

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-144
Revised April 3, 2017

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOC District Office.
For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOC District Office.

Pit, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

Type of action: ☐ Below grade tank registration
☐ Permit of a pit or proposed alternative method
BGT 2 ☒ Closure of a pit, below-grade tank, or proposed alternative method
☐ Modification to an existing permit/or registration
☐ Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations, or ordinances.

1.
Operator: MorningStar Operating LLC OGRID #: 330132
Address: 400 West 7TH Street Fort Worth, TX 76102
Facility or well name: City of Farmington #002
API Number: 30-045-09006 OCD Permit Number: _____
U/L or Qtr/Qtr L Section 35 Township 30N Range 13W County: San Juan
Center of Proposed Design: Latitude 36.7694168 Longitude -108.1814194 NAD83
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F, G or J of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ Multi-Well Fluid Management Low Chloride Drilling Fluid ☐ yes ☐ no
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____

3.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: 95 bbl Type of fluid: Produced Water
Tank Construction material: Steel
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☒ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other _____
Liner type: Thickness _____ mil ☐ HDPE ☐ PVC ☐ Other _____

4.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

5.
Fencing: Subsection D of 19.15.17.11 NMAC (*Applies to permanent pits, temporary pits, and below-grade tanks*)
☐ Chain link, six feet in height, two strands of barbed wire at top (*Required if located within 1000 feet of a permanent residence, school, hospital, institution or church*)
☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
☒ Alternate. Please specify Per BLM Specifications _____

Page 2 of 36
Received by OCD: 4/7/2021 1:51:44 PM
Released to Imaging: 6/9/2021 3:00:43 PM

6.
Netting: Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)
☒ Screen ☐ Netting ☐ Other _____
☐ Monthly inspections (If netting or screening is not physically feasible)

7.
Signs: Subsection C of 19.15.17.11 NMAC
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
☒ Signed in compliance with 19.15.16.8 NMAC

8.
Variances and Exceptions:
Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.
Please check a box if one or more of the following is requested, if not leave blank:
☐ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.
☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

9.
Siting Criteria (regarding permitting): 19.15.17.10 NMAC
Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Siting criteria does not apply to drying pads or above-grade tanks.

General siting

<u>Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank.</u> - ☐ NM Office of the State Engineer - iWATERS database search; ☐ USGS; ☐ Data obtained from nearby wells	☐ Yes ☒ No ☐ NA
<u>Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit.</u> NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. (Does not apply to below grade tanks) - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within the area overlying a subsurface mine. (Does not apply to below grade tanks) - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. (Does not apply to below grade tanks) - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. (Does not apply to below grade tanks) - FEMA map	☐ Yes ☐ No

Below Grade Tanks

Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☒ No

Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)

Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No

Within 100 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Temporary Pit Non-low chloride drilling fluid

Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☐ No

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, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application.

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 300 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Permanent Pit or Multi-Well Fluid Management Pit

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☐ No

Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

10.

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC

and 19.15.17.13 NMAC

- ☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

11.

Multi-Well Fluid Management Pit Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
 - ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 - ☐ A List of wells with approved application for permit to drill associated with the pit.
 - ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC
- and 19.15.17.13 NMAC
- ☐ Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
 - ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

- ☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

Page 4 of 36
Received by OGD: 4/7/2021 1:51:44 PM
Released to Imaging: 6/9/2021 3:00:43 PM

12.

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

13.

Proposed Closure: 19.15.17.13 NMAC

Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regard to the proposed closure plan.

- Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☒ Below-grade Tank ☐ Multi-well Fluid Management Pit
☐ Alternative
- Proposed Closure Method: ☒ Waste Excavation and Removal
☐ Waste Removal (Closed-loop systems only)
☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ In-place Burial ☐ On-site Trench Burial
☐ Alternative Closure Method

14.

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.13 NMAC
- ☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 25 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 25-50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance	☐ Yes ☐ No

adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☐ No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☐ No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

☐ Yes ☐ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☐ No

16.

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC
☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

18.

OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: CR Whitehead Approval Date: June 9, 2021

Title: Environmental Specialist OCD Permit Number: BGT 2

19.

Closure Report (required within 60 days of closure completion): 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☒ Closure Completion Date: 3/23/2021

20.

Closure Method:

- ☒ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

21.

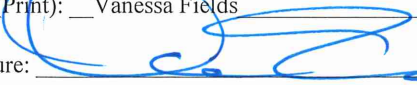
Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- ☒ Proof of Closure Notice (surface owner and division)
☐ Proof of Deed Notice (required for on-site closure for private land only)
☐ Plot Plan (for on-site closures and temporary pits)
☒ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☒ Disposal Facility Name and Permit Number
☒ Soil Backfilling and Cover Installation
☒ Re-vegetation Application Rates and Seeding Technique
☒ Site Reclamation (Photo Documentation)
On-site Closure Location: Latitude 36.7694168 Longitude -108.1814194 NAD: ☐ 1927 ☒ 1983

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Vanessa Fields Title: Agent/Regulatory Compliance Manager

Signature:  Date: 4/5/2021

e-mail address: vanessa@walsheng.net Telephone: 505-787-9100

Vanessa Fields

From: Vanessa Fields
Sent: Tuesday, March 23, 2021 4:39 PM
To: 'Smith, Cory, EMNRD'; 'Joyner, Ryan N'
Cc: 'John Hampton'; 'Denise Casaus'; 'Jason Peace'
Subject: RE: [30-045-09006] - Final Analytical Results CITY OF FARMINGTON #002 72 hour notification Monday March 22, 2021 at 8:00am
Attachments: E103072 Envirotech3_v12 FINAL 03 23 21 1335.pdf

Good afternoon everyone,

The analytical results for the City of Farmington #002 are below regulatory standards. The final C-144 will be submitted through E-Docs.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

From: Vanessa Fields
Sent: Thursday, March 18, 2021 9:52 AM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>; Joyner, Ryan N <rjoyner@blm.gov>
Cc: John Hampton <JHampton@ctfieldsvcs.com>; Denise Casaus <dcasaus@mspartners.com>; Jason Peace <JPeace@ctfieldsvcs.com>
Subject: [30-045-09006] - CITY OF FARMINGTON #002 72 hour notification Monday March 22, 2021 at 8:00 am.

Good morning Cory,

Walsh Engineering on behalf of MorningStar Operating is providing 72 hour notification for the sampling on the referenced compliance (BGT) on the City of Farmington #002 API 30-045-09006 for Monday March 22, 2021 at 8:00 am.

Thank you,

Vanessa Fields
Regulatory Compliance Manager
Walsh Engineering /Epic Energy LLC.
O: 505-327-4892
C: 505-787-9100
vanessa@walsheng.net

Report to:
Vanessa Fields



5796 U.S. Hwy 64
Farmington, NM 87401

Phone: (505) 632-1881
Envirotech-inc.com



envirotech

Practical Solutions for a Better Tomorrow

Analytical Report

Morningstar Operating LLC.

Project Name: City of Farmington #002

Work Order: E103072

Job Number: 20100-0001

Received: 3/22/2021

Revision: 1

Report Reviewed By:

Walter Hinchman
Laboratory Director
3/23/21

Envirotech Inc. certifies the test results meet all requirements of TNI unless noted otherwise.
Statement of Data Authenticity: Envirotech Inc, attests the data reported has not been altered in any way.
Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech Inc.
Envirotech Inc, holds the Utah TNI certification NM00979 for data reported.
Envirotech Inc, holds the Texas TNI certification T104704557 for data reported.

Date Reported: 3/23/21

Vanessa Fields
811 S. Main Ave.
Aztec, NM 87410



Project Name: City of Farmington #002
Workorder: E103072
Date Received: 3/22/2021 9:31:00AM

Vanessa Fields,

Thank you for choosing Envirotech, Inc. as your analytical testing laboratory for the sample(s) received on, 3/22/2021 9:31:00AM, under the Project Name: City of Farmington #002.

The analytical test results summarized in this report with the Project Name: City of Farmington #002 apply to the individual samples collected, identified and submitted bearing the project name on the enclosed chain-of-custody. Subcontracted sample analyses not conducted by Envirotech, Inc., are attached in full as issued by the subcontract laboratory.

Please review the Chain-of-Custody (COC) and Sample Receipt Checklist (SRC) for any issues regarding sample receipt temperature, containers, preservation etc. To best understand your test results, review the entire report summarizing your sample data and the associated quality control batch data.

All reported data in this analytical report were analyzed according to the referenced method(s) and are in compliance with the latest NELAC/TNI standards, unless otherwise noted. Samples or analytical quality control parameters not meeting specific QC criteria are qualified with a data flag. Data flag definitions are located in the Notes and Definitions section of this analytical report.

If you have any questions concerning this report, please feel free to contact Envirotech, Inc.

Respectfully,

Walter Hinchman
Laboratory Director
Office: 505-632-1881
Cell: 775-287-1762
whinchman@envirotech-inc.com

Raina Schwanz
Laboratory Administrator
Office: 505-632-1881
rainaschwanz@envirotech-inc.com

Alexa Michaels
Sample Custody Officer
Office: 505-632-1881
labadmin@envirotech-inc.com

Envirotech Web Address: www.envirotech-inc.com

Table of Contents

Title Page 1

Cover Page 2

Table of Contents 3

Sample Summary 4

Sample Data 5

 1-5point Comp BGT, City of Farmington #002 5

QC Summary Data 6

 QC - Volatile Organics by EPA 8021B 6

 QC - Nonhalogenated Organics by EPA 8015D - GRO 7

 QC - Nonhalogenated Organics by EPA 8015D - DRO/ORO 8

 QC - Anions by EPA 300.0/9056A 9

Definitions and Notes 10

Chain of Custody etc. 11

Sample Summary

Morningstar Operating LLC. 811 S. Main Ave. Aztec NM, 87410	Project Name: City of Farmington #002 Project Number: 20100-0001 Project Manager: Vanessa Fields	Reported: 03/23/21 13:35
---	--	-----------------------------

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
1-5point Comp BGT, City of Farmington #002	E103072-01A	Soil	03/22/21	03/22/21	Glass Jar, 4 oz.



Sample Data

Morningstar Operating LLC.	Project Name:	City of Farmington #002	Reported: 3/23/2021 1:35:49PM
811 S. Main Ave.	Project Number:	20100-0001	
Aztec NM, 87410	Project Manager:	Vanessa Fields	

1-5point Comp BGT, City of Farmington #002

E103072-01

Analyte	Result	Reporting Limit	Dilution	Prepared	Analyzed	Notes
Volatile Organics by EPA 8021B		mg/kg	mg/kg	Analyst: RKS		Batch: 2113004
Benzene	ND	0.0250	1	03/22/21	03/22/21	
Toluene	ND	0.0250	1	03/22/21	03/22/21	
Ethylbenzene	ND	0.0250	1	03/22/21	03/22/21	
p,m-Xylene	ND	0.0500	1	03/22/21	03/22/21	
o-Xylene	ND	0.0250	1	03/22/21	03/22/21	
Total Xylenes	ND	0.0250	1	03/22/21	03/22/21	
<i>Surrogate: 4-Bromochlorobenzene-PID</i>		98.8 %	70-130	03/22/21	03/22/21	
Nonhalogenated Organics by EPA 8015D - GRO		mg/kg	mg/kg	Analyst: RKS		Batch: 2113004
Gasoline Range Organics (C6-C10)	ND	20.0	1	03/22/21	03/22/21	
<i>Surrogate: 1-Chloro-4-fluorobenzene-FID</i>		93.8 %	70-130	03/22/21	03/22/21	
Nonhalogenated Organics by EPA 8015D - DRO/ORO		mg/kg	mg/kg	Analyst: AC		Batch: 2113001
Diesel Range Organics (C10-C28)	27.5	25.0	1	03/22/21	03/22/21	
Oil Range Organics (C28-C35)	ND	50.0	1	03/22/21	03/22/21	
<i>Surrogate: n-Nonane</i>		109 %	50-200	03/22/21	03/22/21	
Anions by EPA 300.0/9056A		mg/kg	mg/kg	Analyst: RAS		Batch: 2113002
Chloride	ND	20.0	1	03/22/21	03/22/21	



QC Summary Data

Morningstar Operating LLC. 811 S. Main Ave. Aztec NM, 87410	Project Name: City of Farmington #002 Project Number: 20100-0001 Project Manager: Vanessa Fields	Reported: 3/23/2021 1:35:49PM
---	--	----------------------------------

Volatile Organics by EPA 8021B

Analyst: RKS

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
---------	-----------------	-----------------------------	-------------------------	---------------------------	----------	--------------------	----------	-------------------	-------

Blank (2113004-BLK1)

Prepared: 03/22/21 Analyzed: 03/22/21

Benzene	ND	0.0250							
Toluene	ND	0.0250							
Ethylbenzene	ND	0.0250							
p,m-Xylene	ND	0.0500							
o-Xylene	ND	0.0250							
Total Xylenes	ND	0.0250							

Surrogate: 4-Bromochlorobenzene-PID 7.78 8.00 97.2 70-130

LCS (2113004-BS1)

Prepared: 03/22/21 Analyzed: 03/22/21

Benzene	5.24	0.0250	5.00		105	70-130			
Toluene	5.40	0.0250	5.00		108	70-130			
Ethylbenzene	5.20	0.0250	5.00		104	70-130			
p,m-Xylene	10.6	0.0500	10.0		106	70-130			
o-Xylene	5.39	0.0250	5.00		108	70-130			
Total Xylenes	16.0	0.0250	15.0		107	70-130			

Surrogate: 4-Bromochlorobenzene-PID 8.25 8.00 103 70-130

Matrix Spike (2113004-MS1)

Source: E103072-01 Prepared: 03/22/21 Analyzed: 03/22/21

Benzene	5.18	0.0250	5.00	ND	104	54-133			
Toluene	5.33	0.0250	5.00	ND	107	61-130			
Ethylbenzene	5.10	0.0250	5.00	ND	102	61-133			
p,m-Xylene	10.4	0.0500	10.0	ND	104	63-131			
o-Xylene	5.30	0.0250	5.00	ND	106	63-131			
Total Xylenes	15.7	0.0250	15.0	ND	105	63-131			

Surrogate: 4-Bromochlorobenzene-PID 7.94 8.00 99.2 70-130

Matrix Spike Dup (2113004-MSD1)

Source: E103072-01 Prepared: 03/22/21 Analyzed: 03/22/21

Benzene	5.35	0.0250	5.00	ND	107	54-133	3.17	20	
Toluene	5.50	0.0250	5.00	ND	110	61-130	3.14	20	
Ethylbenzene	5.30	0.0250	5.00	ND	106	61-133	3.84	20	
p,m-Xylene	10.8	0.0500	10.0	ND	108	63-131	3.60	20	
o-Xylene	5.50	0.0250	5.00	ND	110	63-131	3.66	20	
Total Xylenes	16.3	0.0250	15.0	ND	108	63-131	3.62	20	

Surrogate: 4-Bromochlorobenzene-PID 8.31 8.00 104 70-130



QC Summary Data

Morningstar Operating LLC.	Project Name:	City of Farmington #002	Reported:
811 S. Main Ave.	Project Number:	20100-0001	
Aztec NM, 87410	Project Manager:	Vanessa Fields	3/23/2021 1:35:49PM

Nonhalogenated Organics by EPA 8015D - GRO

Analyst: RKS

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
---------	-----------------	-----------------------------	-------------------------	---------------------------	----------	--------------------	----------	-------------------	-------

Blank (2113004-BLK1)

Prepared: 03/22/21 Analyzed: 03/22/21

Gasoline Range Organics (C6-C10)	ND	20.0							
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.79		8.00		97.4	70-130			

LCS (2113004-BS2)

Prepared: 03/22/21 Analyzed: 03/22/21

Gasoline Range Organics (C6-C10)	45.6	20.0	50.0		91.2	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.85		8.00		98.1	70-130			

Matrix Spike (2113004-MS2)

Source: E103072-01 Prepared: 03/22/21 Analyzed: 03/22/21

Gasoline Range Organics (C6-C10)	44.3	20.0	50.0	ND	88.6	70-130			
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.59		8.00		94.9	70-130			

Matrix Spike Dup (2113004-MSD2)

Source: E103072-01 Prepared: 03/22/21 Analyzed: 03/22/21

Gasoline Range Organics (C6-C10)	45.7	20.0	50.0	ND	91.4	70-130	3.05	20	
Surrogate: 1-Chloro-4-fluorobenzene-FID	7.55		8.00		94.3	70-130			



QC Summary Data

Morningstar Operating LLC.	Project Name:	City of Farmington #002	Reported:
811 S. Main Ave.	Project Number:	20100-0001	
Aztec NM, 87410	Project Manager:	Vanessa Fields	3/23/2021 1:35:49PM

Nonhalogenated Organics by EPA 8015D - DRO/ORO

Analyst: AC

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
---------	-----------------	-----------------------------	-------------------------	---------------------------	----------	--------------------	----------	-------------------	-------

Blank (2113001-BLK1)

Prepared: 03/22/21 Analyzed: 03/22/21

Diesel Range Organics (C10-C28)	ND	25.0							
Oil Range Organics (C28-C35)	ND	50.0							
Surrogate: n-Nonane	67.5		50.0		135	50-200			

LCS (2113001-BS1)

Prepared: 03/22/21 Analyzed: 03/22/21

Diesel Range Organics (C10-C28)	473	25.0	500		94.6	38-132			
Surrogate: n-Nonane	57.6		50.0		115	50-200			

Matrix Spike (2113001-MS1)

Source: E103071-13 Prepared: 03/22/21 Analyzed: 03/22/21

Diesel Range Organics (C10-C28)	570	25.0	500	123	89.2	38-132			
Surrogate: n-Nonane	52.9		50.0		106	50-200			

Matrix Spike Dup (2113001-MSD1)

Source: E103071-13 Prepared: 03/22/21 Analyzed: 03/22/21

Diesel Range Organics (C10-C28)	620	25.0	500	123	99.3	38-132	8.46	20	
Surrogate: n-Nonane	60.9		50.0		122	50-200			



QC Summary Data

Morningstar Operating LLC. 811 S. Main Ave. Aztec NM, 87410	Project Name: City of Farmington #002 Project Number: 20100-0001 Project Manager: Vanessa Fields	Reported: 3/23/2021 1:35:49PM
---	--	----------------------------------

Anions by EPA 300.0/9056A

Analyst: RAS

Analyte	Result mg/kg	Reporting Limit mg/kg	Spike Level mg/kg	Source Result mg/kg	Rec %	Rec Limits %	RPD %	RPD Limit %	Notes
---------	-----------------	-----------------------------	-------------------------	---------------------------	----------	--------------------	----------	-------------------	-------

Blank (2113002-BLK1)

Prepared: 03/22/21 Analyzed: 03/22/21

Chloride ND 20.0

LCS (2113002-BS1)

Prepared: 03/22/21 Analyzed: 03/22/21

Chloride 250 20.0 250 99.8 90-110

Matrix Spike (2113002-MS1)

Source: E103071-01 Prepared: 03/22/21 Analyzed: 03/22/21

Chloride 255 20.0 250 ND 102 80-120

Matrix Spike Dup (2113002-MSD1)

Source: E103071-01 Prepared: 03/22/21 Analyzed: 03/22/21

Chloride 255 20.0 250 ND 102 80-120 0.184 20

QC Summary Report Comment:

Calculations are based off of the raw (non-rounded) data. However, for reporting purposes all QC data is rounded to three significant figures. Therefore, hand calculated values may differ slightly.



Definitions and Notes

Morningstar Operating LLC.	Project Name:	City of Farmington #002	
811 S. Main Ave.	Project Number:	20100-0001	Reported:
Aztec NM, 87410	Project Manager:	Vanessa Fields	03/23/21 13:35

ND Analyte NOT DETECTED at or above the reporting limit

NR Not Reported

RPD Relative Percent Difference

DNI Did Not Ignite

Note (1): Methods marked with ** are non-accredited methods.

Note (2): Soil data is reported on an "as received" weight basis, unless reported otherwise.



Page 1 of 1

Page 11 of 12

envirotech

Envirotech Analytical Laboratory

Printed: 3/22/2021 3:10:57PM

Sample Receipt Checklist (SRC)

Instructions: Please take note of any NO checkmarks.

If we receive no response concerning these items within 24 hours of the date of this notice, all the samples will be analyzed as requested.

Client:	Morningstar Operating LLC.	Date Received:	03/22/21 09:31	Work Order ID:	E103072
Phone:	(505) 419-6055	Date Logged In:	03/22/21 09:38	Logged In By:	Alexa Michaels
Email:	Vanessa@walsheng.net	Due Date:	03/22/21 17:00 (0 day TAT)		

Chain of Custody (COC)

- | | | |
|--|-----|--------------------------------|
| 1. Does the sample ID match the COC? | No | |
| 2. Does the number of samples per sampling site location match the COC | Yes | |
| 3. Were samples dropped off by client or carrier? | Yes | Carrier: <u>Vanessa Fields</u> |
| 4. Was the COC complete, i.e., signatures, dates/times, requested analyses? | Yes | |
| 5. Were all samples received within holding time? | Yes | |
| Note: Analysis, such as pH which should be conducted in the field, i.e., 15 minute hold time, are not included in this discussion. | | |

Sample Turn Around Time (TAT)

- | | |
|---|-----|
| 6. Did the COC indicate standard TAT, or Expedited TAT? | Yes |
|---|-----|

Sample Cooler

- | | |
|--|-----|
| 7. Was a sample cooler received? | Yes |
| 8. If yes, was cooler received in good condition? | Yes |
| 9. Was the sample(s) received intact, i.e., not broken? | Yes |
| 10. Were custody/security seals present? | No |
| 11. If yes, were custody/security seals intact? | NA |
| 12. Was the sample received on ice? If yes, the recorded temp is 4°C, i.e., 6±2°C | Yes |
| Note: Thermal preservation is not required, if samples are received w/i 15 minutes of sampling | |
| 13. If no visible ice, record the temperature. Actual sample temperature: <u>4°C</u> | |

Sample Container

- | | |
|--|-----|
| 14. Are aqueous VOC samples present? | No |
| 15. Are VOC samples collected in VOA Vials? | NA |
| 16. Is the head space less than 6-8 mm (pea sized or less)? | NA |
| 17. Was a trip blank (TB) included for VOC analyses? | NA |
| 18. Are non-VOC samples collected in the correct containers? | Yes |
| 19. Is the appropriate volume/weight or number of sample containers collected? | Yes |

Field Label

- | | |
|---|-----|
| 20. Were field sample labels filled out with the minimum information: | |
| Sample ID? | Yes |
| Date/Time Collected? | Yes |
| Collectors name? | Yes |

Sample Preservation

- | | |
|---|----|
| 21. Does the COC or field labels indicate the samples were preserved? | No |
| 22. Are sample(s) correctly preserved? | NA |
| 24. Is lab filtration required and/or requested for dissolved metals? | No |

Multiphase Sample Matrix

- | | |
|--|----|
| 26. Does the sample have more than one phase, i.e., multiphase? | No |
| 27. If yes, does the COC specify which phase(s) is to be analyzed? | NA |

Subcontract Laboratory

- | | |
|---|------------------------|
| 28. Are samples required to get sent to a subcontract laboratory? | No |
| 29. Was a subcontract laboratory specified by the client and if so who? | NA Subcontract Lab: NA |

Client Instruction

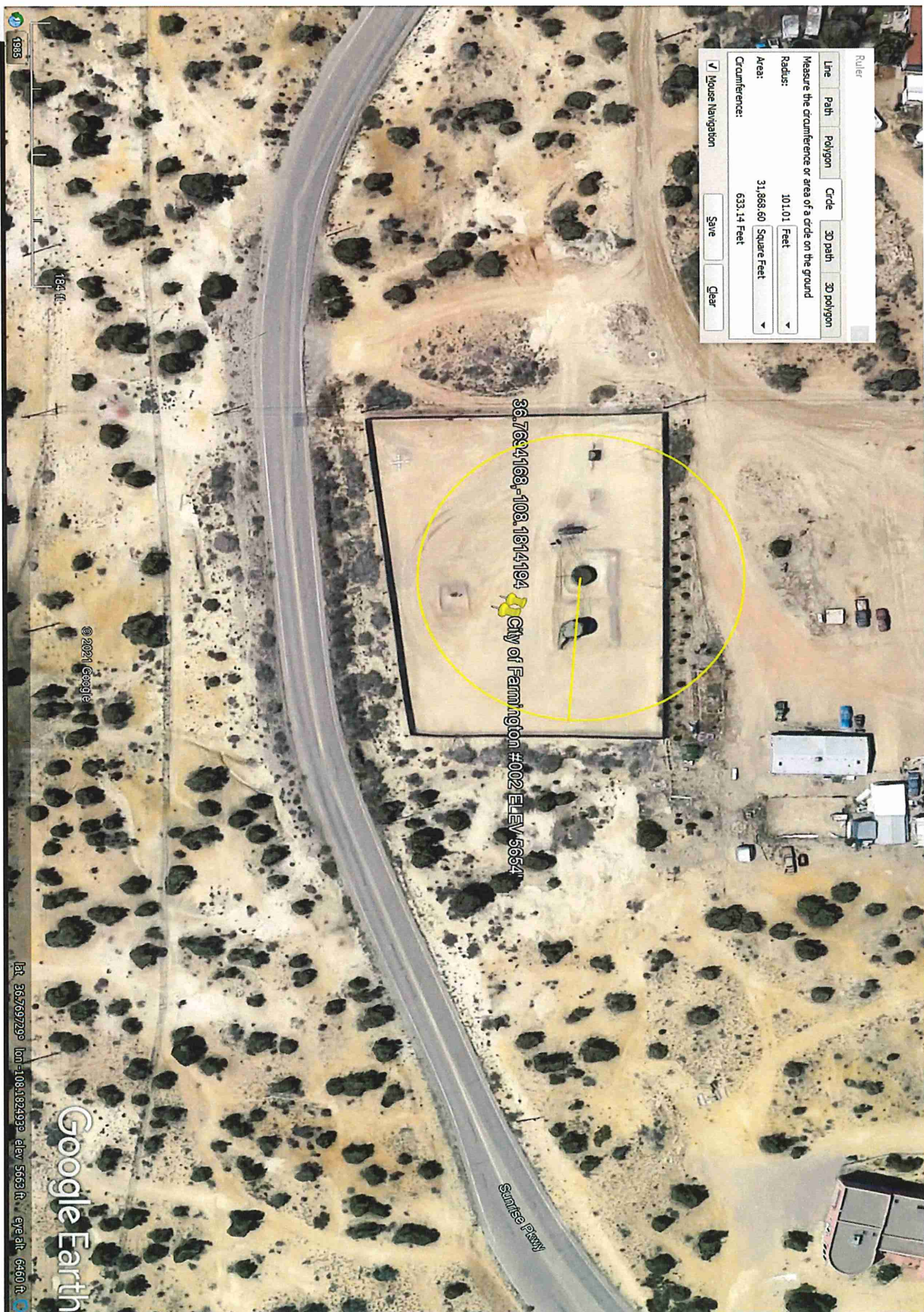
Signature of client authorizing changes to the COC or sample disposition.

Date



envirotech Inc.

30-045-09006 CITY OF FARMINGTON #002 Sitting Criteria





New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.) (R=POD has been replaced, O=orphaned, C=the file is closed) (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	Code	POD Sub-basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	DepthWell	DepthWater	Water Column
SJ 02391		SJAR	SJ	1	1	1	35	30N	13W	215906	4074756*	260	200	60
Average Depth to Water:													200 feet	
Minimum Depth:													200 feet	
Maximum Depth:													200 feet	

Record Count: 1

PLSS Search:

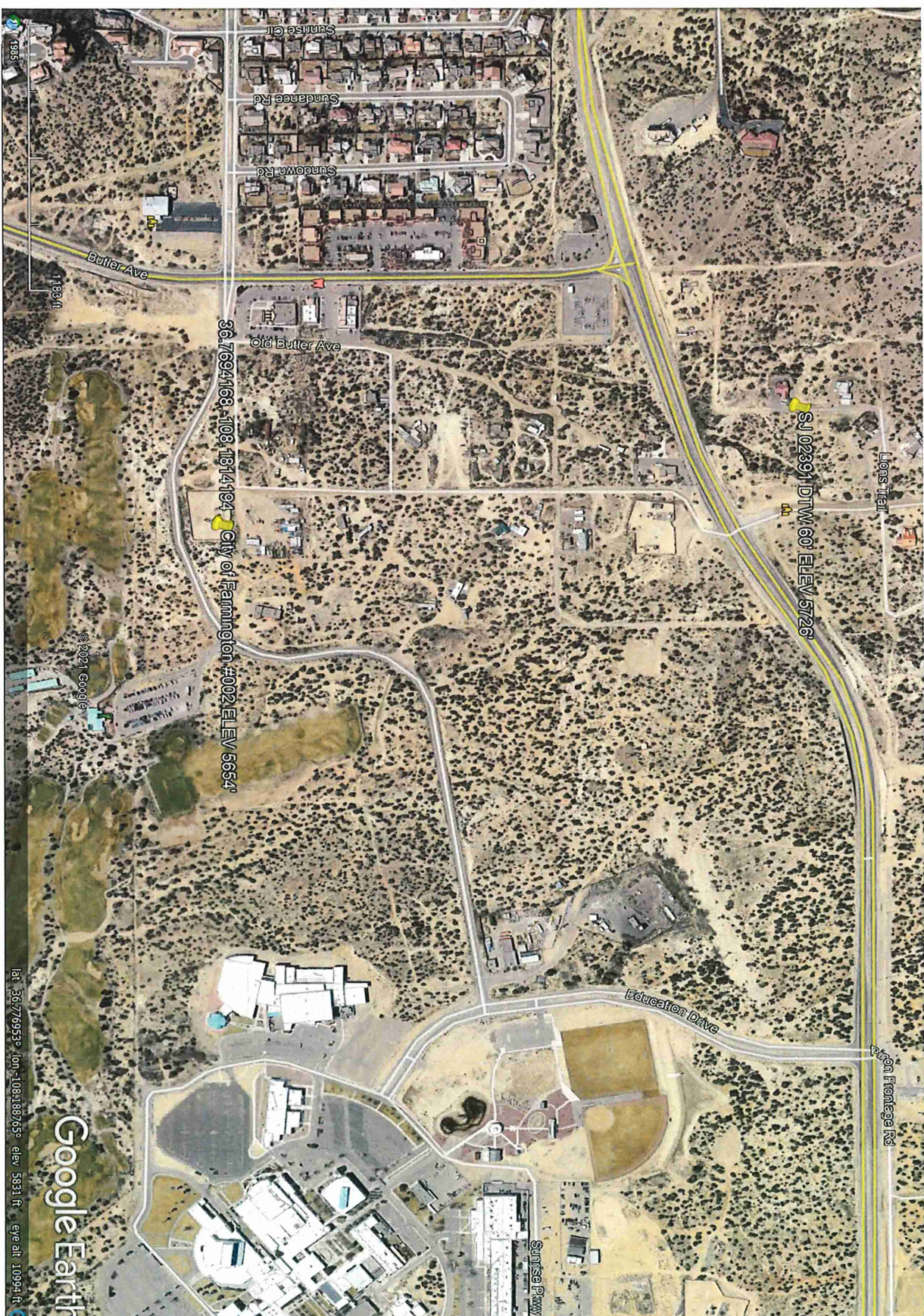
Section(s): 35 Township: 30N Range: 13W

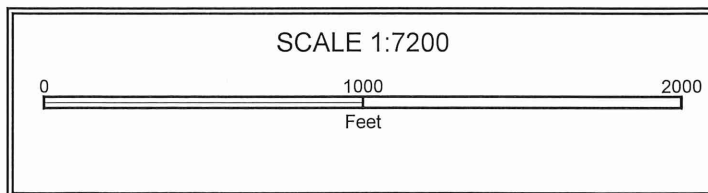
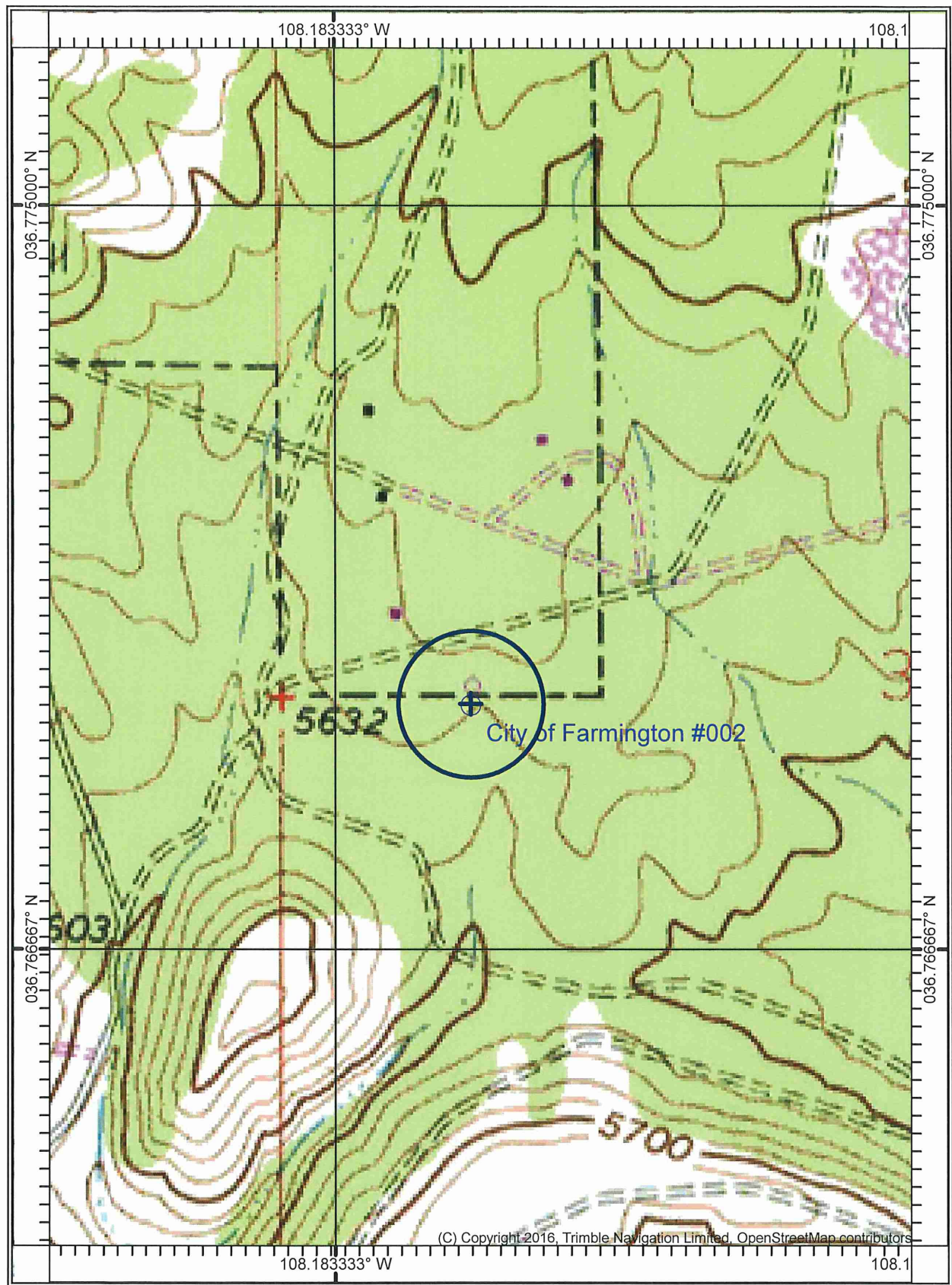
*UTM location was derived from PLSS - see Help

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.

4/5/21 5:01 PM WATER COLUMN/ AVERAGE DEPTH TO WATER

**30-045-09006 CITY OF FARMINGTON #002
DTW 132'**





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	
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party MorningStar Operating LLC	OGRID 330132
Contact Name Vanessa Fields Agent	Contact Telephone 505-787-9100
Contact email vanessa@walsheng.net	Incident # (assigned by OCD) NONE
Contact mailing address 7415 E Main St. Farmington, NM 87402	

Location of Release Source

Latitude 36.7694168 Longitude -108.1814194
(NAD 83 in decimal degrees to 5 decimal places)

Site Name City of Farmington #002	Site Type Gas
Date Release Discovered NONE	API# (if applicable) 30-045-09006

Unit Letter	Section	Township	Range	County
L	35	30N	13W	San Juan

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

Nature and Volume of Release

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

☐ Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)
☐ Produced Water	Volume Released (bbls)	Volume Recovered (bbls)
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	☐ Yes ☐ No
☐ Condensate	Volume Released (bbls)	Volume Recovered (bbls)
☐ Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
☐ Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)

Cause of Release **Analytical results for Benzene were Non-Detect, Total BTEX was Non-Detect. DRO was 27.5 mg/kg ORO was Non-Detect, GRO was Non-Detect, chloride levels were Non-Detect**

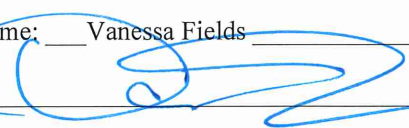
State of New Mexico
Oil Conservation Division

Incident ID	
District RP	
Facility ID	
Application ID	

Was this a major release as defined by 19.15.29.7(A) NMAC? ☐ Yes ☒ No	If YES, for what reason(s) does the responsible party consider this a major release?
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?	

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

☒ 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 dikes, absorbent pads, or other containment devices. ☒ All free liquids and recoverable materials have been removed and managed appropriately.
If all the actions described above have <u>not</u> been undertaken, explain why:
Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.
Printed Name: <u>Vanessa Fields</u> Title: <u>Agent/Regulatory Compliance Manager</u> Signature:  Date: <u>4/5/2021</u> email: <u>vanessa@walsheng.net</u> Telephone: <u>505-787-9100</u>
<u>OCD Only</u> Received by: _____ Date: _____

Incident ID	
District RP	
Facility ID	
Application ID	

Closure

The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

Closure Report Attachment Checklist: *Each of the following items must be included in the closure report.*

- ☐ A scaled site and sampling diagram as described in 19.15.29.11 NMAC
- ☒ Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)
- ☒ Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling)
- ☒ Description of remediation activities

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete.

Printed Name: Vanessa Fields Title: Agent/Regulatory Compliance Manager
 Signature: [Signature] Date: 4/5/2021
 email: vanessa@walsheng.net Telephone: 505-787-9100

OCD Only

Received by: _____ Date: _____

Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.

Closure Approved by: _____ Date: _____

Printed Name: _____ Title: _____

Below Grade Tank Closure Plan

City of Farmington #002

U/L: L, Section 35, TWN: 30N. RNG: 13W

San Juan County, New Mexico

As stipulated in Rule 19.15.17.13 NMAC, the following information adheres to the requirements established in closing below-grade tanks (BGTs) on Morningstar Operating LLC well sites. This plan will address the standard protocols and procedures for closure of BGTs.

Morningstar Operating LLC proposes to close its existing BGTs that do not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC or are not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC in accordance with this closure plan and the transitional provisions of Subsection E of 19.15.17.17 NMAC.

The following outline addresses all requirements for closure of Morningstar Operating LLC BGTs:

1. Prior notification of Morningstar Operating LLC intent to close the BGT will follow 19.15.17.13J (1) and (2).

a. Morningstar Operating LLC will notify the surface owner by certified mail, return receipt requested, of closure plans. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records is enough to demonstrate compliance with this requirement.

b. Notification will also be given to the division District III office verbally or by other means at least 72 hours, but not more than one (1) week, prior to any closure operation. The notice will include the operator's name and the well's name, number, and API number, in addition to the well's legal description, including the unit letter, section, township, and range.

Notification was provided to the NMOCD District III office & BLM. Attached is a copy of the notification.

2.MORNINGSTAR OPERATING LLC will remove liquids and sludge from the BGT prior to implementing a closure method and dispose of the liquids and sludge in a NMOCD's division-approved facility. A list of Morningstar Operating LLC approved disposal facilities is below:

Fluid disposal:

Agua Moss

Sunco well #1

U/L=E, SWNW, Section 2, T29N-R12W San Juan, New Mexico

Permit #NM-01-0009

Basin Disposal Inc.

Basin Disposal well # 1

U/L=F, SWNW, Section 3, T29N-R1 1 W San Juan, New Mexico

Permit #NM-01-0005

Solid disposal: **Envirotech Land Farm**

Disposal Facility

Section 6, T26N-R10W, County Road #7175 San Juan, New Mexico

Permit #NM-01-0011

3.MORNINGSTAR OPERATING LLC will remove the BGT from the pit and place it at ground level adjacent to the original BGT site and dispose of it in a NMOCD approved facility or recycle, reuse, or reclaim it in a manner that the NMOCD approved. If a liner is present and must be disposed of it will be cleaned and disposed at a permitted solid waste facility, pursuant to Subparagraph (m) of Paragraph (1) of Subsection C of 19.15.35.8 NMAC.

A Closure plan nor Below Grade Tank registration was never submitted for the referenced below grade tanks that are referenced in the compliance issue, nor were they closed in accordance with 19.15.17.

Walsh Engineering on behalf of Morningstar Operating LLC. received approval in attached email requesting to collect 1 (5-point) composite sample from the BGT removal.

Notification was provided to the NMOCD District III office & BLM. Attached is a copy of the notification.

4. Morningstar Operating LLC will hook up necessary equipment and piping for temporary tank use. At this time, any on-site equipment not necessary to the operation of the tank will be removed from the site.

All Equipment associated with the below Grade Tank removal was removed. An above ground tank was installed in the same area where the below grade tank was removed. The below grade tank was removed again and set above grade once the analytical results demonstrated a release did not occur. Walsh Engineering collected 1 (5-point) composite sample. No evidence of hydrocarbons was evident during the sample.

5. MorningStar Operating LLC will test the soils beneath the original BGT location to determine whether a release has occurred. At a minimum, a five (5) point composite sample will be collected in addition to individual grab samples from areas that are wet, discolored, or showing other evidence of a release. The samples will be analyzed for BTEX, TPH (GRO DRO MRO, and chlorides to demonstrate that they do not exceed certain concentrations. The testing methods and closure standards for those constituents are as follows:

Analytical results for Benzene were Non-Detect, Total BTEX was Non-Detect. DRO was 27.5 mg/kg ORO was Non-Detect, GRO was Non-Detect, chloride levels were Non-Detect demonstrating a release did not occur.

Table I Closure Criteria for Soils Impacted by a Release			
Minimum depth below any point within the horizontal boundary of the release to ground water less than 10,000 mg/l TDS	Constituent	Method*	Limit**
≤ 50 feet	Chloride***	EPA 300.0 or SM4500 Cl B	600 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	100 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg
51 feet-100 feet	Chloride***	EPA 300.0 or SM4500 Cl B	10,000 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg
	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg
>100 feet	Chloride***	EPA 300.0 or SM4500 Cl B	20,000 mg/kg
	TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg
	GRO+DRO	EPA SW-846 Method 8015M	1,000 mg/kg
	BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg
	Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg



Notes: mg/Kg= milligram per kilogram; BTEX = benzene, toluene, ethylbenzene, and total xylenes; TPH = total petroleum hydrocarbons. Other EPA methods that the division approves may be applied to all constituents listed. The Chlorides closure standards will be determined by whichever concentration level is greatest.

6. MorningStar Operating LLC will notify the division District III office of the soil test results on Form C-14 I. It is understood that the NMOCD may require additional delineation upon review of the results.

7. If it is determined that a release has occurred, then Morningstar Operating LLC will comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC, as appropriate.

Analytical results for Benzene were Non-Detect, Total BTEX was Non-Detect. DRO was 27.5 mg/kg ORO was Non-Detect, GRO was Non-Detect, chloride levels were Non-Detect demonstrating a release did not occur.

8. If the confirmation sampling demonstrates that a release has not occurred or that any release does not exceed the concentrations specified above, then Morningstar Operating LLC will backfill the excavation with compacted, non-waste containing, earthen material; construct a division prescribed soil cover; re-contour the site; and move the fiberglass tank onto the newly backfilled and compacted site. The division-prescribed soil cover, re-contouring, and re-vegetation requirements shall comply with Subsections G, H, and I of 19.15.17.13

NMAC.

The area has been backfilled and placed with a above ground tank. The area will be reclaimed once the well has been plugged and abandoned.

9. Reclamation will follow 19.15.17.130 (1) and (2).

a. The BGT location and all areas associated with the BGT, including associated access roads, if applicable, will be reclaimed to a safe and stable condition that blends with the surrounding undisturbed area. It is understood that Morningstar Operating LLC shall substantially restore the impacted surface area to the condition that existed prior to oil and gas operations by placement of the soil cover as provided in Subsection H of 19.15.17.13 NMAC and re-contour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography.

b. Re-vegetation will not be completed at the time the BGT pit is reclaimed but will instead be applied for as part of the P&A process when the well is plugged and abandoned.

10. Soil cover will follow 19.15.17.13H (1) and (3).

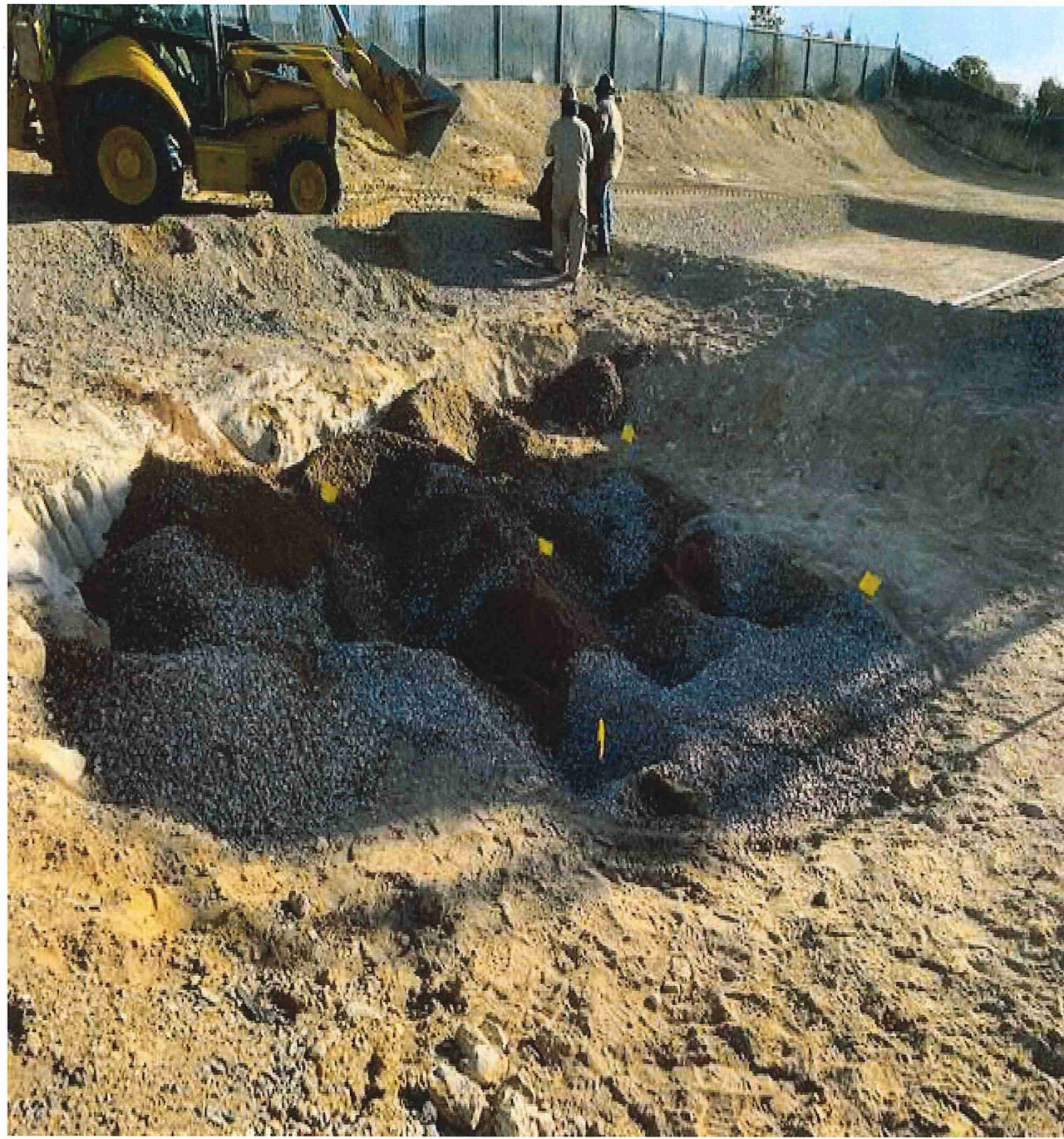
a. The soil cover for closures where the BGT has been removed or contaminated soil has been remediated to the NMOCD's satisfaction will consist of the background thickness of topsoil or one (1) foot of suitable material to establish vegetation at the site, whichever is greater.

b. The soil cover will be constructed to the site's existing grade, and all possible efforts will be conducted to prevent ponding of water and erosion of the cover material.

The area has been backfilled and placed with a above ground tank. The area will be reclaimed once the well has been plugged and abandoned.

11. Within 60 days of closure completion, Morningstar Operating LLC will submit a closure report on NMOC's Form C-144, with necessary attachments to document all closure activities, including sampling results; information required by 19.15.17 NMAC; and details on backfilling, capping, and covering, where applicable. Morningstar Operating LLC will certify that all information in the report and attachments is correct and that Morningstar Operating LLC has complied with all applicable closure requirements and conditions specified in the approved closure plan.







District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 23317

CONDITIONS

Operator: MorningStar Operating LLC 400 W 7th St Fort Worth, TX 76102	OGRID: 330132
	Action Number: 23317
	Action Type: [C-144] Below Grade Tank Plan (C-144B)

CONDITIONS

Created By	Condition	Condition Date
cwhitehead	None	6/9/2021