

SITE INFORMATION

Closure Report
Blue Steel 21 Federal Com TB
Incident ID: nAPP2431849797
Unit A Sec 28 T23S R29E
32.2797505°, -103.9840404°
Eddy County, New Mexico

Produced Water Release

Point of Release: Equipment Failure; pinhole on a 2" tee

Release Date: 11.13.2024

Volume Released: 111 Barrels of Produced Water Volume Recovered: 111 Barrels of Produced Water

CARMONA RESOURCES



Prepared for: Marathon Oil Corporation 990 Town and Country Blvd, Houston, Texas 77024

Prepared by: Carmona Resources, LLC 310 West Wall Street Suite 500 Midland, Texas 79701



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NMOCD CORRESPONDENCE

APPENDIX C SITE CHARACTERIZATION AND GROUNDWATER



December 16, 2024

Mike Bratcher District Supervisor Oil Conservation Division, District 2 811 S. First Street Artesia, New Mexico 88210

Re: Closure Report

Blue Steel 21 Federal Com TB Marathon Oil Corporation Incident ID: nAPP2431849797

Site Location: Unit A, S28, T23S, R29E (Lat 32.2797505°, Long -103.9840404°)

Eddy County, New Mexico

Mr. Bratcher:

On behalf of Marathon Oil Corporation, Carmona Resources, LLC has prepared this letter to document the Blue Steel 21 Federal Com TB site activities. The site is located at 32.2797505°, -103.9840404° within Unit A, S28, T23S, R29E, in Eddy County, New Mexico (Figures 1 and 2).

1.0 Site Information and Background

Based on the Notice of Release obtained from the New Mexico Oil Conservation Division (NMOCD), the incident was discovered on November 13, 2024, due to pinhole leak that developed on a 2" tee inside the secondary containment. The incident released approximately one hundred eleven (111) barrels of produced water, and one hundred eleven (111) barrels of produced water was recovered. All fluids were contained within the lined facility. See Figure 3. The Notice of Release form is attached in Appendix B.

2.0 Site Characterization and Groundwater

The site is located within a medium karst area. Based on a review of the New Mexico Office of State Engineers and USGS databases, there is one known water sources within a 0.50-mile radius of the location. The nearest identified water well is located approximately 0.09 miles West of the site in S28, T23S, R29E and was drilled in 2000. The well has a reported groundwater depth greater than 18' feet below the ground surface (ft bgs). A copy of the associated point of diversion is attached in Appendix C.

3.0 NMAC Regulatory Criteria

Per the NMOCD regulatory criteria established in 19.15.29.12 NMAC, the following criteria were utilized in assessing the site.

- Benzene: 10 milligrams per kilogram (mg/kg).
- Benzene, toluene, ethylbenzene, and total xylenes (BTEX): 50 mg/kg.
- TPH: 100 mg/kg (GRO + DRO + MRO).
- Chloride: 600 mg/kg.



4.0 Liner Inspection Activities

Before performing the liner inspection, a vac truck was onsite to recover all freestanding fluids within the secondary containment. Once the plastic liner was thoroughly cleaned, the NMOCD division was notified via web portal on December 6, 2024, per Subsection D of 19.15.29.12 NMAC. On December 10, 2024, Carmona Resources, LLC conducted liner inspection activities to assess the liner's integrity within the facility and determined the liner was intact with no integrity issues. Refer to the Photolog in Appendix A.

5.0 Conclusions

Based on the liner inspection throughout the facility, no further actions are required at the site. The final C-141 is attached, and Marathon formally requests the closure of the spill. If you have any questions regarding this report or need additional information, please contact us at 432-813-1992.

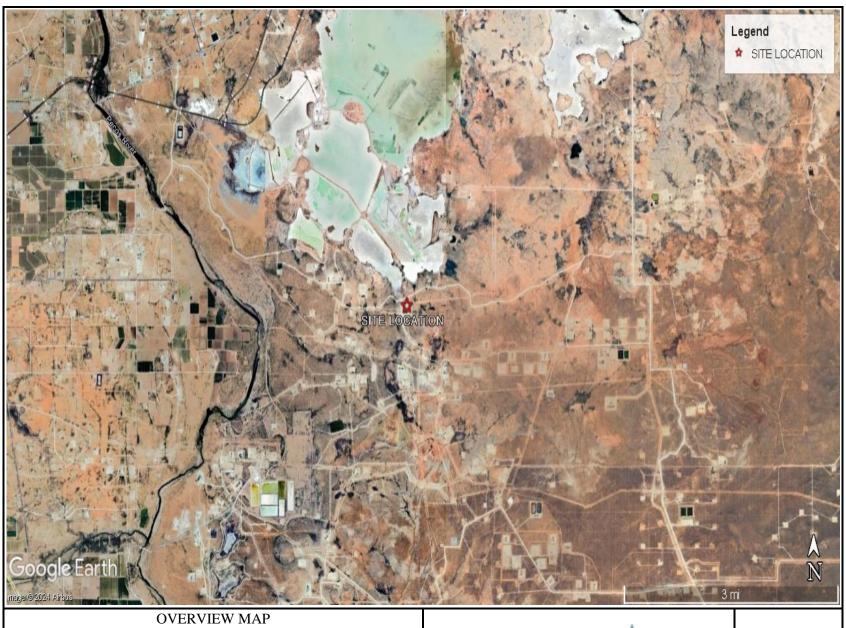
Sincerely,

Carmona Resources, LLC

Conner Moehring Environmental Manager Ivan Ramos Project Manager

FIGURES

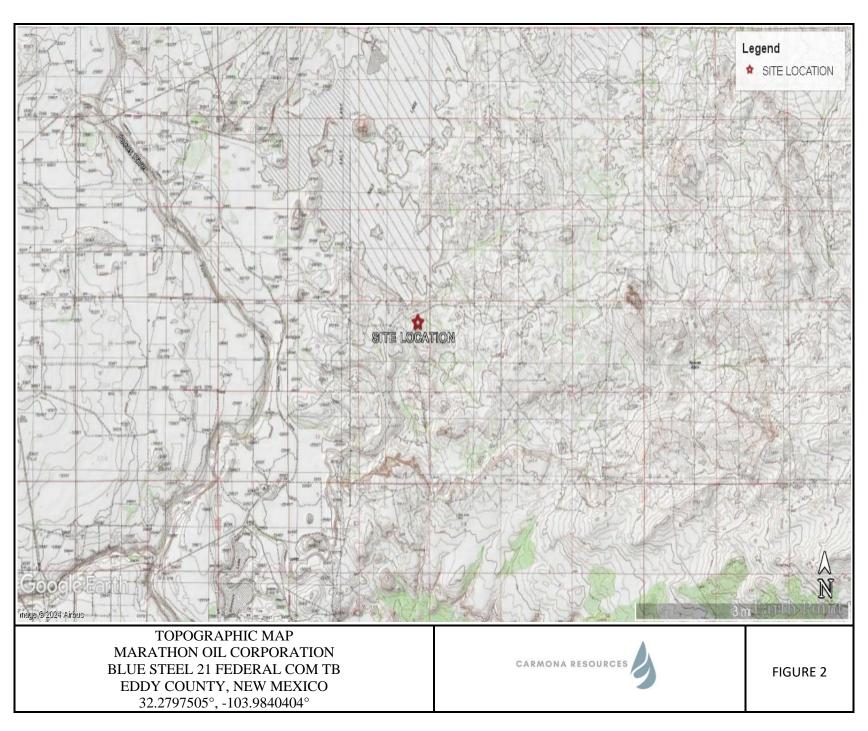
CARMONA RESOURCES



MARATHON OIL CORPORATION BLUE STEEL 21 FEDERAL COM TB EDDY COUNTY, NEW MEXICO 32.2797505°, -103.9840404°



FIGURE 1





APPENDIX A

CARMONA RESOURCES

PHOTOGRAPHIC LOG

Marathon Oil Corporation

Photograph No. 1

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View Southeast of facility sign.



Photograph No. 2

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View Southeast of the intact liner after it was thoroughly cleaned. Red outline is the area of the liner inspection.



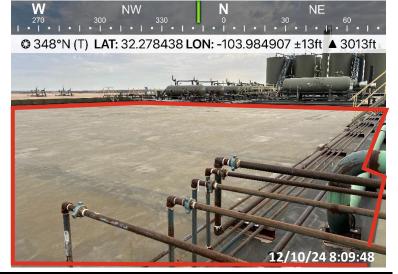
Photograph No. 3

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View North of the intact liner after it was thoroughly cleaned. Red outline is the area of the liner inspection.



PHOTOGRAPHIC LOG

Marathon Oil Corporation

Photograph No. 4

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View Northwest of the intact liner after it was thoroughly cleaned. Red outline is the area of the liner inspection.



Photograph No. 5

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View Northwest of the intact liner after it was thoroughly cleaned. Red outline is the area of the liner inspection.



NW

Photograph No. 6

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View North of the intact liner after it was thoroughly cleaned. Red outline is the area of the liner inspection.



NE

PHOTOGRAPHIC LOG

Marathon Oil Corporation

NE

Photograph No. 7

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View West of the intact liner after it was thoroughly cleaned. Red outline is the area of the liner inspection.



Photograph No. 8

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View Northwest of the intact liner after it was thoroughly cleaned. Red outline is the area of the liner inspection.



Photograph No. 9

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View Southeast of the intact liner after it was thoroughly cleaned. Red outline is the area of the liner inspection.



PHOTOGRAPHIC LOG

Marathon Oil Corporation

Photograph No. 10

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View South of the intact liner after it was thoroughly cleaned. Red outline is the area of the liner inspection.



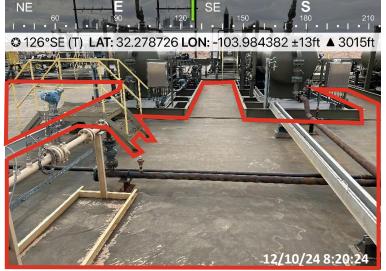
Photograph No. 11

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View Southeast of the intact liner after it was thoroughly cleaned. Red outline is the area of the liner inspection.



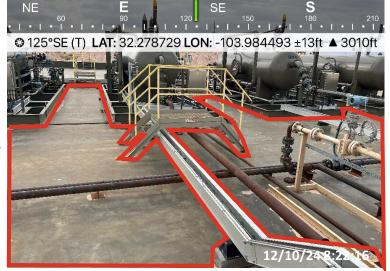
Photograph No. 12

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View Southeast of the intact liner after it was thoroughly cleaned. Red outline is the area of the liner inspection.



PHOTOGRAPHIC LOG

Marathon Oil Corporation

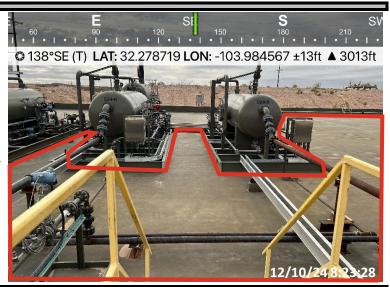
Photograph No. 13

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View Southeast of the intact liner after it was thoroughly cleaned. Red outline is the area of the liner inspection.



Photograph No. 14

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View West of the intact liner after it was thoroughly cleaned. Red outline is the area of the liner inspection.



Photograph No. 15

Facility: Blue Steel 21 Federal Com TB

County: Eddy County, New Mexico

Description:

View Southeast of the intact liner after it was thoroughly cleaned. Red outline is the area of the liner inspection.



APPENDIX B

CARMONA RESOURCES

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS

Action 403032

QUESTIONS

Operator:	OGRID:
MARATHON OIL PERMIAN LLC	372098
990 Town & Country Blvd.	Action Number:
Houston, TX 77024	403032
	Action Type:
	[NOTIFY] Notification Of Release (NOR)

QUESTIONS

Location of Release Source		
Please answer all the questions in this group.		
Site Name	BLUE STEEL 21 FED COM TB	
Date Release Discovered	11/13/2024	
Surface Owner	Federal	

Incident Details		
Please answer all the questions in this group.		
Incident Type	Produced Water Release	
Did this release result in a fire or is the result of a fire	No	
Did this release result in any injuries	No	
Has this release reached or does it have a reasonable probability of reaching a watercourse	No	
Has this release endangered or does it have a reasonable probability of endangering public health	No	
Has this release substantially damaged or will it substantially damage property or the environment	No	
Is this release of a volume that is or may with reasonable probability be detrimental to fresh water	No	

Nature and Volume of Release		
Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.		
Crude Oil Released (bbls) Details	Not answered.	
Produced Water Released (bbls) Details	Cause: Equipment Failure Flow Line - Production Produced Water Released: 111 BBL Recovered: 111 BBL Lost: 0 BBL.	
Is the concentration of chloride in the produced water >10,000 mg/l	Yes	
Condensate Released (bbls) Details	Not answered.	
Natural Gas Vented (Mcf) Details	Not answered.	
Natural Gas Flared (Mcf) Details	Not answered.	
Other Released Details	Not answered.	
Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)	A 2" tee developed a pin hole resulting in a produced water released inside of lined secondary containment. All standing fluid will be recovered via a vacuum truck.	

General Information Phone: (505) 629-6116

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS, Page 2

Action 403032

QUESTIONS	(continued)
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Operator:	OGRID:
MARATHON OIL PERMIAN LLC	372098
990 Town & Country Blvd.	Action Number:
Houston, TX 77024	403032
	Action Type:
	[NOTIFY] Notification Of Release (NOR)

QUESTIONS

Nature and Volume of Release (continued)		
Is this a gas only submission (i.e. only significant Mcf values reported)	No, according to supplied volumes this does not appear to be a "gas only" report.	
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	Yes	
Reasons why this would be considered a submission for a notification of a major release	From paragraph A. "Major release" determine using: (1) an unauthorized release of a volume, excluding gases, of 25 barrels or more.	
With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e. gas only) are to be submitted on the C-129 form.		

Initial Response		
The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury.		
The source of the release has been stopped	True	
The impacted area has been secured to protect human health and the environment	True	
Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices	True	
All free liquids and recoverable materials have been removed and managed appropriately	True	
If all the actions described above have not been undertaken, explain why	Not answered.	

Per Paragraph 4 of Subsection B of 19.15.29.8 NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please prepare and attach a narrative of actions to date in the follow-up C-141 submission. 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 prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.

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Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

ACKNOWLEDGMENTS

Action 403032

ACKNOWLEDGMENTS

ı	Operator:	OGRID:
ı	MARATHON OIL PERMIAN LLC	372098
ı	990 Town & Country Blvd.	Action Number:
ı	Houston, TX 77024	403032
ı		Action Type:
ı		[NOTIFY] Notification Of Release (NOR)

ACKNOWLEDGMENTS

$\overline{\lor}$	I acknowledge that I am authorized to submit notification of a release on behalf of my operator.	
V	I acknowledge that upon submitting this application, I will be creating a new incident file (assigned to my operator) to track the notification(s) and corrective action(s) for a release, pursuant to NMAC 19.15.29.	
V	I acknowledge that creating a new incident file will require my operator to file subsequent submission(s) of form "C-141, Application for administrative approval of a release notification and corrective action", pursuant to NMAC 19.15.29.	
14/8	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.	
V	I acknowledge the fact that 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.	
V	I acknowledge the fact that, 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.	

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

Action 403032

CONDITIONS

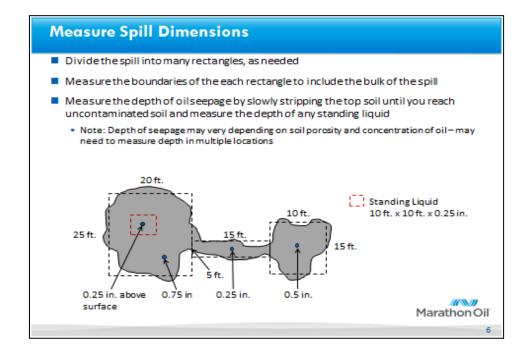
Operator:	OGRID:
MARATHON OIL PERMIAN LLC	372098
990 Town & Country Blvd.	Action Number:
Houston, TX 77024	403032
	Action Type:
	[NOTIFY] Notification Of Release (NOR)

CONDITIONS

Created By	Condition	Condition Date
cswansonsteege	When submitting future reports regarding this release, please submit the calculations used or specific justification for the volumes reported on the initial C-141.	11/13/2024

MRO Spill Calculation Tool

Standing Liquid Inputs:							
		Width (ft.) (Area for	Avg. Liquid		Total Volume	Water Volume	
	Length (ft.)	Displacement)	Depth (in.)	% Oil	(bbls)	(bbls)	Oil Volume (bbls)
Rectangle Area #1	50	200	0.75	,, C	111.32	111.32	0.00
Rectangle Area #2	30	200	0.75		0.00	0.00	0.00
Rectangle Area #3					0.00	0.00	0.00
Rectangle Area #4					0.00	0.00	0.00
Rectangle Area #5					0.00	0.00	0.00
Rectangle Area #6					0.00	0.00	0.00
Vessel Displacement					0.00	0.00	0.00
Vessel Displacement					0.00	0.00	0.00
Vessei Dispiacement				Liquid Volume:	111.32	111.32	0.00
				Liquia voiame.	111.32	111.32	0.00
Colorated Call Imputer		Sail Tumor	Courthorn	I			
Saturated Soil Inputs:		Soil Type:		ı		······································	
	· · · · · · · · · /64 \	Width (ft.) /	Avg. Saturated	°′ 0:1	Total Volume	Water Volume	-" \ ' (bble)
5 -11- A-aa #1	Length (ft.)	(SQ Ft)	Depth (in.)	% Oil	(bbls)	(bbls)	Oil Volume (bbls)
Rectangle Area #1					0.00	0.00	0.00
Rectangle Area #2					0.00	0.00	0.00
Rectangle Area #3					0.00	0.00	0.00
Rectangle Area #4					0.00	0.00	0.00
Rectangle Area #5					0.00	0.00	0.00
Rectangle Area #6					0.00	0.00	0.00
SQ FT Calc					0.00	0.00	0.00
Rectangle Area #8					0.00	0.00	0.00
			S	Saturated Volume	0.00	0.00	0.00
					=		
					Total Volume	Water Volume	2" V=luma /hhle'
			Total Cu	······································	(bbls)	(bbls)	Oil Volume (bbls)
				ill Volume (bbls):	111.32	111.32	0.00
			Total Sp	oill Volume (gals):	4675.32	4675.32	0.00
omments:							
			Color Key:		Supplemental	No Input	No Input
			Color Key:	Required Input Cells	Supplemental Input Cells	No Input (Calculations)	No Input
			Color Key:			-	No Input
			ound/Vegetation	Cells n Overspray		-	No Input
Cover Type			l	Cells n Overspray		-	No Input
Cover Type Ground			ound/Vegetation	Cells n Overspray		-	No Input
		Microns	ound/Vegetation	Cells n Overspray		-	No Input



1/8" 1/4" 1/2" 3/4"

Number of Tanks Area of Displacement (Ft2)

12 2256

0.125

0.25

0.5

0.75

Clay Loam Gravel or Sand Gravel Loam Sandy Clay Loam

0.16

0.08

0.14

0.14

Sante Fe Main Office Phone: (505) 476-3441 General Information

Phone: (505) 629-6116
Online Phone Directory
https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS

Action 405549

QUESTIONS

ı	Operator:	OGRID:
ı	MARATHON OIL PERMIAN LLC	372098
ı	990 Town & Country Blvd.	Action Number:
ı	Houston, TX 77024	405549
ı		Action Type:
ı		[C-141] Initial C-141 (C-141-v-Initial)

QUESTIONS

Prerequisites		
Incident ID (n#)	nAPP2431849797	
Incident Name	NAPP2431849797 BLUE STEEL 21 FED COM TB @ 0	
Incident Type	Produced Water Release	
Incident Status	Initial C-141 Received	
Incident Facility	[fAPP2126035874] BLUE STEEL 21 FED COM TB	

Location of Release Source		
Please answer all the questions in this group.		
Site Name	BLUE STEEL 21 FED COM TB	
Date Release Discovered	11/13/2024	
Surface Owner	Federal	

Incident Details		
Please answer all the questions in this group.		
Incident Type	Produced Water Release	
Did this release result in a fire or is the result of a fire	No	
Did this release result in any injuries	No	
Has this release reached or does it have a reasonable probability of reaching a watercourse	No	
Has this release endangered or does it have a reasonable probability of endangering public health	No	
Has this release substantially damaged or will it substantially damage property or the environment	No	
Is this release of a volume that is or may with reasonable probability be detrimental to fresh water	No	

Nature and Volume of Release				
Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.				
Crude Oil Released (bbls) Details	Not answered.			
Produced Water Released (bbls) Details	Cause: Equipment Failure Flow Line - Production Produced Water Released: 111 BBL Recovered: 111 BBL Lost: 0 BBL.			
Is the concentration of chloride in the produced water >10,000 mg/l	Yes			
Condensate Released (bbls) Details	Not answered.			
Natural Gas Vented (Mcf) Details	Not answered.			
Natural Gas Flared (Mcf) Details	Not answered.			
Other Released Details	Not answered.			
Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)	A 2" tee developed a pin hole resulting in a produced water released inside of lined secondary containment. All standing fluid will be recovered via a vacuum truck.			

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Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS, Page 2

Action 405549

QUESTIONS (continued)

Operator: MARATHON OIL PERMIAN LLC		OGRID: 372098
990 Town & Country Blvd.		Action Number:
Houston, TX 77024		405549 Action Type:
		[C-141] Initial C-141 (C-141-v-Initial)
QUESTIONS		
Nature and Volume of Release (continued)		
Is this a gas only submission (i.e. only significant Mcf values reported)	No, according to supplied vo	olumes this does not appear to be a "gas only" report.
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	Yes	
Reasons why this would be considered a submission for a notification of a major release	.,	ease of a volume, excluding gases, of 25 barrels or more.
With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e.	e. gas only) are to be submitted on th	ne C-129 form.
Initial Response		
The responsible party must undertake the following actions immediately unless they could create a s	afety hazard that would result in inju	rry.
The source of the release has been stopped	True	
The impacted area has been secured to protect human health and the environment	True	
Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices	True	
All free liquids and recoverable materials have been removed and managed appropriately	True	
If all the actions described above have not been undertaken, explain why	Not answered.	
Per Paragraph (4) of Subsection B of 19.15.29.8 NMAC the responsible party may commence remedi actions to date in the follow-up C-141 submission. If remedial efforts have been successfully complet Subsection A of 19.15.29.11 NMAC), please prepare and attach all information needed for closure e	ted or if the release occurred within a	a lined containment area (see Subparagraph (a) of Paragraph (5) of
I hereby certify that the information given above is true and complete to the best of my to report and/or file certain release notifications and perform corrective actions for releatine OCD does not relieve the operator of liability should their operations have failed to a water, human health or the environment. In addition, OCD acceptance of a C-141 report local laws and/or regulations.	ases which may endanger public adequately investigate and reme	c health or the environment. The acceptance of a C-141 report by ediate contamination that pose a threat to groundwater, surface
I hereby agree and sign off to the above statement	Name: Cody Swanson Steeg Title: Compliance Supervisor Email: swansonste@marath Date: 11/21/2024	

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS, Page 3

Action 405549

QUESTIONS (continued)

Operator:	OGRID:
MARATHON OIL PERMIAN LLC	372098
990 Town & Country Blvd.	Action Number:
Houston, TX 77024	405549
	Action Type:
	[C-141] Initial C-141 (C-141-v-Initial)
QUESTIONS	

Site Characterization Please answer all the questions in this group (only required when seeking remediation plan approval and beyond). 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 Not answered. release in feet below ground surface (ft bgs) What method was used to determine the depth to ground water Not answered. Did this release impact groundwater or surface water Not answered What is the minimum distance, between the closest lateral extents of the release and the following surface areas: A continuously flowing watercourse or any other significant watercourse Not answered Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark) Not answered. An occupied permanent residence, school, hospital, institution, or church Not answered. A spring or a private domestic fresh water well used by less than five households Not answered. for domestic or stock watering purposes Any other fresh water well or spring Not answered. Incorporated municipal boundaries or a defined municipal fresh water well field Not answered. Not answered. A subsurface mine Not answered. An (non-karst) unstable area Not answered. Categorize the risk of this well / site being in a karst geology A 100-year floodplain Not answered. Did the release impact areas not on an exploration, development, production, or Not answered. storage site

Remediation Plan			
Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.			
Requesting a remediation plan approval with this submission	No		
The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.			

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

Action 405549

CONDITIONS

Operator:	OGRID:
MARATHON OIL PERMIAN LLC	372098
990 Town & Country Blvd.	Action Number:
Houston, TX 77024	405549
	Action Type:
	[C-141] Initial C-141 (C-141-v-Initial)

CONDITIONS

Created By	Condition	Condition Date
scott.rodgers	None	11/21/2024

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS

Action 409346

QUESTIONS

ı	Operator:	OGRID:
ı	MARATHON OIL PERMIAN LLC	372098
ı	990 Town & Country Blvd.	Action Number:
ı	Houston, TX 77024	409346
ı		Action Type:
ı		[NOTIFY] Notification Of Liner Inspection (C-141L)

QUESTIONS

Prerequisites					
Incident ID (n#)	nAPP2431849797				
Incident Name	NAPP2431849797 BLUE STEEL 21 FED COM TB @ 0				
Incident Type	Produced Water Release				
Incident Status	Initial C-141 Approved				
Incident Facility	[fAPP2126035874] BLUE STEEL 21 FED COM TB				

Location of Release Source				
Site Name	BLUE STEEL 21 FED COM TB			
Date Release Discovered	11/13/2024			
Surface Owner	Federal			

Liner Inspection Event Information						
Please answer all the questions in this group.						
What is the liner inspection surface area in square feet	7,500					
Have all the impacted materials been removed from the liner	Yes					
Liner inspection date pursuant to Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC	12/10/2024					
Time liner inspection will commence	08:00 AM					
Please provide any information necessary for observers to liner inspection	Conner Moehring 4328136283					
Please provide any information necessary for navigation to liner inspection site	32.278608, -103.984051					

General Information Phone: (505) 629-6116

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

Action 409346

CONDITIONS

Operator:	OGRID:
MARATHON OIL PERMIAN LLC	372098
990 Town & Country Blvd.	Action Number:
Houston, TX 77024	409346
	Action Type:
	[NOTIFY] Notification Of Liner Inspection (C-141L)

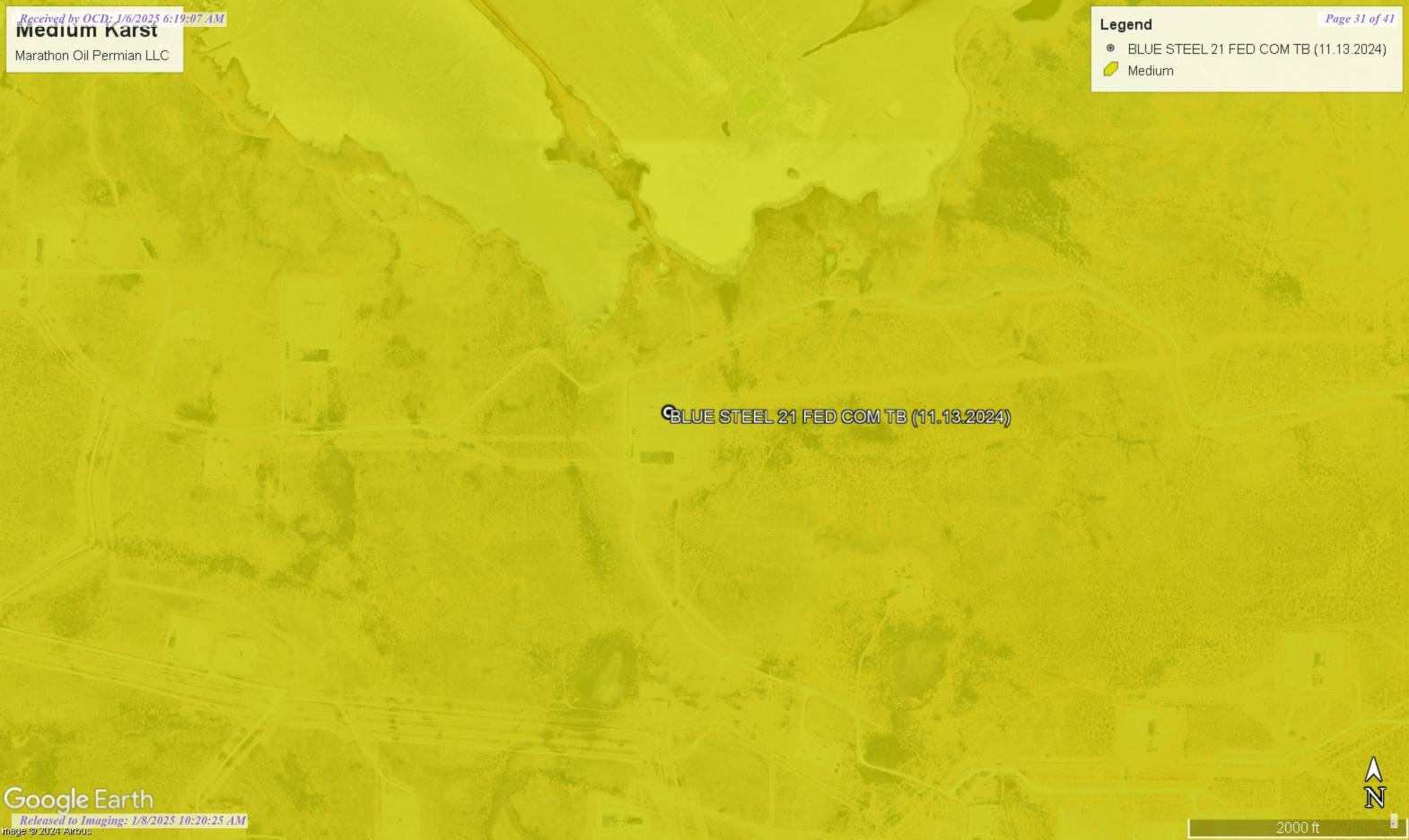
CONDITIONS

Created By	Condition	Condition Date
cmoehrir	Failure to notify the OCD of liner inspections including any changes in date/time per the requirements of 19.15.29.11.A(5)(a)(ii) NMAC, may result in the inspection not being accepted.	12/6/2024

APPENDIX C

CARMONA RESOURCES







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 Sub-		QQ	Q							Depth	Depth	Water
POD Number	Code basin	County	64 16	4	Sec	Tws	Rng	X	Υ	Distance	Well	Water (Column
<u>C 02707</u>	С	ED		2	28	23S	29E	595535	3571868* 🌕	140	40	18	22
C 01627	С	ED	1 4	4	28	23S	29E	595649	3570959* 🌕	938	170		
C 02721	CUB	ED	2	3	21	23S	29E	594915	3572879* 🌍	1239	150		
<u>C 02797</u>	CUB	ED	2	3	22	23S	29E	596540	3572895* 🌍	1322	200		
C 02613	CUB	ED	4 4	2	20	23S	29E	594203	3573176* 🌍	1947	400		
<u>C 02720</u>	CUB	ED	2	1	21	23S	29E	594911	3573690* 🌕	1947	150		
C 03057 EXPLORE	CUB	ED	4 1	1	21	23S	29E	594605	3573586*	1997	150		

Average Depth to Water:

18 feet

Minimum Depth:

18 feet

Maximum Depth:

18 feet

Record Count: 7

UTMNAD83 Radius Search (in meters):

Easting (X): 595672 Northing (Y): 3571897 Radius: 2000

*UTM location was derived from PLSS - see Help

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.



New Mexico Office of the State Engineer

Point of Diversion Summary

23S

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

(quarters are smallest to largest)

(NAD83 UTM in meters)

Well Tag **POD Number**

C 02707

Q64 Q16 Q4 Sec Tws Rng

 \mathbf{X}

595535 3571868*

Driller License:

1348

Driller Company:

TAYLOR WATER WELL SERVICE

Driller Name:

Drill Start Date: 06/09/2000

2.38

Drill Finish Date:

06/09/2000

29E

Plug Date:

Log File Date:

08/28/2000

PCW Rcv Date:

Depth Well:

Source:

Shallow

Pump Type: Casing Size:

Pipe Discharge Size:

40 feet

Estimated Yield: 700 GPM Depth Water:

Bottom Description

18 feet

Water Bearing Stratifications:

Top 36

78 Limestone/Dolomite/Chalk

Casing Perforations:

Top 35

Bottom 40

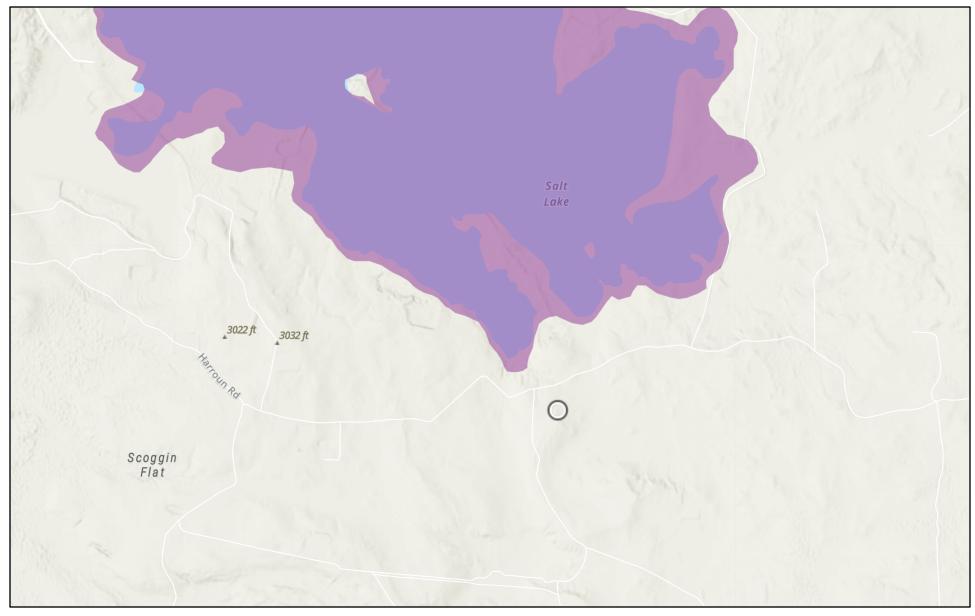
The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

10/18/23 12:53 PM

POINT OF DIVERSION SUMMARY

^{*}UTM location was derived from PLSS - see Help

BLUE STEEL 21 FED COM TB (11.13.2024)

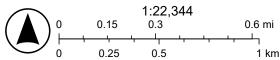


11/16/2024

USA Flood Hazard Areas

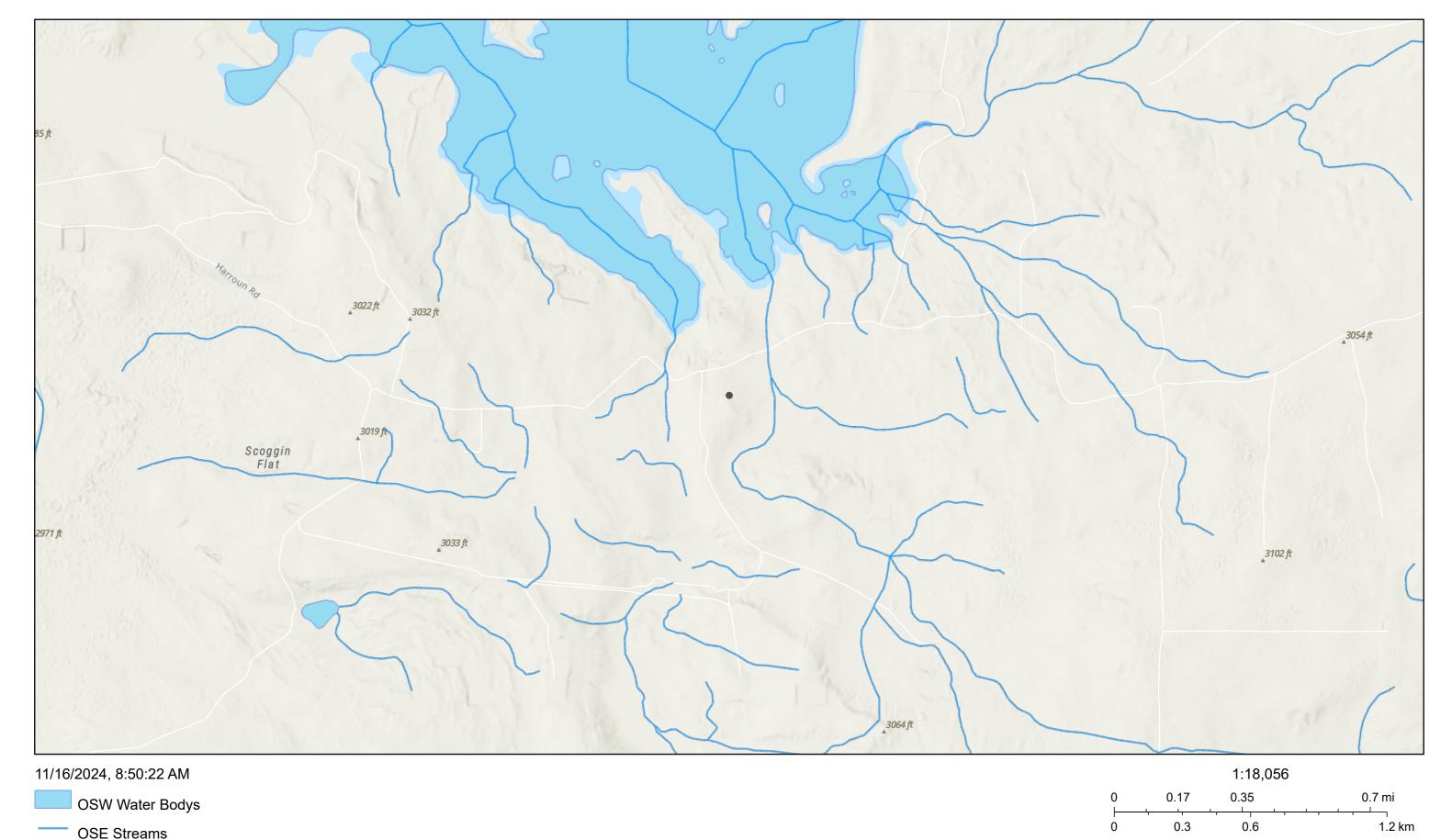
1% Annual Chance Flood Hazard

World Hillshade



Esri, NASA, NGA, USGS, FEMA, Texas Parks & Wildlife, CONANP, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS,

BLUE STEEL 21 FED COM TB (11.13.2024)



Esri, NASA, NGA, USGS, FEMA, Esri Community Maps Contributors, New Mexico State University, Texas Parks & Wildlife, CONANP, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS, NM OSE

Sante Fe Main Office Phone: (505) 476-3441 General Information

Phone: (505) 629-6116
Online Phone Directory
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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS

Action 412665

QUESTIONS

Operator:	OGRID:
MARATHON OIL PERMIAN LLC	372098
990 Town & Country Blvd.	Action Number:
Houston, TX 77024	412665
	Action Type:
	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Prerequisites					
Incident ID (n#)	nAPP2431849797				
Incident Name	NAPP2431849797 BLUE STEEL 21 FED COM TB @ 0				
Incident Type	Produced Water Release				
Incident Status	Remediation Closure Report Received				
Incident Facility	[fAPP2126035874] BLUE STEEL 21 FED COM TB				

Location of Release Source				
Please answer all the questions in this group.				
Site Name	BLUE STEEL 21 FED COM TB			
Date Release Discovered	11/13/2024			
Surface Owner	Federal			

Incident Details						
Please answer all the questions in this group.						
Incident Type	Produced Water Release					
Did this release result in a fire or is the result of a fire	No					
Did this release result in any injuries	No					
Has this release reached or does it have a reasonable probability of reaching a watercourse	No					
Has this release endangered or does it have a reasonable probability of endangering public health	No					
Has this release substantially damaged or will it substantially damage property or the environment	No					
Is this release of a volume that is or may with reasonable probability be detrimental to fresh water	No					

Nature and Volume of Release						
Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.						
Crude Oil Released (bbls) Details	Not answered.					
Produced Water Released (bbls) Details	Cause: Equipment Failure Flow Line - Production Produced Water Released: 111 BBL Recovered: 111 BBL Lost: 0 BBL.					
Is the concentration of chloride in the produced water >10,000 mg/l	Yes					
Condensate Released (bbls) Details	Not answered.					
Natural Gas Vented (Mcf) Details	Not answered.					
Natural Gas Flared (Mcf) Details	Not answered.					
Other Released Details	Not answered.					
Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)	A 2" tee developed a pin hole resulting in a produced water released inside of lined secondary containment. All standing fluid will be recovered via a vacuum truck.					

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS, Page 2

Action 412665

QUESTIONS	(continued)	١
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	- (
Operator: MARATHON OIL PERMIAN LLC	OGRID: 372098
990 Town & Country Blvd.	Action Number:
Houston, TX 77024	412665
	Action Type: [C-141] Remediation Closure Request C-141 (C-141-v-Closure)
QUESTIONS	
Nature and Volume of Release (continued)	
Is this a gas only submission (i.e. only significant Mcf values reported)	No, according to supplied volumes this does not appear to be a "gas only" report.
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	Yes
Reasons why this would be considered a submission for a notification of a major release	From paragraph A. "Major release" determine using: (1) an unauthorized release of a volume, excluding gases, of 25 barrels or more.
With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.	e. gas only) are to be submitted on the C-129 form.
Initial Response	
The responsible party must undertake the following actions immediately unless they could create a s	safety hazard that would result in injury.
The source of the release has been stopped	True
The impacted area has been secured to protect human health and the environment	True
Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices	True
All free liquids and recoverable materials have been removed and managed appropriately	True
If all the actions described above have not been undertaken, explain why	Not answered.
	iation immediately after discovery of a release. If remediation has begun, please prepare and attach a narrative ted or if the release occurred within a lined containment area (see Subparagraph (a) of Paragraph (5) of evaluation in the follow-up C-141 submission.
to report and/or file certain release notifications and perform corrective actions for releate OCD does not relieve the operator of liability should their operations have failed to	knowledge and understand that pursuant to OCD rules and regulations all operators are required asses which may endanger public health or the environment. The acceptance of a C-141 report by adequately investigate and remediate contamination that pose a threat to groundwater, surface t does not relieve the operator of responsibility for compliance with any other federal, state, or
I hereby agree and sign off to the above statement	Name: Cody Swanson Steege Title: Compliance Supervisor Email: swansonste@marathonoil.com Date: 11/21/2024

General Information Phone: (505) 629-6116

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS, Page 3

Action 412665

QUESTIONS (continued)

Operator:	OGRID:
MARATHON OIL PERMIAN LLC	372098
990 Town & Country Blvd.	Action Number:
Houston, TX 77024	412665
	Action Type:
	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Site Characterization		
Please answer all the questions in this group (only required when seeking remediation plan approval and beyond). This information must be provided to the appropriate district office no later than 90 days after the elease discovery date.		
What is the shallowest depth to groundwater beneath the area affected by the release in feet below ground surface (ft bgs)	Less than or equal 25 (ft.)	
What method was used to determine the depth to ground water	NM OSE iWaters Database Search	
Did this release impact groundwater or surface water	No	
What is the minimum distance, between the closest lateral extents of the release ar	nd the following surface areas:	
A continuously flowing watercourse or any other significant watercourse	Between 1 and 5 (mi.)	
Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)	Between ½ and 1 (mi.)	
An occupied permanent residence, school, hospital, institution, or church	Greater than 5 (mi.)	
A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes	Greater than 5 (mi.)	
Any other fresh water well or spring	Greater than 5 (mi.)	
Incorporated municipal boundaries or a defined municipal fresh water well field	Greater than 5 (mi.)	
A wetland	Between ½ and 1 (mi.)	
A subsurface mine	Greater than 5 (mi.)	
An (non-karst) unstable area	Greater than 5 (mi.)	
Categorize the risk of this well / site being in a karst geology	Medium	
A 100-year floodplain	Between 1000 (ft.) and ½ (mi.)	
Did the release impact areas not on an exploration, development, production, or storage site	No	

Remediation Plan		
Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.		
Requesting a remediation plan approval with this submission	Yes	
Attach a comprehensive report demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined, pursuant to 19.15.29.11 NMAC and 19.15.29.13 NMAC.		
Have the lateral and vertical extents of contamination been fully delineated	Yes	
Was this release entirely contained within a lined containment area	Yes	
Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC, which includes the anticipated timelines for beginning and completing the remediation.		
On what estimated date will the remediation commence	12/10/2024	
On what date will (or did) the final sampling or liner inspection occur	12/10/2024	
On what date will (or was) the remediation complete(d)	12/10/2024	
What is the estimated surface area (in square feet) that will be remediated	34000	
What is the estimated volume (in cubic yards) that will be remediated	0	
These estimated dates and measurements are recognized to be the best guess or calculation at the time of submission and may (be) change(d) over time as more remediation efforts are completed.		
The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to		

significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.

Released to Imaging: 1/8/2025 10:20:25 AM

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

QUESTIONS, Page 4

Action 412665

QUESTIONS (continued)

ı	Operator:	OGRID:
ı	MARATHON OIL PERMIAN LLC	372098
ı	990 Town & Country Blvd.	Action Number:
ı	Houston, TX 77024	412665
ı		Action Type:
ı		[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

QUESTIONS

Remediation Plan (continued)		
Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.		
This remediation will (or is expected to) utilize the following processes to remediate / reduce contaminants:		
(Select all answers below that apply.)		
Is (or was) there affected material present needing to be removed	No	
Is (or was) there a power wash of the lined containment area (to be) performed	Yes	
OTHER (Non-listed remedial process)	No	
Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed	efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC,	

Per Subsection B of 19.15.29.11 NMAC unless the site characterization report includes completed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC which includes the anticipated timelines for beginning and completing the remediation.

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.

I hereby agree and sign off to the above statement

Name: Cody Swanson Steege Title: Compliance Supervisor Email: swansonste@marathonoil.com

Date: 01/06/2025

The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe. NM 87505

QUESTIONS, Page 6

Action 412665

Santa	Fe, NM 87505
QUESTI	ONS (continued)
Operator: MARATHON OIL PERMIAN LLC 990 Town & Country Blvd. Houston, TX 77024	OGRID: 372098 Action Number: 412665 Action Type: [C-141] Remediation Closure Request C-141 (C-141-v-Closure)
QUESTIONS	[0-141] Remediation Glosule Request 0-141 (0-141-7-Glosule)
Liner Inspection Information	
Last liner inspection notification (C-141L) recorded	409346
Liner inspection date pursuant to Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC	12/10/2024
Was all the impacted materials removed from the liner	Yes
What was the liner inspection surface area in square feet	7500
Remediation Closure Request Only answer the questions in this group if seeking remediation closure for this release because all re Requesting a remediation closure approval with this submission Have the lateral and vertical extents of contamination been fully delineated	emediation steps have been completed. Yes Yes
Was this release entirely contained within a lined containment area	Yes
What was the total surface area (in square feet) remediated	34000
What was the total volume (cubic yards) remediated	0
Summarize any additional remediation activities not included by answers (above)	no additional steps taken
	closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents
to report and/or file certain release notifications and perform corrective actions for releathe OCD does not relieve the operator of liability should their operations have failed to water, human health or the environment. In addition, OCD acceptance of a C-141 report	knowledge and understand that pursuant to OCD rules and regulations all operators are required uses which may endanger public health or the environment. The acceptance of a C-141 report by adequately investigate and remediate contamination that pose a threat to groundwater, surface to does not relieve the operator of responsibility for compliance with any other federal, state, or ially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed no notification to the OCD when reclamation and re-vegetation are complete.
I hereby agree and sign off to the above statement	Name: Cody Swanson Steege Title: Compliance Supervisor Email: swansonste@marathonoil.com Date: 01/06/2025

General Information Phone: (505) 629-6116

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

Action 412665

CONDITIONS

Operator:	OGRID:
MARATHON OIL PERMIAN LLC	372098
990 Town & Country Blvd.	Action Number:
Houston, TX 77024	412665
	Action Type:
	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

CONDITIONS

Created By	Condition	Condition Date
scott.rodgers	App ID 412665 Liner Inspection approved	1/8/2025