All impacted soil will be placed in a truck for transportation or on a plastic liner if awaiting transportation. Upon reaching the depth at which the caliche pad stops, field tests for chlorides will be conducted. If field test results indicate chloride levels at 1000ppm or less, confirmation samples will be obtained for laboratory analysis.

HUNGRY HORSE, LLC
ENVIRONMENTAL SERVICES

Laboratory results will be presented to you for closure approval. When such approval is granted, fresh caliche will be used for backfilling the excavation and the pad brought back to grade. A Final C-141 along with closure documentation will be submitted.

Sincerely,

 *VK Black*
PM May 14

Vernon K. Black, Hungry Horse, LLC

c.c. Carey Stoker

From: Bratcher, Mike, EMNRD [mike.bratcher@state.nm.us]
Sent: Wednesday, May 21, 2014 7:36 AM
To: Vernon Black
Subject: RE: Remediation Work Plan

Vernon,

That will work, but we will need testing for hydrocarbons (TPH & BTEX) in addition to the chloride tests.

Mike Bratcher
NMOCD District 2
811 S. First Street
Artesia, NM 88210
O: 575-748-1283 X108
C: 575-626-0857
F: 575-748-9720

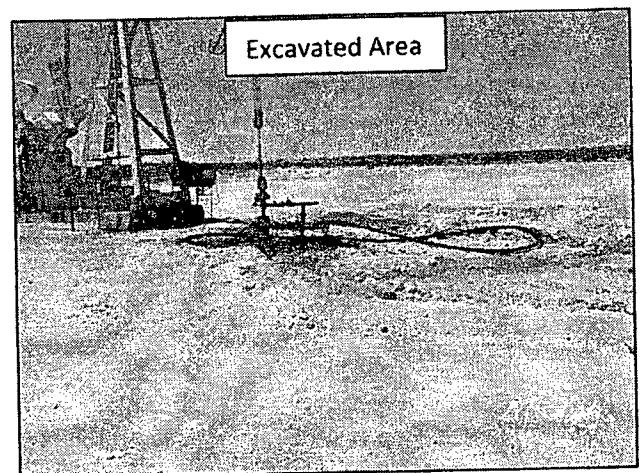
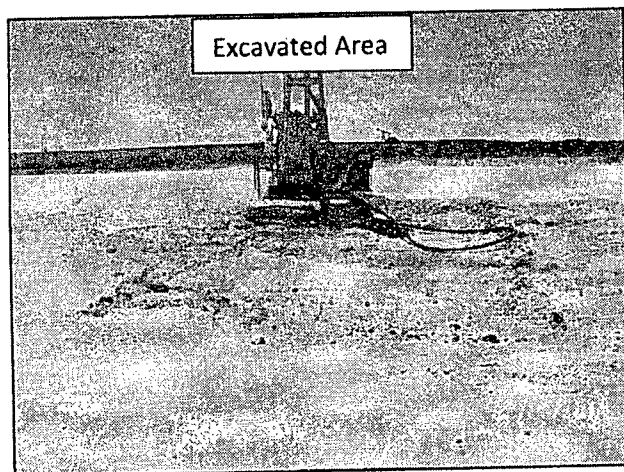
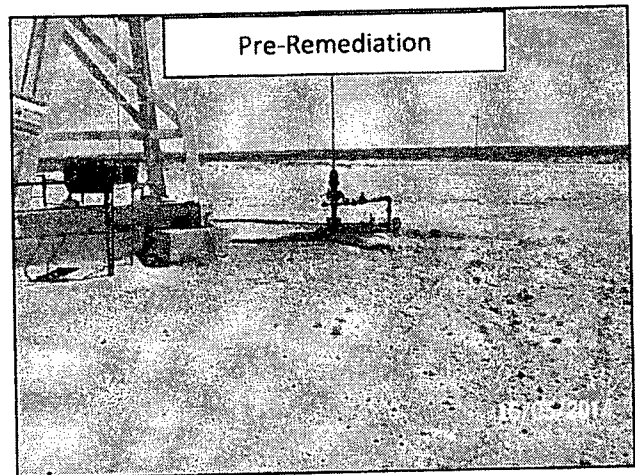
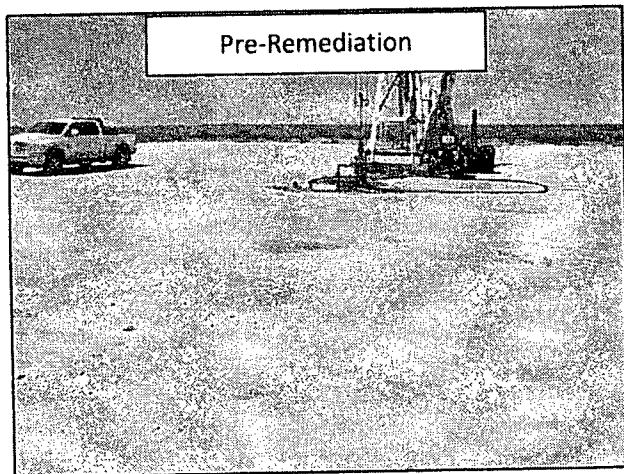
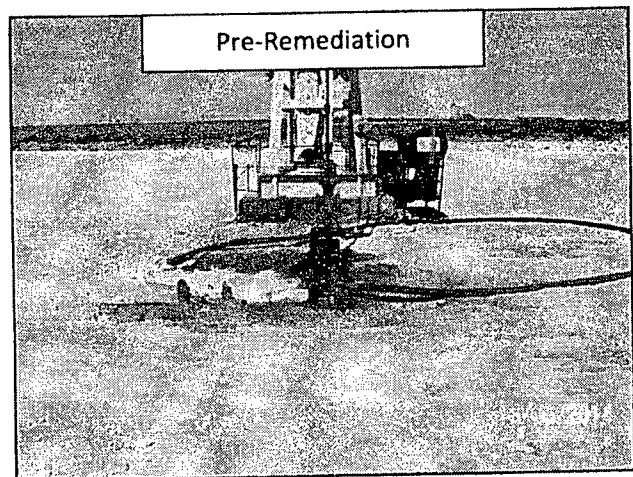
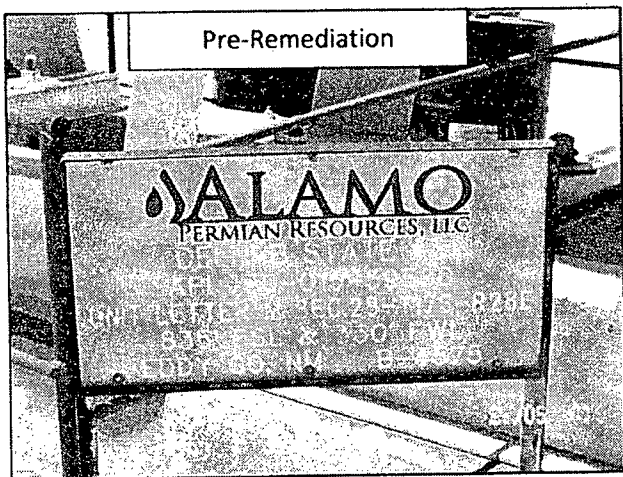
From: Vernon Black [mailto:VBlack@Hungry-Horse.com]
Sent: Tuesday, May 20, 2014 7:33 AM
To: Bratcher, Mike, EMNRD
Subject: Remediation Work Plan

Good Morning Mike,

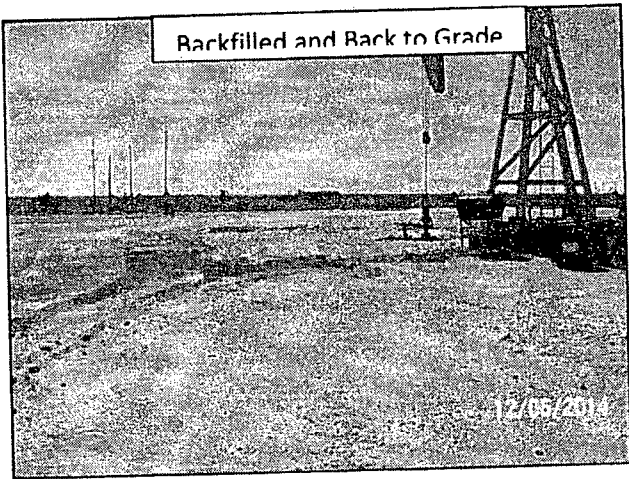
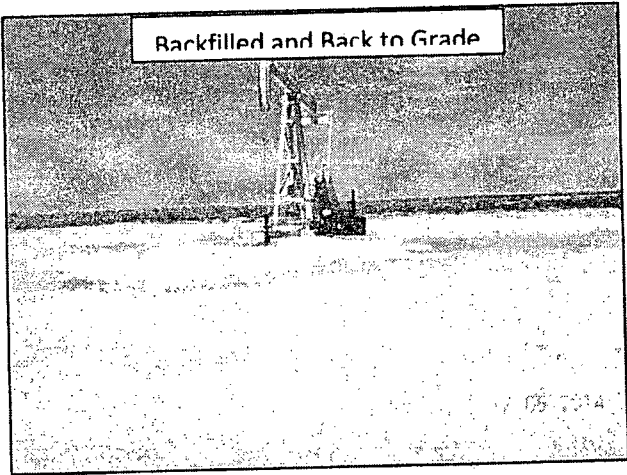
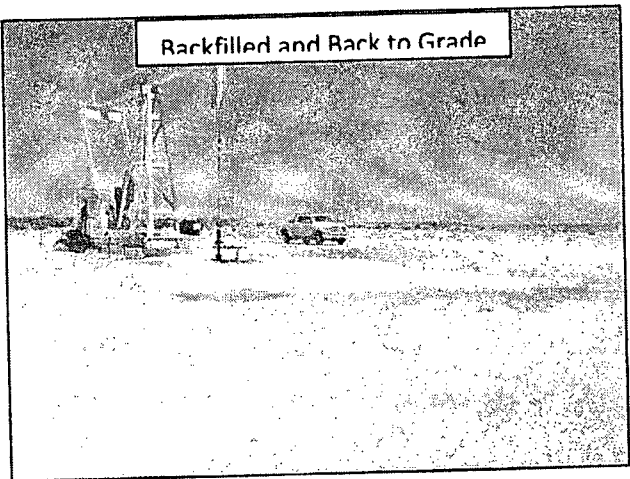
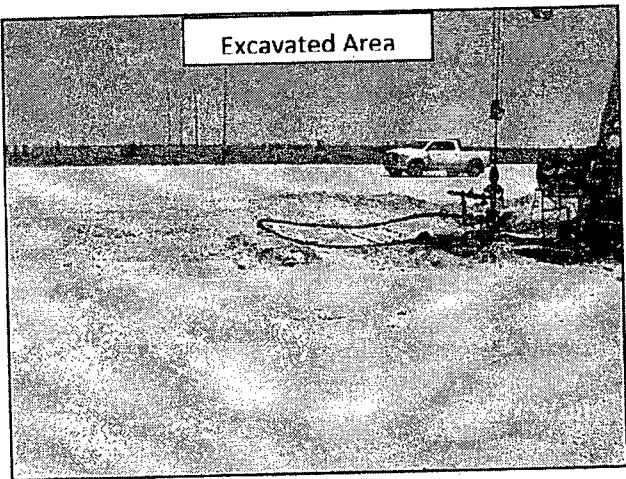
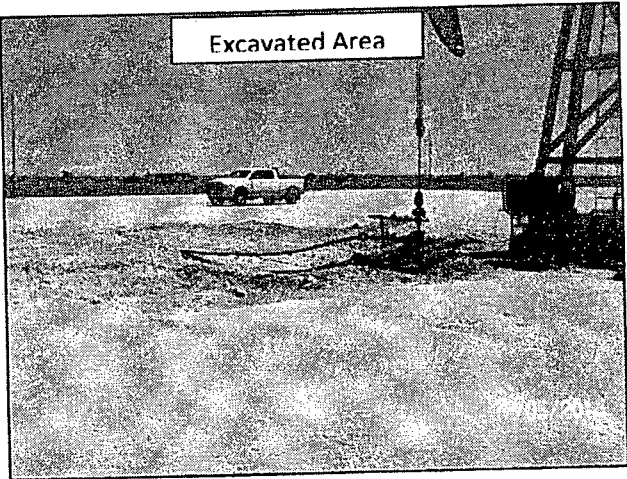
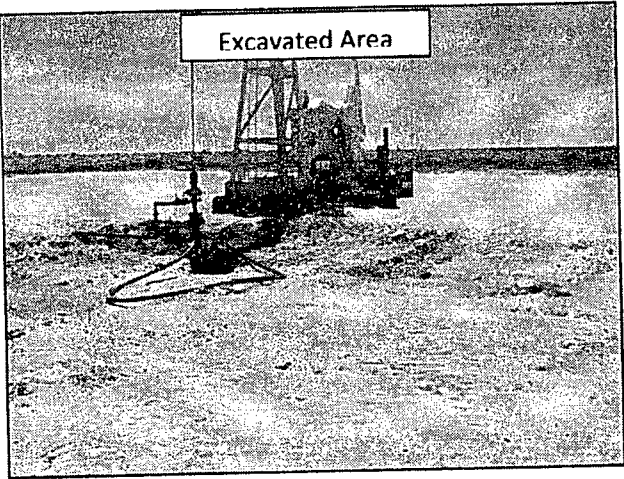
Please take a look at the attached work plan and provide your guidance. It's not much to it.....a stuffing box blew out and the release remained on the pad. We'll get it knocked out upon your approval.

Vernon K. Black
Hungry Horse, LLC
PO Box 1058
Hobbs, NM 88241
575 393 3386 office
575 631 2253 cell

Alamo Permian Resources-Delhi b State #3



Alamo Permian Resources-Delhi B State #3



Bratcher, Mike, EMNRD

From: Vernon Black <VBlack@Hungry-Horse.com>
Sent: Thursday, June 12, 2014 2:08 PM
To: Bratcher, Mike, EMNRD; CARIE STOKER
Subject: Emailing: Alamo Permian Resources-Delhi B St #3 Closing Documents.pdf
Attachments: Alamo Permian Resources-Delhi B St #3 Closing Documents.pdf

Mike/Carie,

Here are the closing documents for the Delhi B St #3. If there's anything else you need, please let me know. I appreciate all you help on this project and look forward to the next time we work together.

Thanks,
Vernon