

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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

HOBBS OCD

DEC 31 2012

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Form C-141  
Revised October 10, 2003  
Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report  Final Report

Name of Company <b>Celero Energy II, LP</b>	Contact <b>Lisa Hunt</b>
Address <b>400 W. Illinois Ste. 1601, Midland, Tx 79701</b>	Telephone No. <b>(432) 686-1883</b>
Facility Name <b>Glad Wallace #2</b>	Facility Type <b>Well</b>

Surface Owner <b>Dean Kinsolving</b>	Mineral Owner	Lease No.
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**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	31	11S	38E	1650'	South	1650'	East	Lea

Latitude N 33.31980° Longitude W 103.13354°

**NATURE OF RELEASE**

Type of Release: <b>Produced water</b>	Volume of Release <b>100-150 bbls</b>	Volume Recovered <b>40 bbls</b>
Source of Release <b>Flowline leak</b>	Date and Hour of Occurrence <b>10/13/09 AM</b>	Date and Hour of Discovery <b>10/13/09 AM</b>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not required	If YES, To Whom? <b>Geoffrey Leking</b>	
By Whom? <b>Lisa Hunt</b>	Date and Hour <b>10/14/09 11:00 AM</b>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <b>N/A</b>	

If a Watercourse was Impacted, Describe Fully.\*  
N/A

Describe Cause of Problem and Remedial Action Taken.\*  
Flowline busted. Doing immediate remediation by scraping up 8-12 inches of dirt off affected area and stockpiling it on plastic on caliche pad.

Describe Area Affected and Cleanup Action Taken.\*  
Between October and November 2012, Tetra Tech removed 1,666 cubic yards of soil from the former pit (100' by 125' by 4' area). The soils were transported offsite for disposal at Gandy Marley of Tatum, NM. The site was lined with a 20 mil polyethylene liner and backfilled with clean soil to surface grade.

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: <i>Evan Wauhob</i>		<u>OIL CONSERVATION DIVISION</u>	
Printed Name: <b>Evan Wauhob</b>		Approved by District Supervisor:	
Title: <b>Superintendent</b>		Approval Date:	Expiration Date:
E-mail Address: <b>ewauhob@celeroenergy.com</b>		Conditions of Approval:	
Date: <b>12/21/12</b> Phone: <b>(432) 686-1883</b>		Attached <input type="checkbox"/>	

\* Attach Additional Sheets If Necessary

District I  
625 N. French Dr., Hobbs, NM 88240  
District II  
301 W. Grand Avenue, Artesia, NM 88210  
District III  
000 Rio Brazos Road, Aztec, NM 87410  
District IV  
220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico **RECEIVED**  
Energy Minerals and Natural Resources  
Oil Conservation Division **OCT 16 2009**  
1220 South St. Francis Dr. **HOBBSOCD**  
Santa Fe, NM 87505

Form C-141  
Revised October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report  Final Report

Name of Company <b>CELERO ENERGY II, LP</b>	Contact <b>Lisa Hunt</b>
Address <b>400 W. Illinois, Ste. 1601 Midland, TX 79701</b>	Telephone No. <b>(432)686-1883</b>
Facility Name <b>Glad Wallace #2</b>	Facility Type <b>Well</b>
Surface Owner <b>Dean Kinsolving</b>	Mineral Owner
	Lease No.

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	31	11S	38E	1650'	South	1650'	East	Lea

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ API# **30.025-07115.00.00**

**NATURE OF RELEASE**

Type of Release <b>Produced water</b>	Volume of Release <b>100-150 bbls</b>	Volume Recovered <b>40 bbls</b>
Source of Release <b>Flowline</b>	Date and Hour of Occurrence <b>10/13/09am</b>	Date and Hour of Discovery <b>10/13/09pm</b>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <b>Geoffrey Leking</b>	
By Whom? <b>Lisa Hunt</b>	Date and Hour <b>10/14/09 11:00 am</b>	
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.\*  
  
**WATER @ 36'**

Describe Cause of Problem and Remedial Action Taken.\*  
Flowline busted. Doing immediate remediation by scraping up 8-12 inches of dirt off affected area & stock piling it on plastic on caliche pad.

Describe Area Affected and Cleanup Action Taken.\*  
150 x 150 area affected. Tetra Tech will be running the assessment and taking soil samples.

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: <i>Lisa Hunt</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Lisa Hunt	Approved by <b>ENVIRONMENTAL</b> District Supervisor: <i>Geoffrey Leking</i>	
Title: Regulatory Analyst	Approval Date: <b>10/19/09</b>	Expiration Date: <b>12/21/09</b>
E-mail Address: <b>LHunt@celeroenergy.com</b>	Conditions of Approval: <b>DELINATE TO CLEAN + 1. SUBMIT FINAL C-141 BY 12/21/09.</b>	Attached <input type="checkbox"/>
Date: <b>10/14/2009</b> Phone: <b>(432)686-1883</b>		<b>IRP-09-11-2329</b>

f GRL 0930936024



TETRA TECH

REVIEWED 2/26/12 - ASKED FOR PHOTOS OF FIELD WORK  
Geoffrey Leking  
Environmental Specialist  
NMOCD - DIST 1

HOBBS OCD

December 21, 2012

DEC 31 2012

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Mr. Geoffrey Leking  
Environmental Engineer Specialist  
Oil Conservation Division, District 1  
1625 North French Drive  
Hobbs, New Mexico 88240

**Re: Closure Report for the Celero Energy II LP, Wallace Well #2, Unit J, Section 31, Township 11 South, Range 38 East, Lea County, New Mexico, NMOCD Lease #30-0250-07115, (1RP 2329).**

Mr. Leking:

Tetra Tech, Inc. was contacted by Celero Energy II, LP (Celero) to assess a spill from the Wallace Well #2, located in Unit J, Section 31, Township 11 South, Range 38 East, Lea County, New Mexico (Site). The spill site coordinates are N 33.31980°, W 103.13354°. The site location is shown on Figures 1 and 2.

**Background**

According to the State of New Mexico C-141 Initial Report, the leak was discovered on October 13, 2009. A flow line, located north of the well pad, leaked in the pasture releasing 100-150 barrels of produced water. A vacuum truck was used to recover 40 barrels of fluids. The release impacted an area approximately 150' x 150'. Celero immediately scraped 8" to 12" of impacted soil and hauled the material to Gandy Marley, Inc. for disposal. The initial and final Form C-141 is enclosed in Appendix B.

**Groundwater**

According to published data, the NMOSE iWaters database showed an average depth to water of 45' below ground surface in Section 31, Township 11 South, Range 38 East. Copies of available groundwater data are included in Appendix A.

**Regulatory**

A risk-based evaluation was performed for the Site in accordance with the New Mexico Oil Conservation Division (NMOCD) Guidelines for Remediation of Leaks, Spills and Releases, dated August 13, 1993. The guidelines require a risk-based evaluation of the site to determine recommended remedial action levels (RRAL) for benzene, toluene, ethylbenzene and xylene (collectively referred to as BTEX) and total petroleum hydrocarbons (TPH) in soil. The proposed RRAL for benzene was determined to be 10 parts per million (ppm) or milligrams per kilogram (mg/kg) and 50 ppm for total BTEX

Tetra Tech

1910 North Big Spring, Midland, TX 79705

Tel 432.682.4559 Fax 432.682.3946 www.tetrattech.com



**TETRA TECH**

(sum of benzene, toluene, ethylbenzene, and xylene). Based upon the depth to groundwater (<50'), the proposed RRAL for TPH is 100 mg/kg.

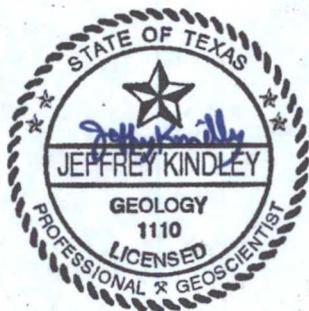
### **Work Plan**

In a September 20, 2012 meeting between Tetra Tech and Geoffrey Leking of the NMOCD, Mr. Leking instructed Tetra Tech that he would accept closure of the site, if Celero would remove the remaining 2 to 3 feet of bottom soil (total depth of 3 to 4 feet below ground surface) in the 100 foot x 125 foot impact area over the reserve pit. In order to prevent further vertical migration of the soils, a 20-mil polyethylene liner (of the same dimensions) was proposed for installation at 4 feet bgs and the site was to be backfilled to surface grade with clean soils.

### **Implementation of Work Plan**

Between October 26 and November 13, 2012, Tetra Tech was onsite to oversee the excavation and removal of the soils within the former pit. The soils were excavated to a maximum depth of 4 feet below ground surface, leveled and a 20-mil polyethylene liner measuring 100 feet by 125 feet (dimensions of the pit) was installed at the base of the excavation. Upon completion of the excavation, the site was backfilled with caliche base material to a depth of 1.5 feet below ground surface (bgs). From 1.5 feet bgs to the surface, soil was added in order to enhance native vegetation growth. A total of 1,666 cubic yards of soil were removed from the pit and transported offsite for disposal at the Gandy Marley facility in Tatum, New Mexico.

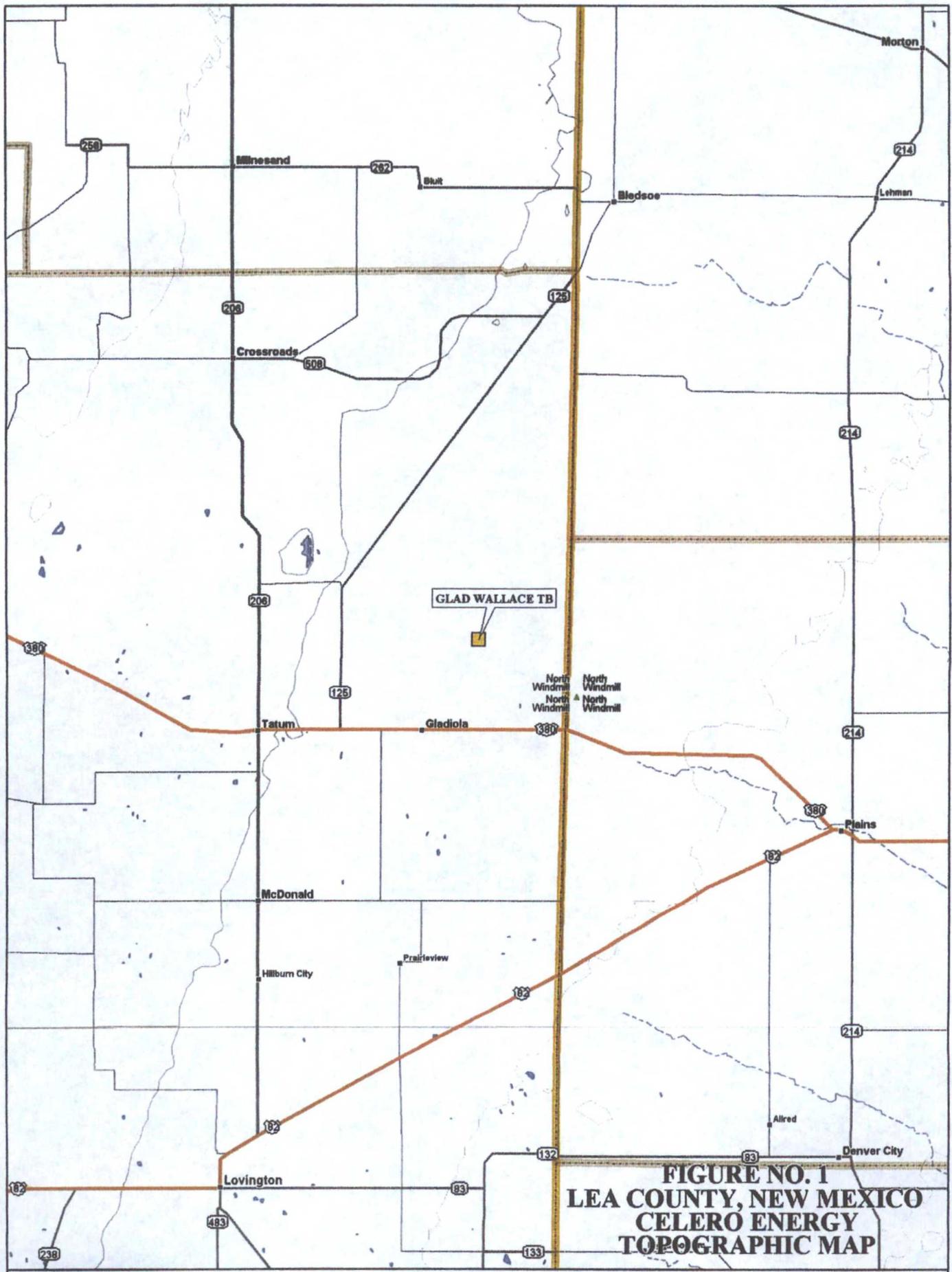
With the completion of the excavation and backfilling at the site, Celero has completed the agreed upon work plan as per the September 20, 2012 meeting. As such, Celero respectfully requests that the NMOCD consider closure of NMOCD Lease #30-0250-07115 (1RP 2329). If you require any additional information or have any questions concerning this work plan, please call at (432) 682-4559.



Respectfully submitted,  
TETRA TECH

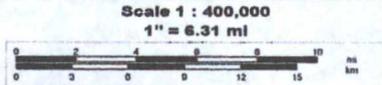
*Jeffrey Kindley*  
Jeffrey Kindley, P.G.  
Senior Project Manager

cc: Bruce Woodard – Celero  
Evan Wahob - Celero

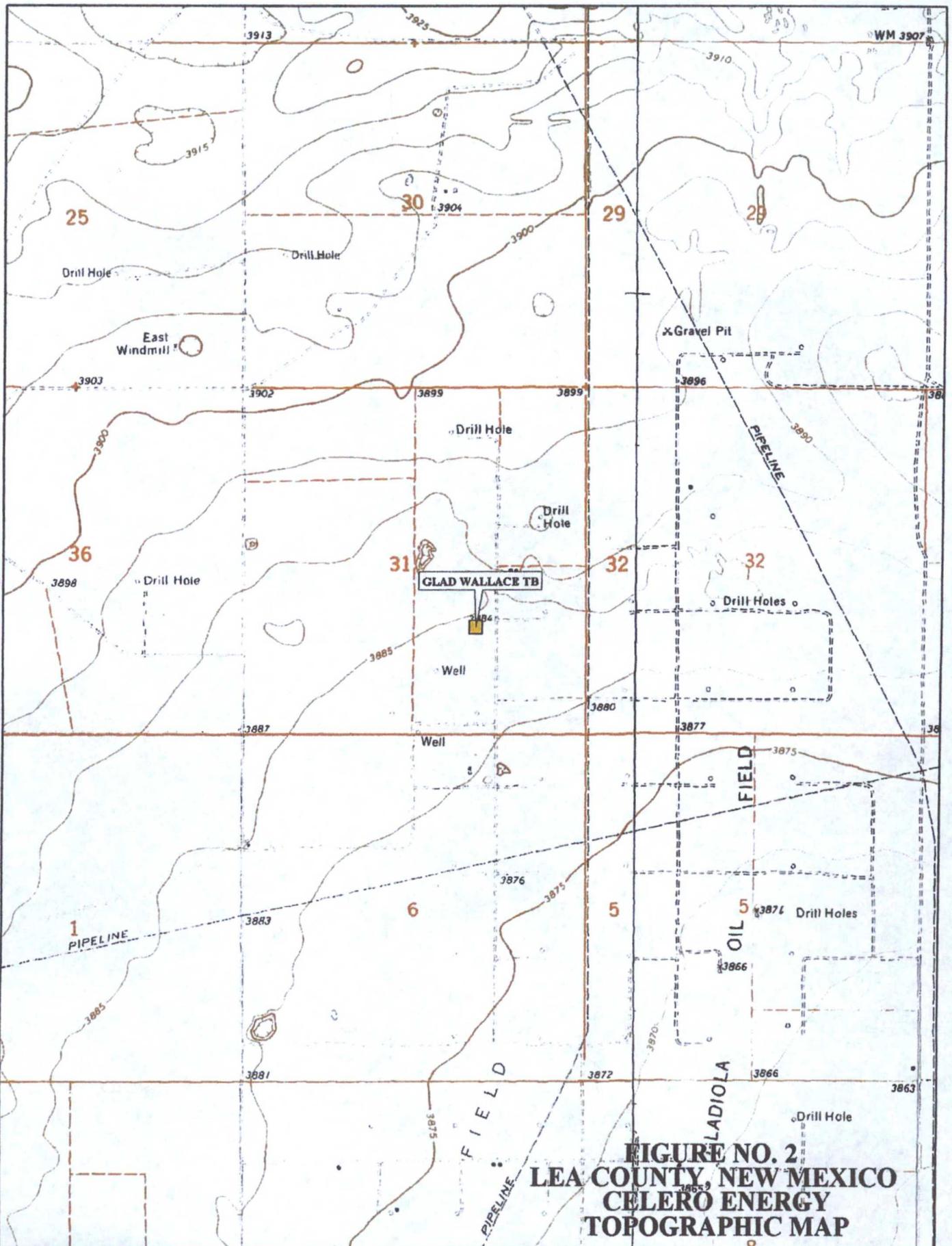


**FIGURE NO. 1  
LEA COUNTY, NEW MEXICO  
CELERO ENERGY  
TOPOGRAPHIC MAP**

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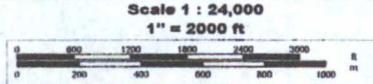
TN  
MN  
8.7°E



**FIGURE NO. 2  
LEA COUNTY, NEW MEXICO  
CELERO ENERGY  
TOPOGRAPHIC MAP**

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**Water Well Data**  
**Average Depth to Groundwater (ft)**  
**Celero - Glad Wallace Well #2**

**11 South 36 East**

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

**11 South 37 East**

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

**11 South 38 East**

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31Site	32	33	34	35	36

**12 South 36 East**

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

**12 South 37 East**

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

**12 South 38 East**

6	42	5	4	3	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

**13 South 36 East**

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

**13 South 37 East**

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

**13 South 38 East**

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

- 88 New Mexico State Engineers Well Reports
- 105 USGS Well Reports
- 90 Geology and Groundwater Conditions in Southern Lea, County, NM (Report 6)  
 Geology and Groundwater Resources of Eddy County, NM (Report 3)
- 34 NMOCD - Groundwater Data



**Photo 1.** View of excavated pit and beginnings of backfilling of site.



**Photo 2.** View of the backfilling of the Glad Wallace pit.

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Photo 3. View of backfilling of site.



Photo 4. View of backfilling of site.

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**Photo 5.** View of the completed backfill pit.



**Photo 6.** View of backfilled pit.

CENTRO CLAY WALLACE WELL #2



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MAR 01 2013  
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HOURS OGD

MAR 01 2013

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