



Pima Environmental Services, LLC
 1601 N. Turner Ste 500
 Hobbs, NM 88240
 575-964-7740

Request For Incident Closure

March 20, 2021

**Re: Liner Inspection and Closure Report
 Pere Marquette 18 Federal #1
 API No. 30-015-38951
 GPS: Latitude 32.8410149 Longitude -104.1203232
 UL "D", Sec. 18, T17S, R29E
 Eddy County, NM
 NMOCD Incident ID NAPP2106961705**

Pima Environmental Services, LLC (Pima) has conducted a Liner Inspection and has prepared this Closure Report on behalf of Spur Energy Partners (Spur) for the Pere Marquette 18 Federal #1 (Pere). This incident has been assigned an Incident ID NAPP2106961705, by the New Mexico Oil Conservation Division (NMOCD).

Site Information and Site Characterization

The Pere is located approximately sixteen (16) miles east of Artesia, NM. This spill site is in Unit D, Section 18, Township 17S, Range 29E, Latitude 32.8410149, Longitude -104.1203232, Eddy County, NM.

Based upon New Mexico Office of the State Engineer well water data, depth to the nearest groundwater in this area is 58-feet below grade surface (BGS). See Appendix A for referenced water survey. This well is located in a low Karst area.

| Table 1 NMAC and Closure Criteria 19.15.29 | | | | | |
|--|----------------------|-------------|-------------|----------|---------|
| Depth to Groundwater (Appendix A) | Constituent & Limits | | | | |
| | Chlorides | Total TPH | GRO+DRO | BTEX | Benzene |
| 51-100 | 10,000 mg/kg | 2,500 mg/kg | 1,000 mg/kg | 50 mg/kg | 10mg/kg |
| If the release occurred within any of the following areas, the responsible party would treat the release as if the groundwater was less than 50 feet per Rule 19.15.29 | | | | | |
| Water Issues | | | | Yes | No |
| Within 300 feet of any continuously flowing watercourse or any other significant watercourse | | | | | x |
| Within 200 feet of any lakebed, sinkhole or playa lake (measures from the ordinary high-water mark) | | | | | x |
| Within 300 feet from an occupied permanent residence, school, hospital, institution or church | | | | | x |
| Within 500 feet of a spring or a private, domestic freshwater well used by less than five households for domestic or stock water purposes | | | | | x |
| Within 1000 feet of any freshwater well or spring | | | | | x |
| Within incorporated municipal boundaries or within a defined municipal freshwater well field | | | | | x |
| Within 300 feet of a wetlands | | | | | x |
| Within the area overlying a subsurface mine | | | | | x |
| Within an unstable area (Karst) | | | | | x |
| Within a 100-year floodplain | | | | | x |

Release Information

On March 8, 2021, the lease operator turned into a different oil tank at the battery, he came back at the end of the day and found the tank leaking from an apparent crack. The fluid all stayed inside the engineered steel and poly lined containment. The lost fluids were calculated to be approximately 6.7 barrels (bbls) of oil. The lease operator isolated the vessel and dispatched a vac truck that was able to recover 6.7 bbls.

Site Assessment and Liner Inspection Results

On March 15, 2021, Pima Environmental conducted a liner inspection. The liners integrity showed no evidence of being compromised and appeared to have contained all released fluids. The liner Inspection Form with photographs is attached with our findings in Appendix C along with a 48-hour email notification.

Closure Request

After careful review, Pima requests that incident NAPP2106961705, be closed. Spur Energy has complied with the applicable closure requirements.

Should you have any questions or need additional information, please feel free to contact Chris Jones at 575-964-7740 or chris@pimaoil.com.

Respectfully,



Chris Jones
Environmental Professional
Pima Environmental Services, LLC

Attachments

Figures:
1- Site Map

Appendices:
Appendix A- Referenced Water Survey
Appendix B- C-141
Appendix C- Liner Inspection & Notification



Pima Environmental Services

Figures:

1-Site Map

Spur Energy

Pere Marquette 18 Fed 1
API 30-015-38951
Eddy County, NM
Site Map



Pere Marquette 18-1





Pima Environmental Services

Appendix A
Water Surveys:

OSE



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced,
O=orphaned,
C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

| POD Number | Code | POD Sub-basin | County | Q 64 | Q 16 | Q 4 | Sec | Tws | Rng | X | Y | Distance | DepthWell | DepthWater | Water Column |
|-------------------------------|------|---------------|--------|------|------|-----|-----|-----|-----|--------|---------|----------|-----------|------------|--------------|
| RA 12307 POD1 | | RA | ED | 4 | 2 | 2 | 14 | 17S | 28E | 580495 | 3633981 | 1836 | 140 | 58 | 82 |

Average Depth to Water: **58 feet**
 Minimum Depth: **58 feet**
 Maximum Depth: **58 feet**

Record Count: 1

UTMNAD83 Radius Search (in meters):

Easting (X): 582331.676

Northing (Y): 3633996.764

Radius: 3000

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

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WATER COLUMN/ AVERAGE DEPTH TO WATER



New Mexico Office of the State Engineer

Point of Diversion Summary

| Well Tag | POD Number | (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) | | | | (NAD83 UTM in meters) | | | |
|----------|---------------|--|-----|----|-----|-----------------------|-----|--------|---|
| | | Q64 | Q16 | Q4 | Sec | Tws | Rng | X | Y |
| | RA 12307 POD1 | 4 | 2 | 2 | 14 | 17S | 28E | 580495 | 3633981  |

Driller License: 1058 **Driller Company:** KEY'S DRILLING & PUMP SERVICE

Driller Name: CLINTON KEY

Drill Start Date: 09/28/2015 **Drill Finish Date:** 09/30/2015 **Plug Date:**

Log File Date: 10/07/2015 **PCW Rcv Date:** **Source:** Shallow

Pump Type: **Pipe Discharge Size:** **Estimated Yield:** 30 GPM

Casing Size: 4.50 **Depth Well:** 140 feet **Depth Water:** 58 feet

| Water Bearing Stratifications: | Top | Bottom | Description |
|--------------------------------|-----|--------|-------------------------------|
| | 80 | 100 | Shale/Mudstone/Siltstone |
| | 110 | 120 | Sandstone/Gravel/Conglomerate |
| | 120 | 140 | Other/Unknown |

| Casing Perforations: | Top | Bottom |
|----------------------|-----|--------|
| | 120 | 140 |

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

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POINT OF DIVERSION SUMMARY



Pima Environmental Services

Appendix B:

Initial & Final C-141

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 | NAPP2106961705 |
| District RP | |
| Facility ID | |
| Application ID | |

Release Notification

Responsible Party

| | |
|---|--------------------------------|
| Responsible Party Spur Energy Partners | OGRID 328947 |
| Contact Name Braidy Moulder | Contact Telephone 713-264-2517 |
| Contact email bmoulder@spurepllc.com | Incident # (assigned by OCD) |
| Contact mailing address 919 Milam St. Suite 2475 Houston, TX 77002 | |

Location of Release Source

Latitude 32.8410149 Longitude -104.1203232
(NAD 83 in decimal degrees to 5 decimal places)

| | |
|------------------------------------|-------------------------------|
| Site Name Pere Marquette 18 Fed #1 | Site Type Production Facility |
| Date Release Discovered 3-8-21 | API# 30-015-38951 |

| Unit Letter | Section | Township | Range | County |
|-------------|---------|----------|-------|--------|
| D | 18 | 17S | 29E | Eddy |

Surface Owner: State Federal Tribal Private (Name: _____)

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

| | | |
|--|--|--|
| <input type="checkbox"/> Crude Oil | Volume Released (bbls) | Volume Recovered (bbls) |
| <input checked="" type="checkbox"/> Produced Water | Volume Released (bbls) 6.7 | Volume Recovered (bbls) 6.7 |
| | 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

The oil tank was turned into. Came back later in the day and found that the tank had a crack in it and was leaking. All fluids stayed inside the engineered steel and poly lined containment. A vac truck was dispatched and was able to recover all standing fluids.

State of New Mexico
Oil Conservation Division

Page 2

| | |
|----------------|----------------|
| Incident ID | NAPP2106961705 |
| 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: Braidy Moulder Signature: <i>Braidy Moulder</i> email: bmoulder@spurepllc.com | Title: HES Coordinator Date: 3-22-21 Telephone: 713-264-2517 |
| <u>OCD Only</u> Received by: _____ Date: _____ | |

| | |
|----------------|----------------|
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|----------------|----------------|
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| Application ID | |

Site Assessment/Characterization

This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

| | |
|---|---|
| What is the shallowest depth to groundwater beneath the area affected by the release? | 58 (ft bgs) |
| Did this release impact groundwater or surface water? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 1000 feet of any other fresh water well or spring? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within 300 feet of a wetland? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release overlying a subsurface mine? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release overlying an unstable area such as karst geology? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are the lateral extents of the release within a 100-year floodplain? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Did the release impact areas not on an exploration, development, production, or storage site? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined. Refer to 19.15.29.11 NMAC for specifics.

Characterization Report Checklist: *Each of the following items must be included in the report.*

- Scaled site map showing impacted area, surface features, subsurface features, delineation points, and monitoring wells.
- Field data
- Data table of soil contaminant concentration data
- Depth to water determination
- Determination of water sources and significant watercourses within 1/2-mile of the lateral extents of the release
- Boring or excavation logs
- Photographs including date and GIS information
- Topographic/Aerial maps
- Laboratory data including chain of custody

If the site characterization report does not include completed efforts at remediation of the release, the report must include a proposed remediation plan. That plan must include the estimated volume of material to be remediated, the proposed remediation technique, proposed sampling plan and methods, anticipated timelines for beginning and completing the remediation. The closure criteria for a release are contained in Table 1 of 19.15.29.12 NMAC, however, use of the table is modified by site- and release-specific parameters.

State of New Mexico
Oil Conservation Division

| | |
|----------------|----------------|
| Incident ID | NAPP2106961705 |
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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: Braidy Moulder

Title: HES Coordinator

Signature: : *Braidy Moulder*

Date: 3-22-21

email: bmoulder@spurepllc.com

Telephone: 713-264-2517

OCD Only

Received by: _____

Date: _____

| | |
|----------------|----------------|
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| Facility ID | |
| Application ID | |

Remediation Plan

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

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

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

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

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

Printed Name: Braidy Moulder

Title: HES Coordinator

Signature: : *Braidy Moulder*

Date: 3-22-21

email: bmoulder@spurepllc.com

Telephone: 713-264-2517

OCD Only

Received by: _____ Date: _____

- Approved
 Approved with Attached Conditions of Approval
 Denied
 Deferral Approved

Signature: _____ Date: _____

| | |
|----------------|----------------|
| Incident ID | NAPP2106961705 |
| 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: Braidy Moulder

Title: HES Coordinator

Signature: : *Braidy Moulder*

Date: 3-22-21

email: bmoulder@spurepllc.com

Telephone: 713-264-2517

OCD Only

Received by: Chad Hensley

Date: 05/05/2021

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: *Chad Hensley*

Date: 05/05/2021

Printed Name: Chad Hensley

Title: Environmental Specialist Advanced



Pima Environmental Services

Appendix C:

Liner Inspection
Photographs
48-hour Email Notification



Pima Environmental Services, LLC

Liner Inspection Form

Company Name: Spur Energy

Site: Pere Marquette Federal 18 #1

Lat/Long: 32.8410149,-104.1203232

NMOCD Incident ID & Incident Date: Incident ID Not Assigned Yet; Incident occurred 3-8-21

2-Day Notification Sent: Notification was sent 3-10-21; see attached email

Inspection Date: 3-15-21

Liner Type: Earthen w/liner Earthen no liner Polystar
 Steel w/poly liner Steel w/spray epoxy No Liner

Other: _____

| Visualization | Yes | No | Comments |
|--|-----|----|---------------------------------|
| Is there a tear in the liner? | | x | |
| Are there holes in the liner? | | x | |
| Is the liner retaining any fluids? | | x | Some oil staining from the leak |
| Does the liner have integrity to contain a leak? | x | | |

Comments: No visible tears or leaks in the liner.

Inspector Name: Robert Carper

Inspector Signature: *Robert Carper*



**SITE PHOTOGRAPHS
SPUR ENERGY PARTNERS
PERE MARQUETTE 18 Federal #1 BATTERY**

Site Photos







Lined Containment Photos













- Compose
- Inbox 1
- Starred
- Snoozed
- Sent**
- Drafts
- [imap]/Drafts
- 50/50 Backhoe
- Arriba Submissions
- Cardinal Labs
- Devon
- Diamondback Energy

- Meet**
- New meeting
 - My meetings

- Hangouts**
- Chris +



No recent chats
[Start a new one](#)

Liner Inspection Inbox x



Chris Jones <chris@pimaoil.com>
to Chad.Hensley, Mike,, Robert,, Victoria,, Braidy, Kenny ▾

Mar 10, 2021, 4:35 PM (8 days ago) ☆ ↶ ⋮

This is to inform you that Pima Environmental Services will be conducting a liner inspection at the Pere Marquette 18 Fed #1 API 30-015-38951 on 3-15-21 at approximately 9 am. If you have any questions about this inspection please give me a call.

--
Thank You,

Chris Jones
Environmental Professional
1601 N. Turner Ste. 500
Hobbs, NM 88240
chris@pimaoil.com
575-631-6977 cell

"Good timber does not grow with ease,
The stronger wind, the stronger trees,
In trees and men good timbers grow"
Douglas Malloch



Kenny Kidd
Thank you sir. Kenny Kidd On Mar 10, 2021, at 4:35 PM, Chris Jones <chris@pimaoil.com> wrote: [EXTERNAL] Disclaimer The information contained in this communic

Mar 10, 2021, 5:43 PM (8 days ago) ☆



Jerry Mathews
to Kenny, me, chad.hensley@state.nm.us, Mike,, Robert,, Victoria,, Braidy ▾

Mar 10, 2021, 6:23 PM (8 days ago) ☆ ↶ ⋮

Thank you.

Sent from my iPhone

On Mar 10, 2021, at 5:43 PM, Kenny Kidd <kkidd@spurepllc.com> wrote:

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 21630

CONDITIONS OF APPROVAL

| | | | | |
|--|----------------|-------------------|-------------------------|-----------------------|
| Operator: PIMA ENVIRONMENTAL SERVICES, L Suite 500 Hobbs, NM88240 | 1601 N. Turner | OGRID: 329999 | Action Number: 21630 | Action Type: C-141 |
| OCD Reviewer chensley | | Condition None | | |