

5614 N. Lovington Highway
Hobbs, NM 88240
575-964-7740

August 10th, 2023

NMOCD District 2 811 S. First St Artesia, NM, 88210

RE: Liner Inspection and Closure Report

Kool Aid State Tank Battery

API No. N/A

GPS: Latitude 32.82520 Longitude -104.12910 UL- B, Section 24, Township 17S, Range 28E NMOCD Reference No. NAPP2225829654

Spur Energy Partners (Spur) has contracted Pima Environmental Services, LLC (Pima) to perform a liner inspection and prepare this closure report for the release of produced water and crude oil release that happened on the Kool Aid State Tank Battery (Kool Aid). An initial C-141 was submitted on September 15th, 2022, and can be found in Appendix B. This incident was assigned Incident ID NAPP2225829654, by the New Mexico Oil Conservation Division (NMOCD).

Site Information and Site Characterization

The Kool Aid is located approximately fourteen (8.58) miles West of Loco Hill, NM. This spill site is in Unit B, Section 24, Township 17S, Range 28E, Latitude 32.82540 Longitude -104.12830, Eddy County, NM. A Location Map can be found in Figure 1.

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). According to the United States Geological Survey well water data, depth to the nearest groundwater in this area is greater than 45.50 feet BGS. See Appendix A for referenced water surveys. The Kool Aid is in a low karst area (Figure 3). A Topographic Map can be found in Figure 2.

Release Information

NAPP2225829654: On September 8th, 2022, due to corrosion the header developed, releasing approximately 2 barrels of crude oil and 4.7 barrels of produced water were released into the lined containment. No fluid was recovered.

All fluid and surrounding contaminated gravel were removed utilizing hand shovels. The liner was visually inspected by Spur field staff for any pinholes or punctures, and none were found. Based on this inspection there is no evidence that the spilled fluids left containment.

A Site Map can be found in Figure 4.

Site Assessment and Liner Inspection

On August 9, 2023, after sending the 48-hour notification via email, Pima Environmental conducted a liner inspection at this location. We concluded that this liner and containment maintained its integrity and was able to retain the fluids. The liner inspection form and photographic documentation can be found in Appendix C.

Closure Request

After careful review, Pima requests that this incident NAPP2225829654 be closed. Spur has complied with the applicable closure requirements.

Should you have any questions or need additional information, please feel free to contact Sebastian Orozco at 619-721-4813 or sebastian@pimaoil.com.

Respectfully,

Sebastian Orozco

Sebastian Orozco Project Manager Pima Environmental Services, LLC

Attachments

Figures:

- 1- Location Map
- 2- Topographic Map
- 3- Karst Map
- 4- Site Map

Appendices:

Appendix A- Referenced Water Surveys

Appendix B- C-141 Form & 48 Hour Notification

Appendix C- Liner Inspection Form & Photographic Documentation



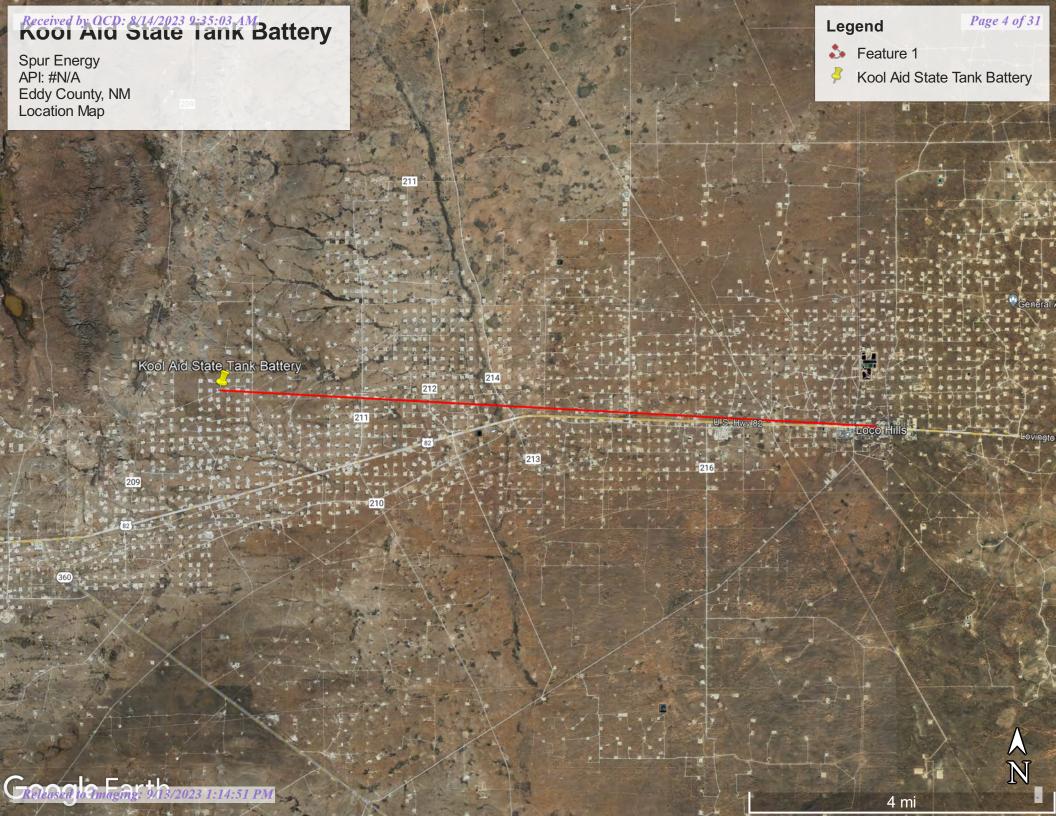
Figures:

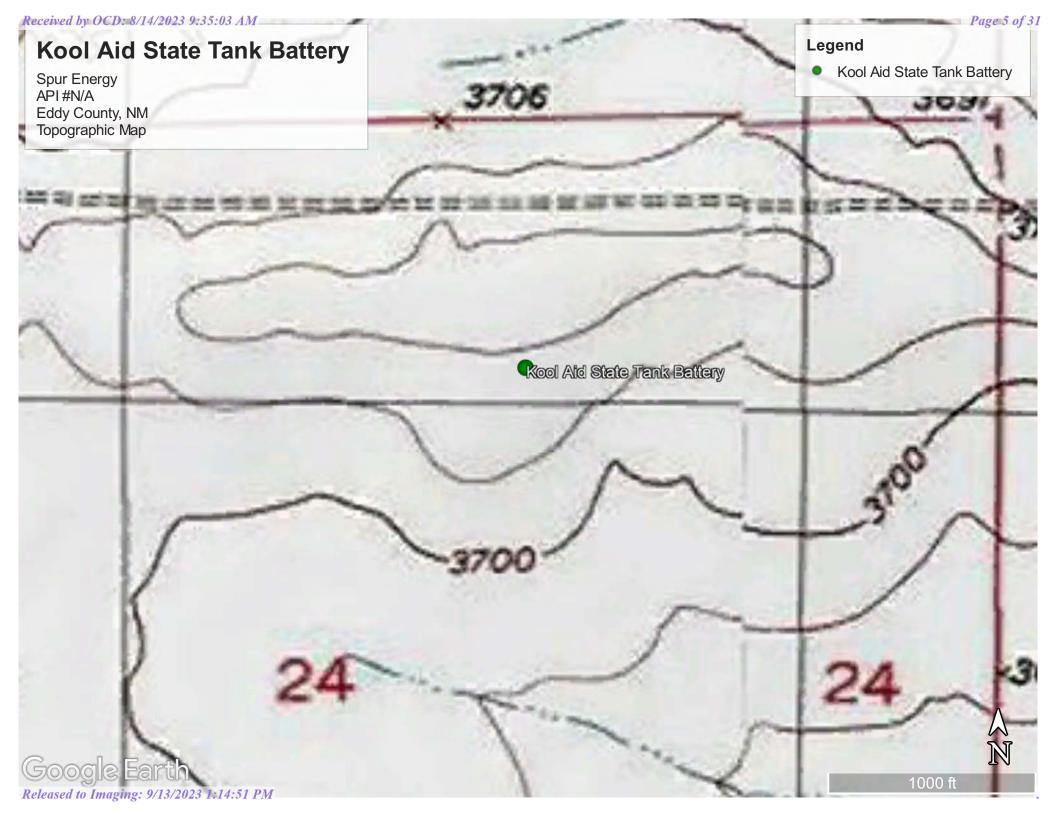
1-Location Map

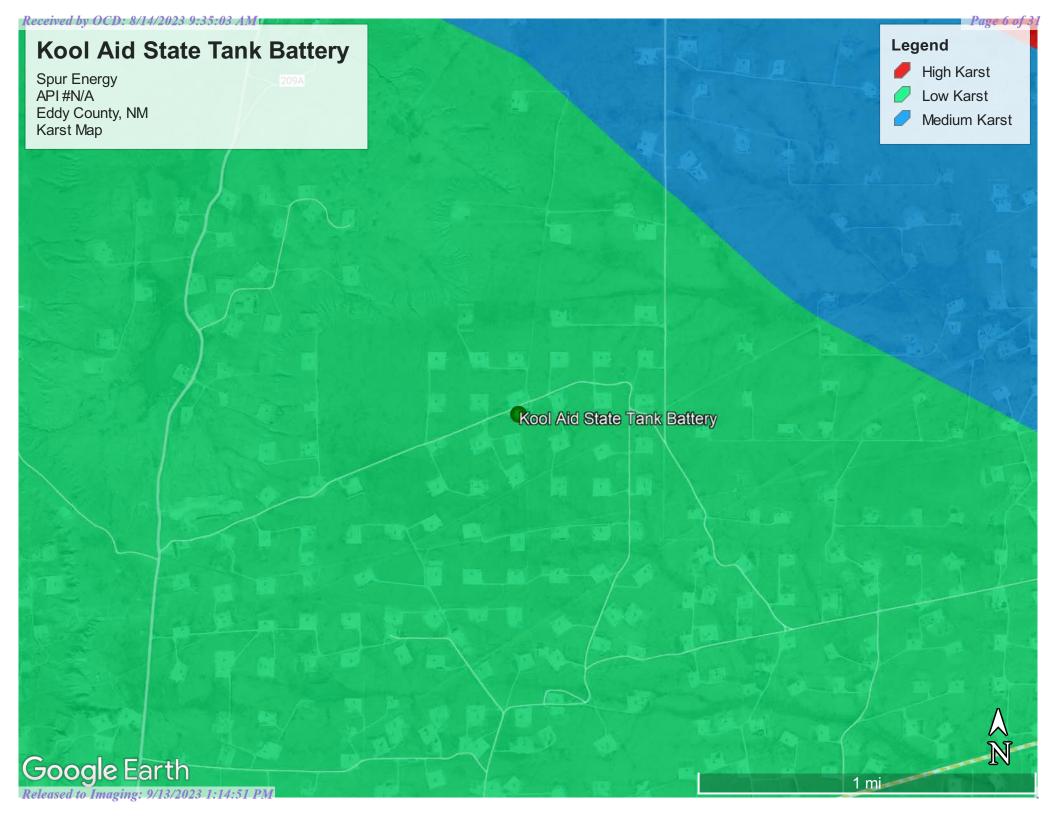
2-Topographic Map

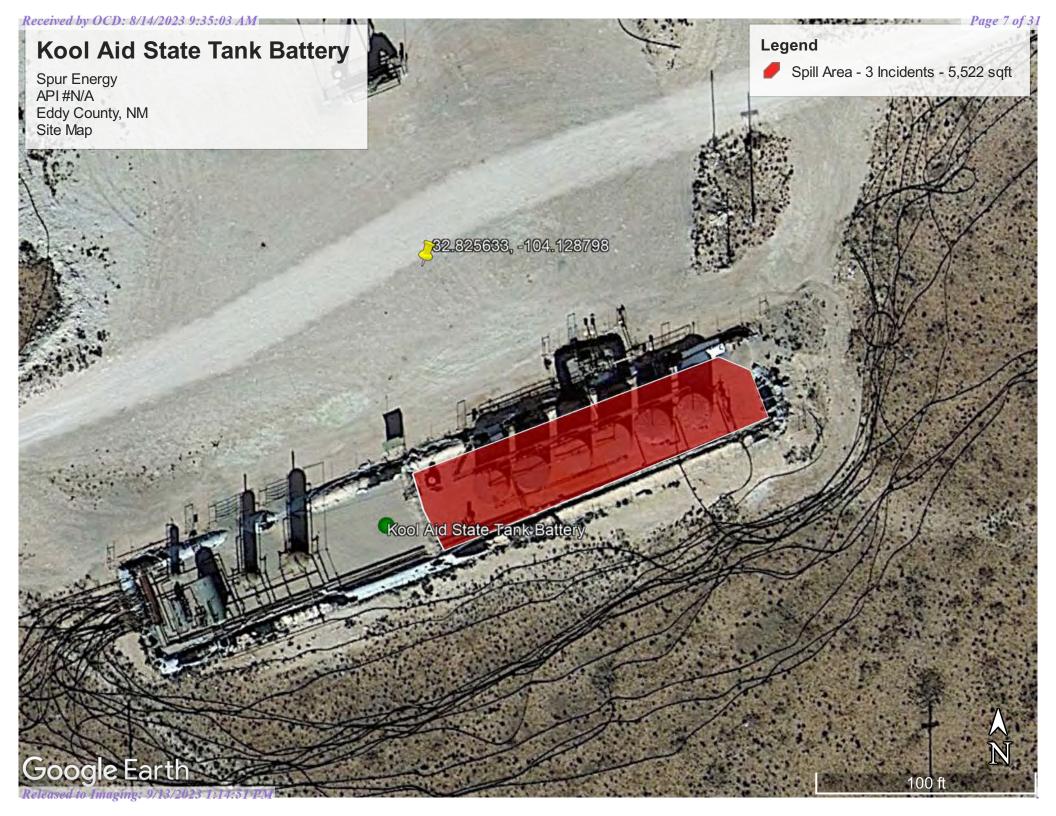
3-Karst Map

4-Site Map











Appendix A

Water Surveys:

OSE

USGS

Surface Water Map



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)

Code

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

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Sub-

Q Q Q

Water

POD Number RA 12307 POD1
 basin
 County
 64 16 4
 Sec
 Tws
 Rng

 RA
 ED
 4 2 2 14 17S 28E

X Y 580495 3633981

DistanceDepthWellDepthWater Column2016 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): 581541.37

Northing (Y): 3632257.29

Radius: 5000

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.

7/5/23 7:10 AM

WATER COLUMN/ AVERAGE DEPTH TO

WATER



USGS Home Contact USGS Search USGS

National Water Information System: Web Interface

USGS Water Resources

Data Category:	Geographic Area:		
Groundwater ~	United States	~	GO

Click to hideNews Bulletins

- Explore the NEW <u>USGS National Water Dashboard</u> interactive map to access realtime water <u>data</u> from over 13,500 stations nationwide.
- Full News

Groundwater levels for the Nation

Important: <u>Next Generation Monitoring Location Page</u>

Search Results -- 1 sites found

site_no list =

324858104091901

Minimum number of levels = 1

Save file of selected sites to local disk for future upload

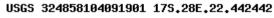
USGS 324858104091901 17S.28E.22.442442

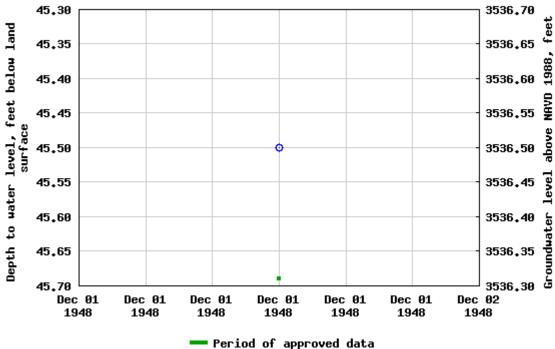
Available data for this site Groundwater: Field measurements GO

Eddy County, New Mexico
Hydrologic Unit Code 13060007
Latitude 32°48'58", Longitude 104°09'19" NAD27
Land-surface elevation 3,582 feet above NAVD88
This well is completed in the Other aquifers (N9999OTHER) national aquifer.
This well is completed in the San Andres Limestone (313SADR) local aquifer.

Output formats

Table of data	
<u>Tab-separated data</u>	
Graph of data	
Reselect period	





Breaks in the plot represent a gap of at least one year between field measurements. <u>Download a presentation-quality graph</u>

Questions or Comments
Automated retrievals
Help
Data Tips
Explanation of terms
Subscribe for system changes
News

Accessibility

FOIA

Privacy

Policies and Notices

<u>U.S. Department of the Interior</u> | <u>U.S. Geological Survey</u>

Title: Groundwater for USA: Water Levels

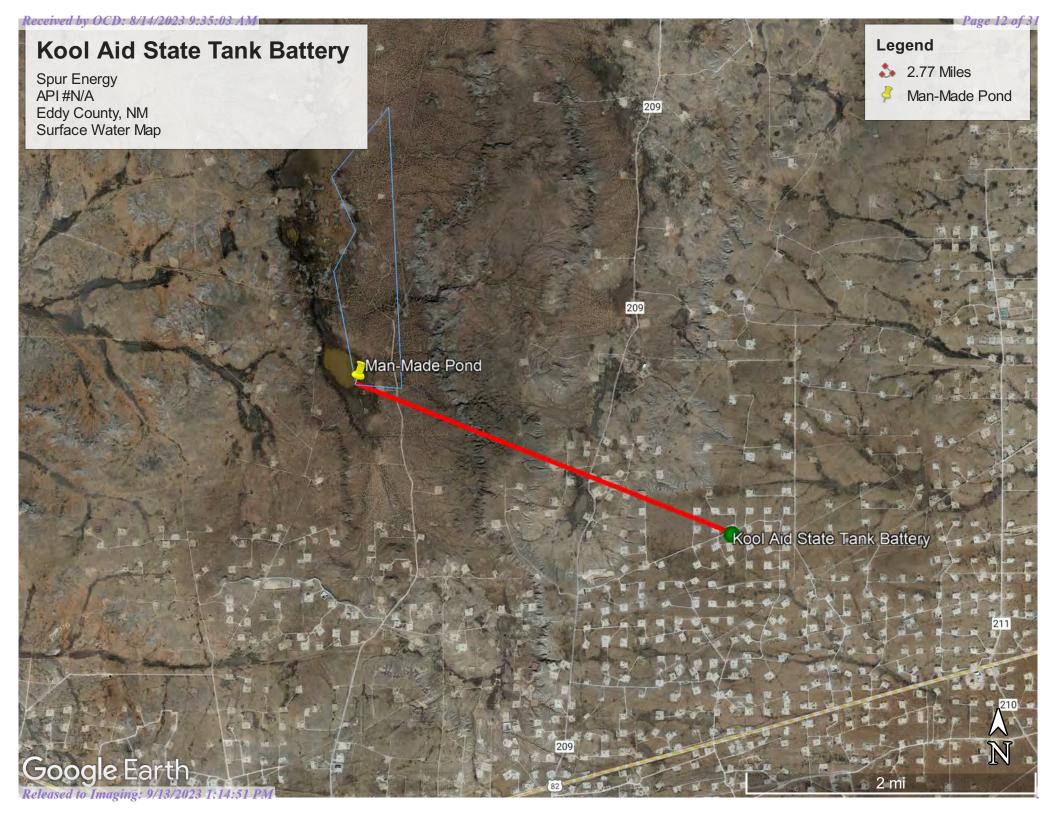
URL: https://nwis.waterdata.usgs.gov/nwis/gwlevels?

Page Contact Information: <u>USGS Water Data Support Team</u>

Page Last Modified: 2023-07-05 09:07:54 EDT

0.54 0.47 nadww02







Appendix B

Soil Survey & Geological Data FEMA Flood Map Wetlands Map Map Unit Description: Simona gravelly fine sandy loam, 0 to 3 percent slopes---Eddy Area, New Mexico

Eddy Area, New Mexico

SG—Simona gravelly fine sandy loam, 0 to 3 percent slopes

Map Unit Setting

National map unit symbol: 1w5w Elevation: 2,750 to 5,000 feet

Mean annual precipitation: 8 to 16 inches

Mean annual air temperature: 57 to 70 degrees F

Frost-free period: 180 to 230 days

Farmland classification: Not prime farmland

Map Unit Composition

Simona and similar soils: 95 percent Minor components: 5 percent

Estimates are based on observations, descriptions, and transects of

the mapunit.

Description of Simona

Setting

Landform: Plains, alluvial fans

Landform position (three-dimensional): Rise

Down-slope shape: Convex, linear

Across-slope shape: Linear

Parent material: Mixed alluvium and/or eolian sands

Typical profile

H1 - 0 to 19 inches: gravelly fine sandy loam

H2 - 19 to 23 inches: indurated

Properties and qualities

Slope: 0 to 3 percent

Depth to restrictive feature: 7 to 20 inches to petrocalcic

Drainage class: Well drained Runoff class: Very high

Capacity of the most limiting layer to transmit water (Ksat): Very low

to moderately low (0.00 to 0.06 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: None Frequency of ponding: None

Calcium carbonate, maximum content: 15 percent

Maximum salinity: Nonsaline to very slightly saline (0.0 to 2.0

mmhos/cm)

Sodium adsorption ratio, maximum: 1.0

Available water supply, 0 to 60 inches: Very low (about 2.1 inches)

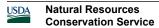
Interpretive groups

Land capability classification (irrigated): None specified

Land capability classification (nonirrigated): 7e

Hydrologic Soil Group: D

Ecological site: R070BD002NM - Shallow Sandy



Map Unit Description: Simona gravelly fine sandy loam, 0 to 3 percent slopes---Eddy Area, New Mexico

Hydric soil rating: No

Minor Components

Simona

Percent of map unit: 4 percent

Ecological site: R070BD002NM - Shallow Sandy

Hydric soil rating: No

Playa

Percent of map unit: 1 percent

Landform: Playas

Landform position (three-dimensional): Talf Down-slope shape: Concave, convex Across-slope shape: Concave, linear

Ecological site: R070BC017NM - Bottomland

Hydric soil rating: Yes

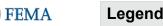
Data Source Information

Soil Survey Area: Eddy Area, New Mexico Survey Area Data: Version 18, Sep 8, 2022

OReleas 250 Im 5 9/13/2023 P.94:51 PM

National Flood Hazard Layer FIRMette





Without Base Flood Elevation (BFE) With BFE or Depth Zone AE, AO, AH, VE, AR SPECIAL FLOOD **HAZARD AREAS** Regulatory Floodway 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X **Future Conditions 1% Annual** Chance Flood Hazard Zone X Area with Reduced Flood Risk due to Levee. See Notes. Zone X OTHER AREAS OF FLOOD HAZARD Area with Flood Risk due to Levee Zone D NO SCREEN Area of Minimal Flood Hazard Zone X Effective LOMRs OTHER AREAS Area of Undetermined Flood Hazard Zone D - - - Channel, Culvert, or Storm Sewer **GENERAL** STRUCTURES | LEVEE, Dike, or Floodwall 20.2 Cross Sections with 1% Annual Chance 17.5 Water Surface Elevation **Coastal Transect** Base Flood Elevation Line (BFE) Limit of Study Jurisdiction Boundary **Coastal Transect Baseline** OTHER Profile Baseline **FEATURES** Hydrographic Feature Digital Data Available

> This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

Unmapped

MAP PANELS

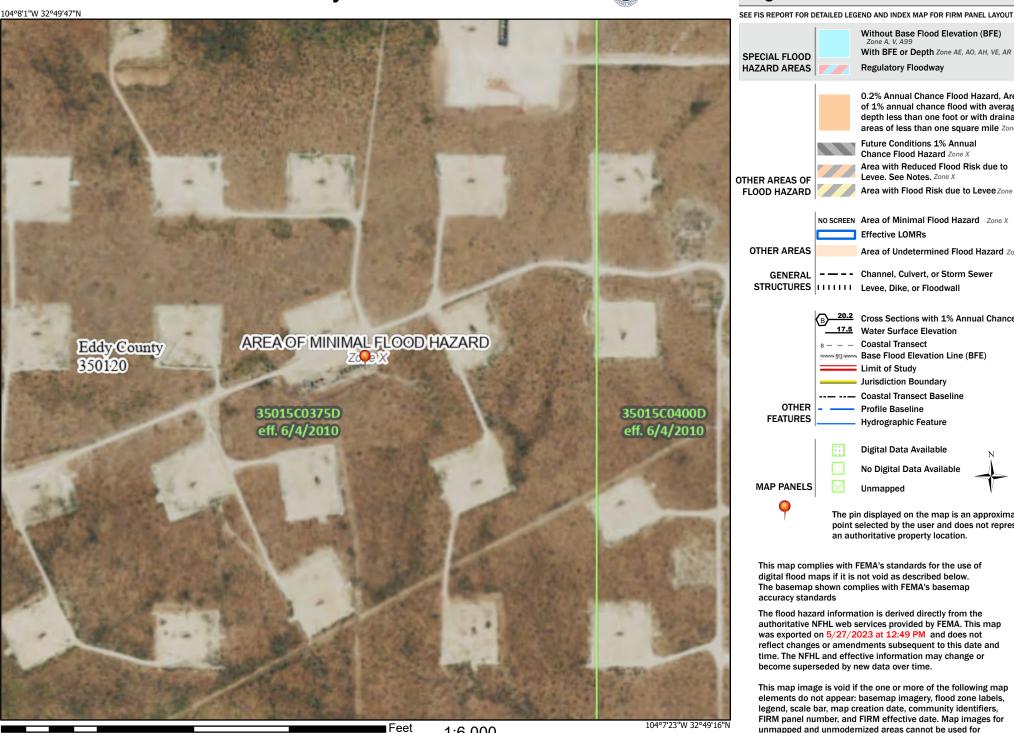
No Digital Data Available

an authoritative property location.

The pin displayed on the map is an approximate point selected by the user and does not represent

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 5/27/2023 at 12:49 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.



2.000



Wetlands Map



May 27, 2023

Wetlands

Estuarine and Marine Deepwater

Estuarine and Marine Wetland

Freshwater Emergent Wetland

Freshwater Forested/Shrub Wetland

Freshwater Pond

Lake

Other

Riverine

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.



Appendix C

C-141 Form

48-Hour Notification

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	nAPP2225829654
District RP	
Facility ID	fAPP2133524035
Application ID	

Release Notification

Responsible Party

Responsible Party Spur Energy Partners, LLC OGRID		328947					
Contact Name Chad Hensley Contact Te			(5.5) 555 1.151				
Contact email chensley@spurenergy.com Incid			com	Incident #	# (assigned by OCD) nAPP2225829654		
Contact mail	ing address	9655 Katy Free	way, Suite 500	, Houston, TX 77			
			Location	of Release So	Source		
Latitude	32.82544			Longitude	-104.12925		
			(NAD 83 in dec	cimal degrees to 5 decir	imal places)		
Site Name	Kool Aid S	t CTB		Site Type	СТВ		
Date Release		09/08/2022		API# (if app			
	T			L			
Unit Letter	Section	Township	Range	Cour	inty		
В	24	17S	28E				
Surface Owner: State Federal Tribal Private (Name: Eddy							
			Nature and	l Volume of l	Release		
		l(s) Released (Select al	l that apply and attach	calculations or specific	ic justification for the volumes provided below)		
Crude Oil		Volume Released (bbls) 2			Volume Recovered (bbls) 0		
□ Produced	Water	Volume Release	Volume Released (bbls) 4.7		Volume Recovered (bbls) 0		
		Is the concentration of dissolved chloride in the produced water >10,000 mg/l?		hloride in the	☐ Yes ☒ No		
Condensa	ite	Volume Released (bbls)			Volume Recovered (bbls)		
Natural G	ias	Volume Released (Mcf)			Volume Recovered (Mcf)		
Other (de	scribe)	Volume/Weight	Released (provide	e units)	Volume/Weight Recovered (provide units)		
Cause of Rel	ease				1		
	н	eader popped a	hole from corro	osion.			

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Incident ID	nAPP2225829654
District RP	
Facility ID	fAPP2133524035
Application ID	

Was this a major release as defined by	nsible party consider this a major release?
19.15.29.7(A) NMAC?	
☐ Yes ☒ No	
If YES, was immediate notice given to the OCD? By whom? To wh	nom? When and by what means (phone, email, etc)?
Initial Ro	esponse
The responsible party must undertake the following actions immediatel	y unless they could create a safety hazard that would result in injury
☐ The source of the release has been stopped.	
☐ The impacted area has been secured to protect human health and	the environment.
Released materials have been contained via the use of berms or o	likes, absorbent pads, or other containment devices.
All free liquids and recoverable materials have been removed an	
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 r has begun, please attach a narrative of actions to date. If remedial within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), p	efforts have been successfully completed or if the release occurred
I hereby certify that the information given above is true and complete to the regulations all operators are required to report and/or file certain release noti public health or the environment. The acceptance of a C-141 report by the C	fications and perform corrective actions for releases which may endanger
failed to adequately investigate and remediate contamination that pose a thre addition, OCD acceptance of a C-141 report does not relieve the operator of and/or regulations.	at to groundwater, surface water, human health or the environment. In
Printed Name: Chad Hensley	Title: EHS Coordinator
Signature:	Date:09/15/2022
email:chensley@spurenergy.com	Telephone: (346) 339-1494
OCD Only	
Received by: Jocelyn Harimon	Date: 09/15/2022
Teodified by.	Date:

Page	21	01	^r 31	
			_	

	1 1180 21 0)
Incident ID	NAPP2225829654
District RP	
Facility ID	
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?	_<50 (ft bgs)		
Did this release impact groundwater or surface water?	Yes X No		
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	Yes X 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)?	☐ Yes 🛣 No		
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	Yes 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?	☐ Yes ☑ No		
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	Yes No		
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	☐ Yes k☐ No		
Are the lateral extents of the release within 300 feet of a wetland?	Yes No		
Are the lateral extents of the release overlying a subsurface mine?	Yes No		
Are the lateral extents of the release overlying an unstable area such as karst geology?	Yes No		
Are the lateral extents of the release within a 100-year floodplain?	Yes No		
Did the release impact areas not on an exploration, development, production, or storage site?	Yes 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 well 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 	ls.		
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.

Received by OCD: 8/14/2023 9:35:03 AM Form C-141 State of New Mexico Page 4 Oil Conservation Division

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Page	1.1.	nı	31
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		_	_

Incident ID	NAPP2225829654
District RP	
Facility ID	
Application ID	

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: Katherine Purvis Title: EHS Coordinator			
Signature: Katherine Purvis Date: 8/14/23			
email: <u>katherine.purvis@spurenergy.com</u> Telephone: <u>575-441-8619</u>			
OCD Only			
Received by: Shelly Wells Date: 8/14/2023			
OCD Only			

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Incident ID	NAPP2225829654
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 item	ns must be included in the closure report.			
X A scaled site and sampling diagram as described in 19.15.29.11 N	NMAC			
X Photographs of the remediated site prior to backfill or photos of must be notified 2 days prior to liner inspection)	the liner integrity if applicable (Note: appropriate OCD District office			
Laboratory analyses of final sampling (Note: appropriate ODC D	vistrict office must be notified 2 days prior to final sampling)			
Description of remediation activities				
and regulations all operators are required to report and/or file certain remay endanger public health or the environment. The acceptance of a C should their operations have failed to adequately investigate and remechan health or the environment. In addition, OCD acceptance of a C compliance with any other federal, state, or local laws and/or regulation restore, reclaim, and re-vegetate the impacted surface area to the conditaccordance with 19.15.29.13 NMAC including notification to the OCE Printed Name: Katherine Purvis Title: EHS	C-141 report by the OCD does not relieve the operator of liability diate contamination that pose a threat to groundwater, surface water, c-141 report does not relieve the operator of responsibility for ns. The responsible party acknowledges they must substantially tions that existed prior to the release or their final land use in 0 when reclamation and re-vegetation are complete.			
email: <u>katherine.purvis@spurenergy.com</u> Tele	phone: 575-441-8619			
OCD Only				
Received by: Shelly Wells	Date: 8/14/2023			
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: Shelly Wells	Date: <u>9/13/2023</u>			
Printed Name: Shelly Wells	Title: Environmental Specialist-Advanced			

Sebastian@pimaoil.com

From: sebastian@pimaoil.com

Sent: Monday, August 7, 2023 12:08 PM

To: ocdonline@state.nm.us
Cc: Polly@pimaoil.com

Subject: Kool Aid State Tank Battery (nAPP2304837015,Napp2225829654) - Liner Inspection 48 - Hour

Notification

Good morning,

Pima Environmental will be conducting a liner inspection at the Kool Aid State Tank Battery (nAPP2304837015, Napp2225829654), on Friday August 9th, 2023. Pima personnel will be on location roughly at 9:00 am. Thank you.

Respectfully, Sebastian Orozco Project Manager 5614 N Lovington Hwy, Hobbs, NM 88240 Sebastian@pimaoil.com 619-721-4813 cell





Appendix D

Liner Inspection Form

Photographic Documentation



Liner Inspection Form

Company Name:	Spur En	ergy_			
Site:	Kool A	id State	_		
Lat/Long:	<u>32.82540, -104.12830</u>				
NMOCD Incident ID & Incident Date:	NA	.PP222	5829654 9/15/2023		
2-Day Notification Sent:	via E	mail by	y Sebastian Orozco_8/7/2023		
Inspection Date:	8/9/2	2023			
Liner Type:	Earthen	w/line	Earthen no liner	Polystar	
	Steel w/	poly lir	ner 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			
Does the liner have integrity to contain a leak?	X				
Comments:					
Inspector Name:Ar	ndrew Fr	anco	Inspector Signature: Andrew France	ao	



SITE PHOTOGRAPHS SPUR ENERGY PARTNERS KOOL AID STATE TANK BATTERY

Site Inspection and Pre-Excavation













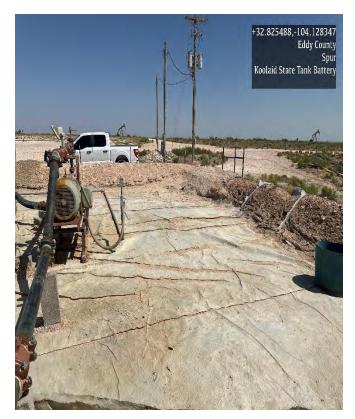


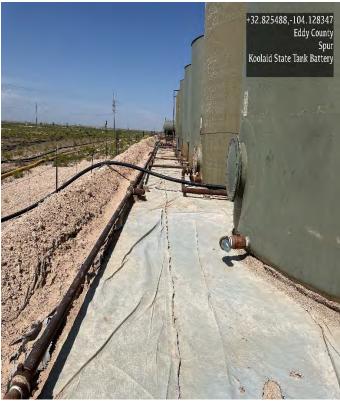




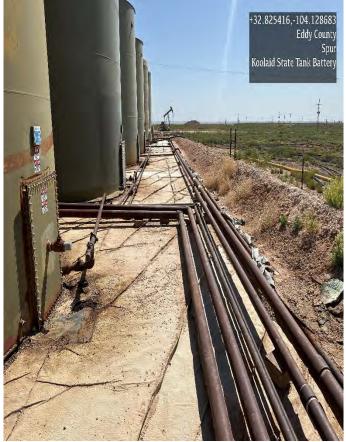
P

Graver Removal and Liner Inspection (8/9/2023)



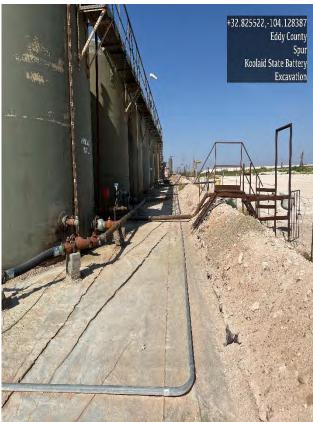


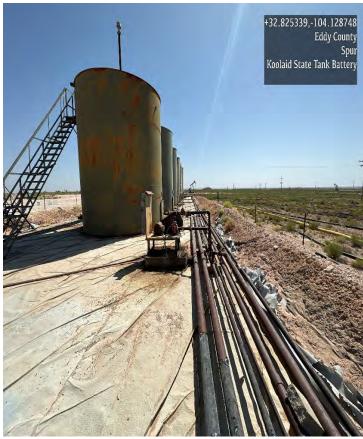












District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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

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 251668

CONDITIONS

Operator:	OGRID:
Spur Energy Partners LLC	328947
9655 Katy Freeway	Action Number:
Houston, TX 77024	251668
	Action Type:
	[C-141] Release Corrective Action (C-141)

CONDITIONS

Created By		Condition Date
scwells	None	9/13/2023