

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	NAB1912657858
District RP	2RP-5389
Facility ID	
Application ID	pAB1912657597

Release Notification

Responsible Party

Responsible Party	XTO Energy	OGRID	5380
Contact Name	Kyle Littrell	Contact Telephone	432-221-7331
Contact email	Kyle_Littrell@xtoenergy.com	Incident # (assigned by OCD)	NAB1912657858
Contact mailing address	522 W. Mermod, Carlsbad, NM 88220		

Location of Release Source

Latitude 32.689127° Longitude -104.126671°
(NAD 83 in decimal degrees to 5 decimal places)

Site Name	Palmillo State #001H	Site Type	Production Well Facility flow line
Date Release Discovered	4/1/2019	API# (if applicable)	30-015-23164

Unit Letter	Section	Township	Range	County
J	1	19S	28S TM 28E	Eddy

Surface Owner: State Federal Tribal Private (Name: New Mexico)

Nature and Volume of Release

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

<input checked="" type="checkbox"/> Crude Oil	Volume Released (bbls)	0.9	Volume Recovered (bbls)	0.3
<input checked="" type="checkbox"/> Produced Water	Volume Released (bbls)	11.5	Volume Recovered (bbls)	3.7
	Is the concentration of total dissolved solids (TDS) 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

Fluids were released to the ground from a surface steel flow line due to a hole developed from corrosion. The line was clamped until repairs can be made. A vacuum truck recovered free fluids. Additional third party resources have been retained to assist with remediation.

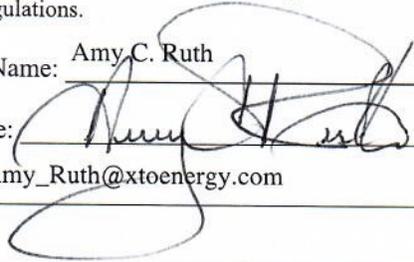
State of New Mexico
Oil Conservation Division

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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? N/A
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)? N/A	

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: N/A	
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>Amy C. Ruth</u>	Title: <u>SH&E Coordinator</u>
Signature: <u></u>	Date: <u>4/15/2019</u>
email: <u>Amy_Ruth@xtoenergy.com</u>	Telephone: <u>575-689-3380</u>
OCD Only	
Received by: <u></u>	Date: <u>5/6/2019</u>

Incident ID	NAB191265858
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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?	>55 (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 ½-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.

Incident ID	NAB1912657858
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Printed Name: Kyle Littrell Title: SH&E Supervisor

Signature:  Date: 1/25/2021

email: Kyle_Littrell@xtoenergy.com Telephone: (432)-221-7331

OCD Only

Received by: Cristina Eads Date: 02/22/21

Incident ID	NAB1912657858
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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: Kyle Littrell Title: SH&E Supervisor

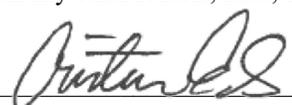
Signature:  Date: 1/25/2021

email: Kyle_Littrell@xtoenergy.com Telephone: 432-221-7331

OCD Only

Received by: Cristina Eads Date: 02/22/21

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: 06/25/2021

Printed Name: Cristina Eads Title: Environmental Specialist



WSP USA

3300 North "A" Street
Building 1, Unit 222
Midland, Texas 79705
432.704.5178

January 20, 2021

District II
New Mexico Oil Conservation Division
811 South First Street
Artesia, New Mexico 88210

**RE: Closure Request Addendum
Palmillo State #001H
Incident Number NAB1912657858
Eddy County, New Mexico**

To Whom it May Concern:

WSP USA Inc. (WSP) (formerly LT Environmental, Inc.), on behalf of XTO Energy, Inc. (XTO), presents the following addendum to a Closure Request submitted February 27, 2020. This Addendum provides an update to the depth to groundwater determination activities at the Palmillo State #001H (Site), located in Unit J, Section 1, Township 19 South, Range 28 East, in Eddy County, New Mexico (Figure 1), in response to the denial of the Closure Request by the New Mexico Oil Conservation Division (NMOCD). In the denial, NMOCD expressed concern that the depth to groundwater assessment may not be sufficient. Based on the additional depth to groundwater determination activities described below, XTO is requesting no further action (NFA) for Incident Number NAB1912657858.

BACKGROUND

On February 27, 2020, WSP submitted a Closure Request to the NMOCD for the April 1, 2019 flow line release of 0.9 barrels (bbls) of crude oil and 11.5 bbls of produced water at the Site. A vacuum truck was dispatched to the Site to recover freestanding fluid. Approximately 0.3 bbls of crude oil and 3.7 bbls of produced water were recovered. XTO reported the release to NMOCD on a Release Notification and Corrective Action Form C-141 (Form C-141) on April 15, 2019 and was subsequently issued Incident Number NAB1912657858.

The Closure Request detailed site characterization according to Table 1, Closure Criteria for Soils Impacted by a Release, of Title 19, Chapter 15, Part 29, Section 12 (19.15.29.12) of the New Mexico Administrative Code (NMAC). Based on the site characterization, the following Closure Criteria were applied:

- Benzene: 10 milligrams per kilogram (mg/kg)
- Benzene, toluene, ethylbenzene, and total xylenes (BTEX): 50 mg/kg
- Total petroleum hydrocarbons (TPH)-gasoline range organics (GRO) and TPH-diesel range organics (DRO): 1,000 mg/kg



- TPH: 2,500 mg/kg
- Chloride: 20,000 mg/kg

Closure was requested based on laboratory analytical results for the excavation and delineation soil samples indicating benzene, BTEX, GRO/DRO, TPH, and chloride concentrations were compliant with the Closure Criteria.

On April 27, 2020, NMOCD denied Closure Request for Incident Number NAB1912657858 for the following reason:

- *The Depth to groundwater has been inadequately assessed. When nearby wells are used to determine depth to groundwater, the wells should be no further than ½ mile away from the site, data should be no more than 25 years old, and well construction information should be provided. If XTO believes that groundwater is > 100', a borehole will need to be drilled onsite and a copy of the driller's log must be provided.*

ADDITIONAL SITE ACTIVITIES

In an effort to confirm the depth to groundwater determination, WSP oversaw installation a soil boring within 0.5 miles of the Site utilizing a truck-mounted hollow-stem auger rig. The final excavation soil samples were compliant with the more stringent Closure Criteria for chloride of 10,000 mg/kg; therefore, the soil boring (BH01) was advanced to a depth of 55 feet bgs. A WSP geologist logged and described soils continuously. No moisture or groundwater was encountered during drilling activities. The borehole lithologic/soil sampling log is included in Attachment 1. The location of the borehole is approximately 570 feet southwest of the site and is provided on Figure 1. The borehole was left open for over 72 hours to allow for potential slow infill of groundwater. After the 72-hour waiting period without observing groundwater, it was confirmed that groundwater beneath the Site is greater than 55 feet bgs. The borehole was properly abandoned with drill cuttings and hydrated bentonite chips.

CLOSURE REQUEST

Site assessment and excavation activities were completed at the Site to address the impacted soil resulting from the April 1, 2019 release of crude oil and produced water. Based on the confirmed depth to water greater than 55 feet bgs as presented in this addendum, and laboratory analytical results for the confirmation soil samples, XTO respectfully requests no further action for Incident Number NAB1912657858.

If you have any questions or comments, please do not hesitate to contact Ms. Ashley Ager at (970) 385-1096 or Ashely.Ager@wsp.com.



District II
Page 3

Sincerely,

WSP USA, INC.

A handwritten signature in black ink, appearing to read 'Spencer Lo'. The signature is fluid and cursive, with the first name 'Spencer' written in a larger, more prominent script than the last name 'Lo'.

Spencer Lo
Assistant Geologist

A handwritten signature in black ink, appearing to read 'Ashley L. Ager'. The signature is written in a cursive style, with the first name 'Ashley' being the most prominent part of the signature.

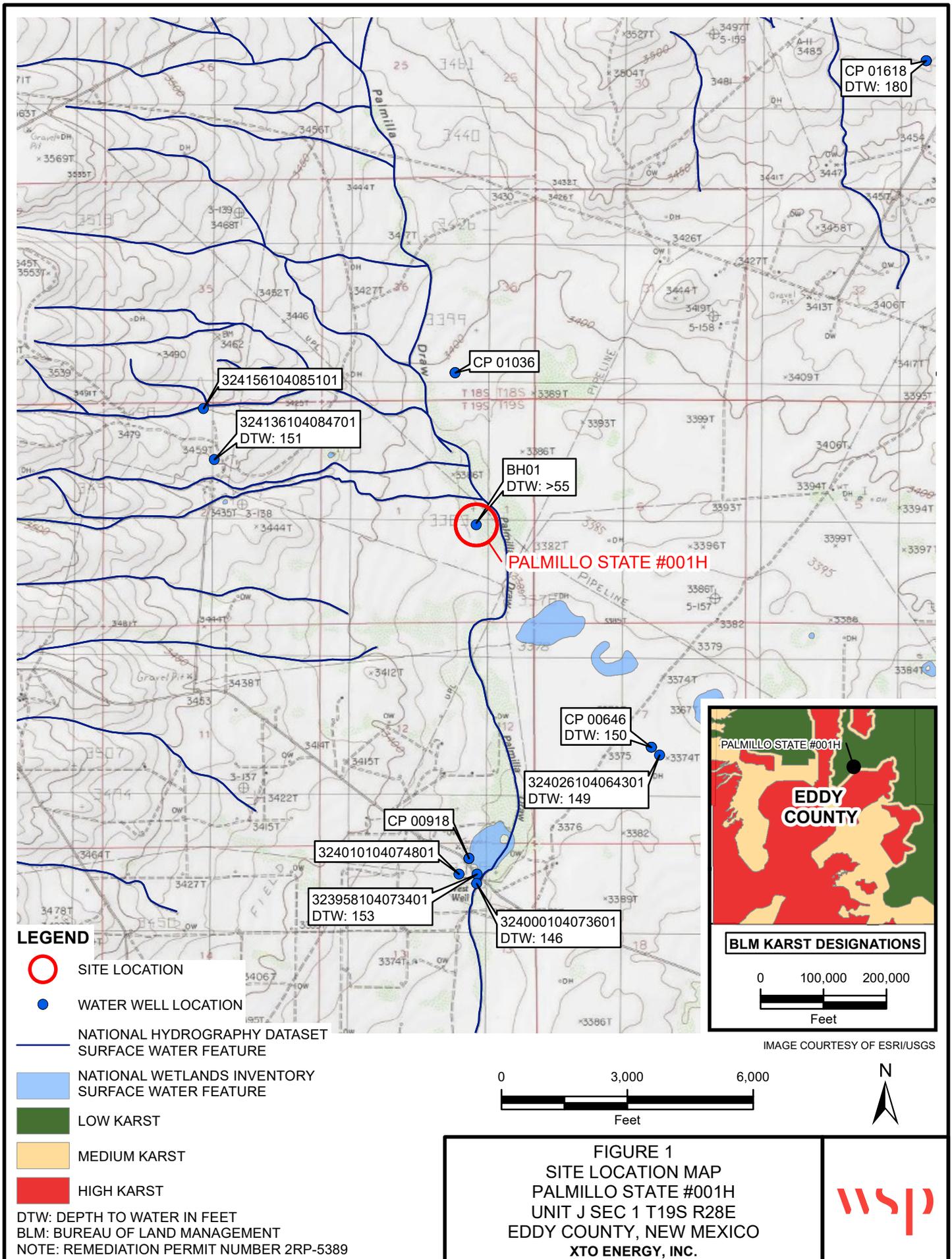
Ashley L. Ager, P.G.
Managing Director, Geologist

cc: Kyle Littrell, XTO
Ryan Mann, New Mexico State Land Office

Attachments:

Figure 1 Site Location Map
Attachment 1 Lithologic / Soil Sample Log

FIGURES



NOTE: 11/23/2020 TD 55' no water encountered

 WSP USA 508 West Stevens Street Carlsbad, New Mexico 88220		BH or PH Name: BH01	Date: 11/17/2020					
		Site Name: Palmillo State #1 Flowline	RP or Incident Number: 2RP-5389					
LITHOLOGIC / SOIL SAMPLING LOG		LTE Job Number: TE012919058	Method: HSA					
		Logged By: LD, BB	Total Depth: 55'					
Lat/Long: 32.688064, -104.127973	Field Screening: Chloride, PID	Hole Diameter: 6.25"						
Comments: <i>Soil lithology only, no field screening. Backfilled with material previously removed from 55'-10', 6' base of hydrated bentonite clay chips from 10' to surface.</i>								
Moisture Content	Chloride (ppm)	Vapor (ppm)	Staining	Sample #	Sample Depth (ft bgs)	Depth (ft bgs)	USCS/Rock Symbol	Lithology/Remarks
					1	1	SW	0-1' SAND, dry, light brown-light gray, well-graded medium-fine grain, some sub-angular-angular calciche gravel and pebble, NO stain, no odor
					2	2	CCHFE	
					3	3		
					4	4		1-9' CALICHE, dry, well consolidated, tan-light brown, silty, NO stain, no odor
					5	5		
					6	6		
					7	7		4-9': Poorly consolidated
					8	8		
					9	9		9-29': SANDSTONE, moist, brown-light brown, well-graded, medium-fine grained, poorly consolidated, no stain, no odor
					10	10	Sub-S	
					11	11		
					12	12		14-19': Abundant, sub-angular-angular off-white calciche pebble
					13	13		14-24': Light brown
					14	14		19-24': Some, sub angular-angular off-white calciche pebble
					15	15		
					16	16		24-29': Abundant, sub-angular-sub-round reddish-brown claystone pebbles
					17	17		
					18	18		
					19	19		
					20	20		
					21	21		
					22	22		
					23	23		
					24	24		
					25	25		

NOTE: 11/23/2020 TD 55' no water encountered

<p>WSP USA 508 West Stevens Street Carlsbad, New Mexico 88220</p>				BH or PH Name: BH01		Date: 11/17/2020		
				Site Name: Palmillo State #1 Flowline		RP or Incident Number: 2RP-5389		
				LTE Job Number: TE012919058		Method: H. S. A.		
				Logged By: B.B./L.A.D		Total Depth: 55'		
LITHOLOGIC / SOIL SAMPLING LOG				Lat/Long: 32.686064, -104.127973		Field Screening: Chloride, PID		
Comments: <i>55' lithology only, no field screening. Backfilled with material previously removed from 55'-10', 6 bags of hydrated bentonite clay chips from 10 to surface.</i>								
Moisture Content	Chloride (ppm)	Vapor (ppm)	Staining	Sample #	Sample Depth (ft bgs)	Depth (ft bgs)	USCS/Rock Symbol	Lithology/Remarks
						26	SW-S	29-55': MUDSTONE, high plasticity, cohesive, dry, brown-red, some sand, well consolidated, no stain, no odor
						27		
						28		
						29	CH-S	31-34': Moist, sand absent, trace off-white caliche pebble
						30		
						31		34-55': Trace off-white caliche absent
						32		
						33		
						34		
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NOTE: 11/23/2020 TD 55' no water encountered

<p style="margin: 0;">WSP USA 508 West Stevens Street Carlsbad, New Mexico 88220</p>				BH or PH Name: B1101		Date: 11/17/2020		
				Site Name: Palmillo State #1 Flowline		RP or Incident Number: 2RP-5389		LTE Job Number: TE012919058
LITHOLOGIC / SOIL SAMPLING LOG								
Lat/Long: 32.688 064, -104.127973			Field Screening: Chloride, PID			Hole Diameter: 6.25 in.		
						Total Depth: 55'		
Logged By BB./L.A.D. Method: H.S.A.								
Comments: <i>Soil lithology only, no field sensing. Backfilled with material previously removed from 55'-10', 6 bags of hydrated bentonite chips</i>								
Moisture Content	Chloride (ppm)	Vapor (ppm)	Staining	Sample #	Sample Depth (ft bgs)	Depth (ft bgs)	USCS/Rock Symbol	Lithology/Remarks
						51	CH-S 51'-55' trace off white sub-rounded calcic pebble. TD @ 55' bgs.	
						52		
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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 18492

CONDITIONS

Operator: XTO ENERGY, INC 6401 Holiday Hill Road Midland, TX 79707	OGRID: 5380
	Action Number: 18492
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
ceads	None	6/25/2021