

13212 N MacArthur Blvd Oklahoma City, Oklahoma 73142 Tel. 832.374.0004 ntgenvironmental.com

January 15, 2025

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

**Re:** Incident Closure Report

Caza Operating, LLC

Gramma 27 State 1H-3H Production Facility Unit O, Section 27, Township 21S, Range 34E Site Coordinates: 32.4439221, -103.4556224

Lea County, New Mexico

**Incident ID: nAPP2432645732** 

# **Introduction**

NTG Environmental, LLC (NTGE), on behalf of Caza Operating, LLC (Caza), submits this Incident Closure Report to the New Mexico Oil Conservation Division (NMOCD). This report provides documentation of liner inspection activities conducted to date in the affected areas at the Gramma 27 State 1H-3H Production Facility (Site). The Site is in Unit Letter O, Section 27, of Township 21 South and Range 34 East in Lea County, New Mexico. The GPS coordinates for the release site are 32.4439221° N Latitude and -103.4556224° W Longitude. The Site location with respect to the nearest town is shown on Figure 1 and the topography of the area is shown on Figure 2.

# **Background**

Based on the initial C-141 submitted by Caza and obtained by the New Mexico Oil Conservation District (NMOCD), the release was discovered on November 21, 2024. The release was the result of an equipment failure (pump), resulting in the release of ten (10) barrels (bbls) of produced water, of which ten (10) bbls of produced water were recovered for a net loss of zero (0) bbls of produced water. Upon discovery the well was shut-in, and the area was secured. The liner area is shown on Figure 3.

# **Groundwater and Site Characterization**

Based on a review of the New Mexico Office of State Engineers and USGS databases, there are no known water sources within a ½-mile radius of the Site. No other receptors (playas, wetlands, waterways, lakebeds, or ordinance boundaries) are located within each specific boundary or

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distance from the Site. According to the Karst Potential Map, the Site is located within a Low Karst area. The Site characterization documentation (Points of Diversion, Karst Potential, Significant Watercourse Map, Wetlands Map, and FEMA Map) is attached to the report.

NTGE characterized the Site according to Table I, Closure Criteria for Soils Impacted by a Release, from the New Mexico Administrative Code (NMCA) Title 19, Chapter 15, Part 29, Section 12 (NMAC 19.15.29.12).

### General Site Characterization and Groundwater:

Site Characterization	Average Groundwater Depth (ft)
Low Karst	Unknown

Table 3.1 Closure Criteria for Soils Impacted by a Release (NMAC 19.15.29.12 & 19.15.29.13)

Regulatory Standard	Chloride	TPH	TPH	BTEX	Benzene
		(GRO+DRO+MRO	(GRO+MRO)		
19.15.29.12 NMAC Table					
I Closure Criteria for Soils	600 mg/kg	100 mg/kg		50 mg/kg	10 mg/kg
Impacted by a Release					
Notes:					
= not defined					

# **Liner Inspection Activities**

On January 14, 2025, NTGE conducted a liner inspection to assess the integrity and state of the tank battery's secondary containment liner. Upon inspection it was noted that the liner was intact with no visible holes or breaches, and free of any standing fluids. A photographic log documenting the condition of the liner at the time of the inspection is attached.

# **Closure Request**

Based on the liner inspection, the Site is compliant with NMOCD's regulatory requirements, and no further actions are required at the Site. Caza formally requests closure for the Site (nAPP2432645732). If you have any questions regarding this report or need additional information, please contact us on (832) 374-0004.

Sincerely,

NTG Environmental

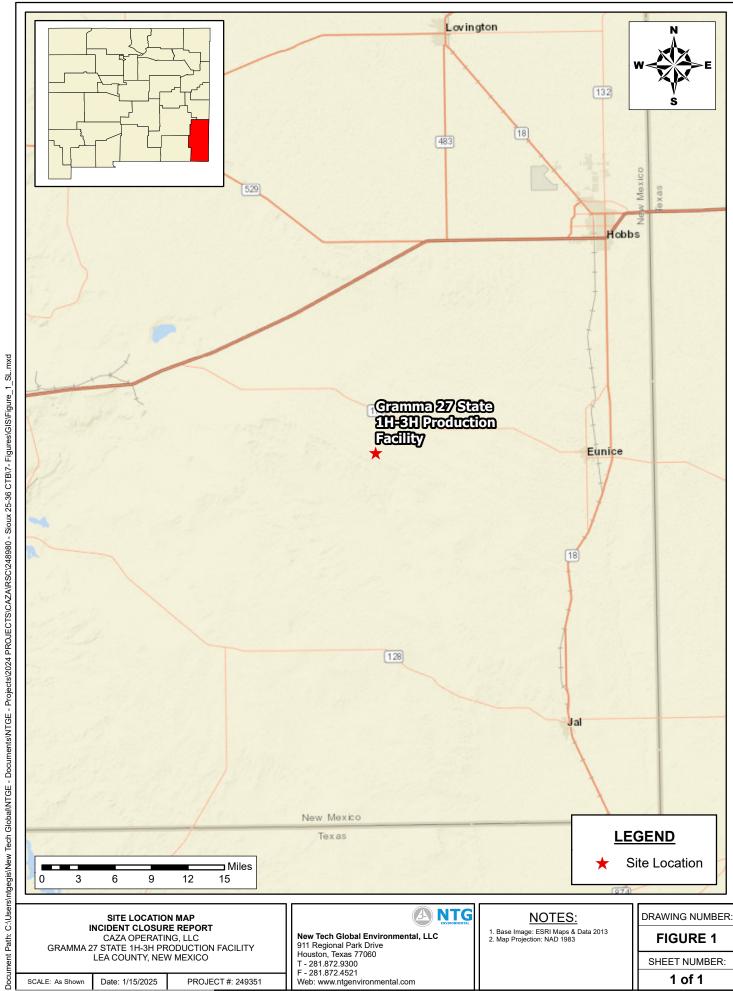
Kellan Smith Project Manager

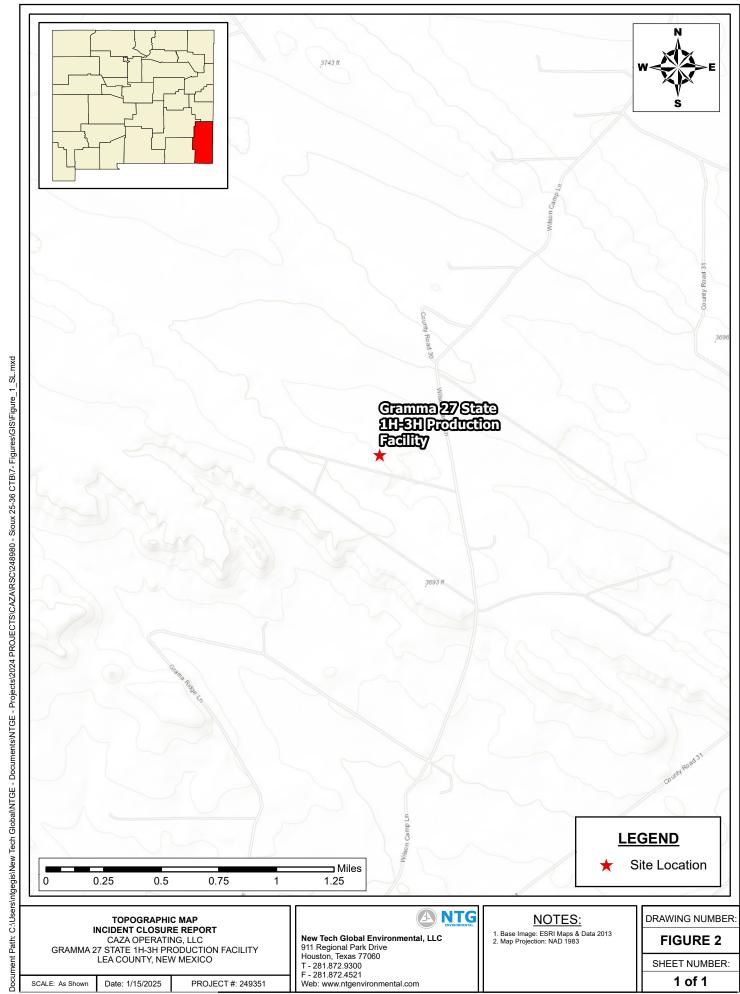


Attachments:

Figures Site Characterization Photographic Log

**Figures** 





1 of 1



F - 281.872.4521 Web: www.ntgenvironmental.com

Released to Imaging: 1/22/2025 2:41:37 PM

Date: 1/15/2025

PROJECT #: 249351

SCALE: As Shown

**Site Characterization** 



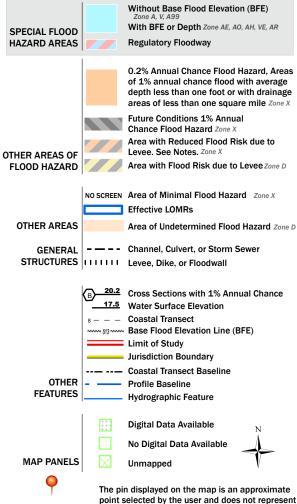
# Received by OCD: 1/16/2025 1:19:24 PM National Flood Hazard Layer FIRMette





# Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

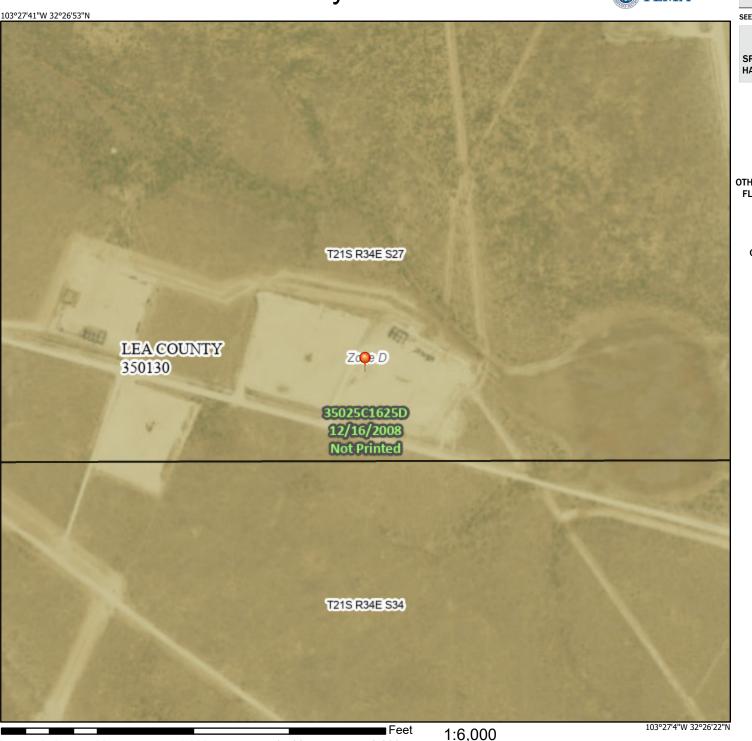


This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

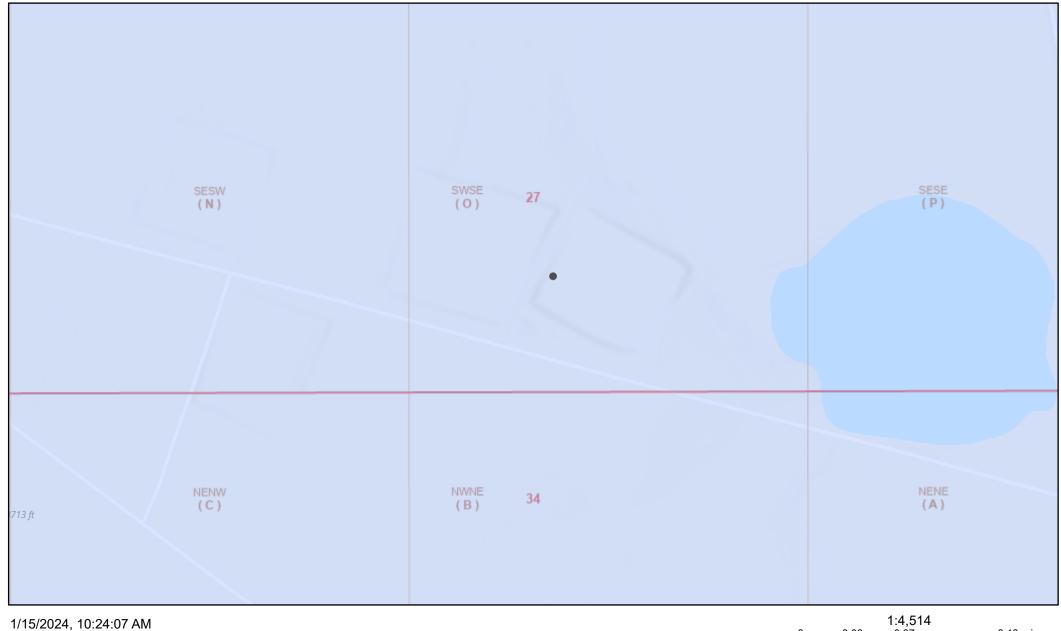
an authoritative property location.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 1/15/2024 at 11:12 AM 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.



# Site Characterization Map



Karst Occurrence Potential

Low

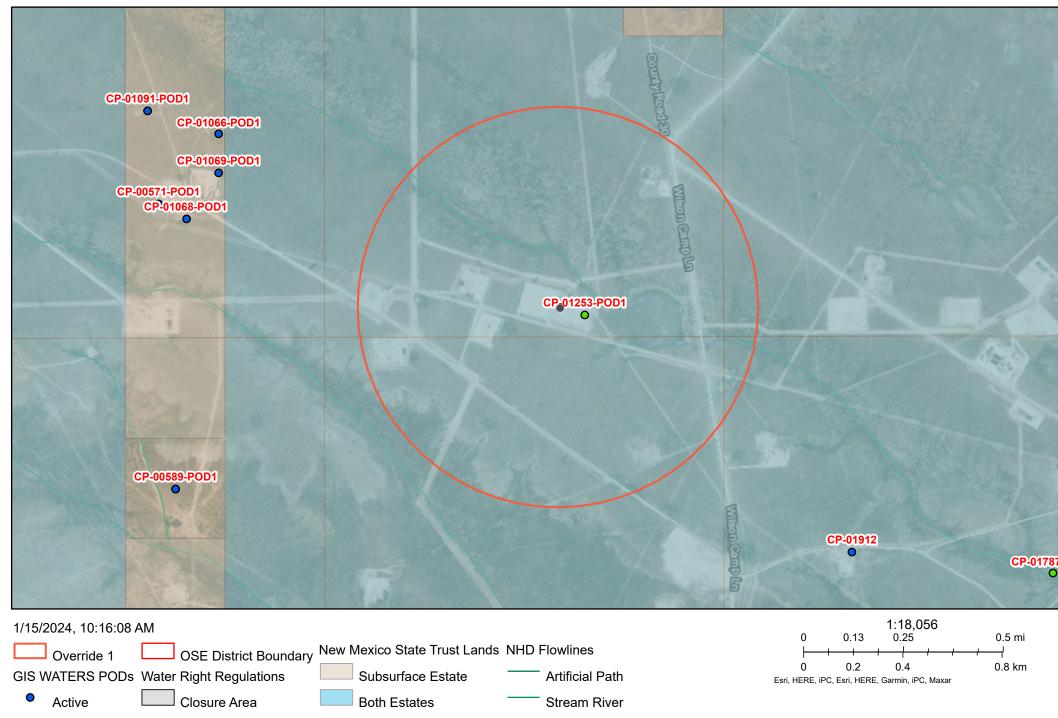
PLSS Second Division

PLSS First Division

1:4,514 0 0.03 0.07 0.13 mi 0 0.05 0.1 0.2 km

BLM, OCD, New Mexico Tech, Sources: Esri, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap and the GIS user community, OCD, Esri Community Maps Contributors, New Mexico State University, Texas

# **OSE POD Location Map**



Received by OCD: 1/16/2025 1:19:24 PMW Mexico Office of the State Engineer Page 12 of 23

# **Point of Diversion Summary**

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

(quarters are smallest to largest)

(NAD83 UTM in meters)

Well Tag POD Number

r Q64 Q16 Q4 Sec Tws Rng

X Y

CP 01253 POD1

4 3 4 27 21S 34E

645222 3590642

Driller License:

Driller Company:

Driller Name:

Drill Start Date: Drill Finish Date:

Plug Date:

Log File Date:

PCW Rcv Date:

Source:

Pump Type: Casing Size: Pipe Discharge Size: Depth Well:

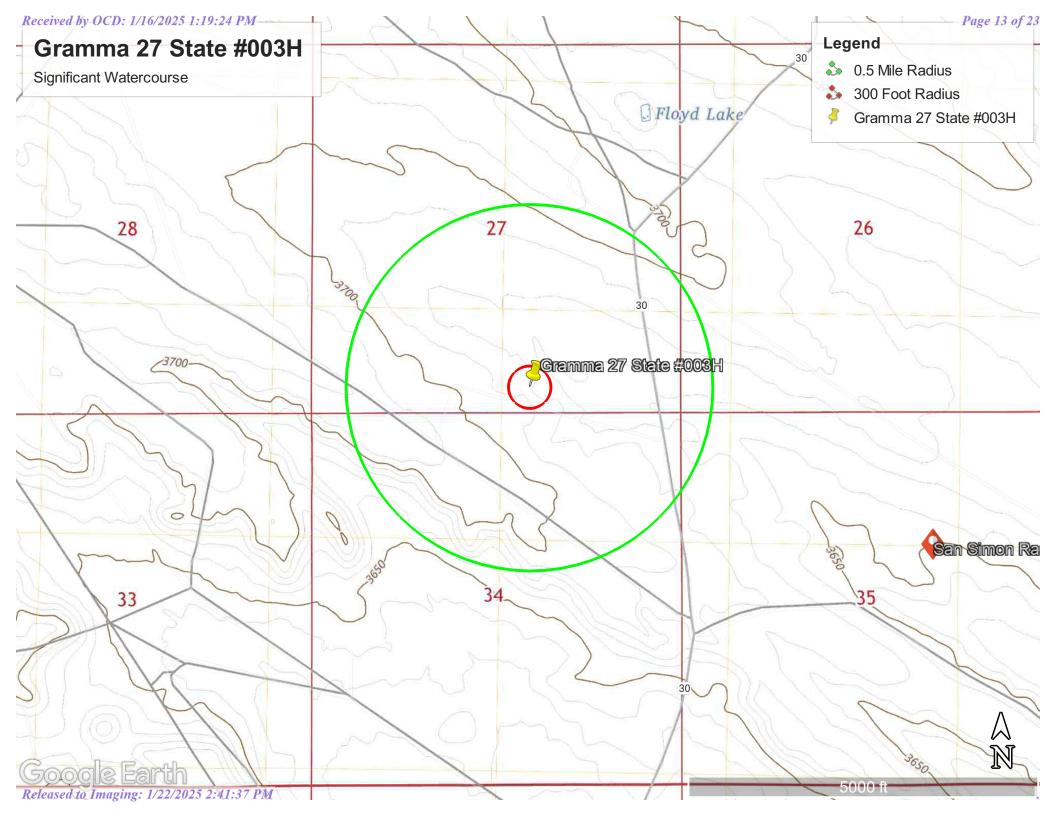
Depth Water:

Estimated Yield:

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 for any particular purpose of the data.

1/15/24 9:17 AM

POINT OF DIVERSION SUMMARY



# Wetlands Map



January 15, 2024

## Wetlands

Estuarine and Marine Deepwater

Estuarine and Marine Wetland

Freshwater Emergent Wetland

Freshwater Forested/Shrub Wetland

Freshwater Pond

Lake

Lake

Riverine

Other

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.

Photographic Log



# PHOTOGRAPHIC LOG

# Caza Operating, LLC GRAMMA 27 STATE 1H-3H PRODUCTION FACILITY

# Photograph No. 1

Facility: Gramma 27 State 1H-3H Production

Facility

County: Lea County, New Mexico

**Description:** View of Liner



# Photograph No. 2

Facility: Gramma 27 State 1H-3H Production

Facility

County: Lea County, New Mexico

**Description:** View of Liner



# Photograph No. 3

Facility: Gramma 27 State 1H-3H Production

Facility

County: Lea County, New Mexico

**Description:** View of Liner



# PHOTOGRAPHIC LOG

# Caza Operating, LLC GRAMMA 27 STATE 1H-3H PRODUCTION FACILITY

# Photograph No. 4

Facility: Gramma 27 State 1H-3H Production

Facility

County: Lea County, New Mexico

**Description:** View of Liner



# Photograph No. 5

Facility: Gramma 27 State 1H-3H Production

Facility

County: Lea County, New Mexico

**Description:** View of Liner



# Photograph No. 6

Facility: Gramma 27 State 1H-3H Production

Facility

County: Lea County, New Mexico

**Description:** View of Liner



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 421700

# **QUESTIONS**

Operator:	OGRID:
CAZA OPERATING, LLC	249099
200 N Loraine St	Action Number:
Midland, TX 79701	421700
	Action Type:
	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

# QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2432645732
Incident Name	NAPP2432645732 GRAMMA 27 STATE 1H-3H PRODUCTION FACILITY @ 0
Incident Type	Produced Water Release
Incident Status	Remediation Closure Report Received
Incident Facility	[fAPP2429234813] Gramma 27 State 1H-3H Production Facility

Location of Release Source	
Please answer all the questions in this group.	
Site Name	Gramma 27 State 1H-3H Production Facility
Date Release Discovered	11/21/2024
Surface Owner	State

ncident 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   Pump   Produced Water   Released: 10 BBL   Recovered: 10 BBL   Lost: 0 BBL.	
Is the concentration of chloride in the produced water >10,000 mg/l	No	
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)	Release Occurred in Lined Containment	

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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 421700

Operator:	OGRID:	
CAZA OPERATING, LLC	249099	
200 N Loraine St	Action Number:	
Midland, TX 79701	421700	
	Action Type:	
	10 444 D	

QUESTIONS (continued)

# [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 No Reasons why this would be considered a submission for a notification of a major Unavailable release 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 The impacted area has been secured to protect human health and the True environment Released materials have been contained via the use of berms or dikes, absorbent True pads, or other containment devices All free liquids and recoverable materials have been removed and managed True appropriately If all the actions described above have not been undertaken, explain why n/a 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 Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC), please prepare and attach all information needed for closure evaluation in the follow-up C-141 submission. 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.

Name: Kelly Arrendondo Title: Production Reporting Manager I hereby agree and sign off to the above statement Email: karredondo@ntglobal.com Date: 11/21/2024

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, Page 3

Action 421700

**QUESTIONS** (continued)

Operator:	OGRID:
CAZA OPERATING, LLC	249099
200 N Loraine St	Action Number:
Midland, TX 79701	421700
	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 release discovery date.		
What is the shallowest depth to groundwater beneath the area affected by the release in feet below ground surface (ft bgs)	Between 26 and 50 (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 1 and 5 (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	Between 1 and 5 (mi.)	
Any other fresh water well or spring	Between 1 and 5 (mi.)	
Incorporated municipal boundaries or a defined municipal fresh water well field	Between 1 and 5 (mi.)	
A wetland	Between 1 and 5 (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	Low	
A 100-year floodplain	Between 1 and 5 (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	on 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 complete which includes the anticipated timelines for beginning and completing the remediation.	ed efforts at remediation, the report must include a proposed remediation plan in accordance with 19.15.29.12 NMAC,	
On what estimated date will the remediation commence	01/10/2025	
On what date will (or did) the final sampling or liner inspection occur	01/14/2025	
On what date will (or was) the remediation complete(d)	01/14/2025	
What is the estimated surface area (in square feet) that will be remediated	4000	
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 t	he 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.

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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 421700

QUESTIONS (continued)

ı	Operator:	OGRID:
ı	CAZA OPERATING, LLC	249099
ı	200 N Loraine St	Action Number:
ı	Midland, TX 79701	421700
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	Yes		
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: Kelly Arrendondo Title: Production Reporting Manager Email: karredondo@ntglobal.com

Date: 01/16/2025

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 421700

Santa Fe, NM 87505				
QUESTIONS (continued)				
Operator:  CAZA OPERATING, LLC 200 N Loraine St Midland, TX 79701	OGRID:  249099  Action Number:  421700  Action Type:  [C-141] Remediation Closure Request C-141 (C-141-v-Closure)			
QUESTIONS				
Liner Inspection Information				
Last liner inspection notification (C-141L) recorded	419214			
Liner inspection date pursuant to Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC	01/14/2025			
Was all the impacted materials removed from the liner	Yes			
What was the liner inspection surface area in square feet	4000			
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	4000			
What was the total volume (cubic yards) remediated	0			
Summarize any additional remediation activities not included by answers (above)	n/a			
	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 releat the 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 repor	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: Kelly Arrendondo Title: Production Reporting Manager Email: karredondo@ntglobal.com			

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 421700

### **CONDITIONS**

Operator:	OGRID:
CAZA OPERATING, LLC	249099
200 N Loraine St	Action Number:
Midland, TX 79701	421700
	Action Type:
	[C-141] Remediation Closure Request C-141 (C-141-v-Closure)

### CONDITIONS

Created By	Condition	Condition Date
nvelez	Liner inspection approved, release resolved.	1/22/2025