

Timberwolf Environmental, LLC  
1920 W. Villa Maria, Ste. 305  
Bryan, Texas 77807  
T 979.324.2139 F 979.823.1921  
www.teamtimberwolf.com

Timberwolf  
Environmental

*Sent Via Certified Mail*

**APPROVED** Conditionally

By JKeyes at 10:46 am, Oct 05, 2015

September 1, 2015

Mr. Tomas Oberding, PhD.  
New Mexico Oil Conservation Division  
1625 N. French Drive  
Hobbs, New Mexico 88240

**Stipulations:**

1. Must delineate depth of contamination
2. RP will remain open until contamination is addressed.

Re: Closure Report  
Jay Management, LLC  
New Mexico State BB No. 1 Tank Battery  
Mescalero Field - Lea County, New Mexico  
NW1/4 SE1/4, Sec.14, T10S R32E

HOBBS OCD  
SEP 28 2015  
RECEIVED

Dear Mr. Oberding:

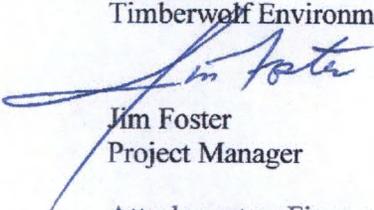
At the request of Jay Management, LLC (Jay Management), Timberwolf Environmental, LLC (Timberwolf) prepared this notification of completed remedial actions to remedy impacted soils at the New Mexico BB State No. 1 Tank Battery ("Site"). The Site is located approximately 5.5 miles northeast of Caprock, New Mexico (Figures 1 - 3).

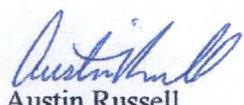
On 01/23/15, approximately eight (8) barrels (bbls) of crude oil and produced water were released due to a produced water tank overflowing. All released fluids were contained within the firewall. A vacuum truck recovered five (5) bbls of fluids on the same day of release.

Jay Management contractors excavated approximately 24 cubic yards of impacted soil from inside the tank battery on or about 02/20/15. Excavated soils were trucked and disposed at a permitted commercial landfarm in Caprock, NM. Clean fill was used to replace the excavated soil. Work conducted is documented in the attached Form C-141 and Photographic Documentation.

If you have any questions or need further assistance, please call us at 979-324-2139.

Sincerely,  
Timberwolf Environmental, LLC.

  
Jim Foster  
Project Manager

  
Austin Russell  
Senior Project Manager

Attachments: Figures  
Form C-141  
Photographic Documentation

Cc: Amir Sanker, Jay Management  
Ron Gilbreath, Jay Management

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

Form C-141  
Revised August 8, 2011

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit 1 Copy to appropriate District Office in  
accordance with 19.15.29 NMAC.

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report  Final Report

Jay Management Company	Jim Foster
2425 W Loop South Suite 810, Houston Texas 77027	979-324-2139
Facility Name: New Mexico BB State No. 1 Tank Battery	Facility Type: Tank Battery

Surface Owner: State of New Mexico	Mineral Owner: State of New Mexico	API No.
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**LOCATION OF RELEASE**

Unit Letter	Section 14	Township 10S	Range 32E	2200 Feet from the	North Line	3300 Feet from the	West Line	Lea County
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Latitude: 33° 26.657' Longitude: 103° 38.420'W

**NATURE OF RELEASE**

Type of Release: Crude oil and Produced Water	Volume of Release: 8 bbl	Volume Recovered: 5 bbl
Source of Release: Overflowed water tank	Date and Hour of Occurrence 1/23/2015 – Time not known	Date and Hour of Discovery: 1/23/2015 9:00 am
Was Immediate Notice Given? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom?	Date and Hour:	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.\*  
No watercourse was impacted.

Describe Cause of Problem and Remedial Action Taken.\*

Release occurred due to the water tank overflowing. All released fluids were contained by firewall. Oil was recovered by vacuum truck on 01/23/2015.

Describe Area Affected and Cleanup Action Taken.\*

The affected area is the immediately area surrounding the tanks. The release was contained by the facility's firewall. A vacuum truck was called and to recover fluids that morning (01/23/2015).

On 02/21/15, approximately 24 cubic yards of impacted soil were excavated and disposed at an approved off-site landfarm in Caprock, NM. Clean fill was used to replace excavated material.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD 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 NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD 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.

Signature: 	<b>OIL CONSERVATION DIVISION</b>	
Jim Foster	Approved by Environmental Specialist:	
Consultant	Approval Date:	Expiration Date:
E-mail Address: <a href="mailto:jim.foster@twolfenv.com">jim.foster@twolfenv.com</a>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 09/01/2015 Phone: (979) 324-2139		

\* Attach Additional Sheets If Necessary

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  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-141  
Revised August 8, 2011

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**Release Notification and Corrective Action**

**OPERATOR**

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Jay Management Company	Jim Foster
2425 W Loop South Suite 810, Houston Texas 77027	979-324-2139
Facility Name: New Mexico BB State No. 1 Tank Battery	Facility Type: Tank Battery

Surface Owner: State of New Mexico	Mineral Owner: State of New Mexico	API No.
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Source of Release: Overflowed water tank	Date and Hour of Occurrence 1/23/2015 – Time not known	Date and Hour of Discovery: 1/23/2015 9:00 am
Was Immediate Notice Given? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom?	Date and Hour:	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.\*  
No watercourse was impacted.

Describe Cause of Problem and Remedial Action Taken.\*

Release occurred due to the water tank overflowing. All released fluids were contained by firewall. Oil was recovered by vacuum truck on 07/23/2015.

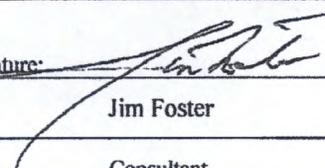
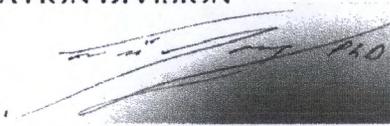
Describe Area Affected and Cleanup Action Taken.\*

The affected area is the immediately area surrounding the tanks. The release was contained by the facility's firewall. A vacuum truck was called and to recover fluids that morning (01/23/2015).

Much of the impacted soil at this battery is a result of historic releases from the facility. Impacted soils will be removed and properly disposed in the coming weeks.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD 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 NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD 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.

**OIL CONSERVATION DIVISION**

Signature: 	Hydrologist	
Jim Foster	Approved by Environmental Specialist:	
Consultant	Approval Date: 02/13/2015	Expiration Date: 04/13/2015
E-mail Address: jim.foster@twolfenv.com	Conditions of Approval: Site samples required. Delineate and remediate as per NMOCD guides.	Attached <input type="checkbox"/> IRP-3536 247692
Date: 02/03/2015 Phone: (979) 324-2139		

\* Attach Additional Sheets If Necessary

nTO1504431334

pTO1504431549

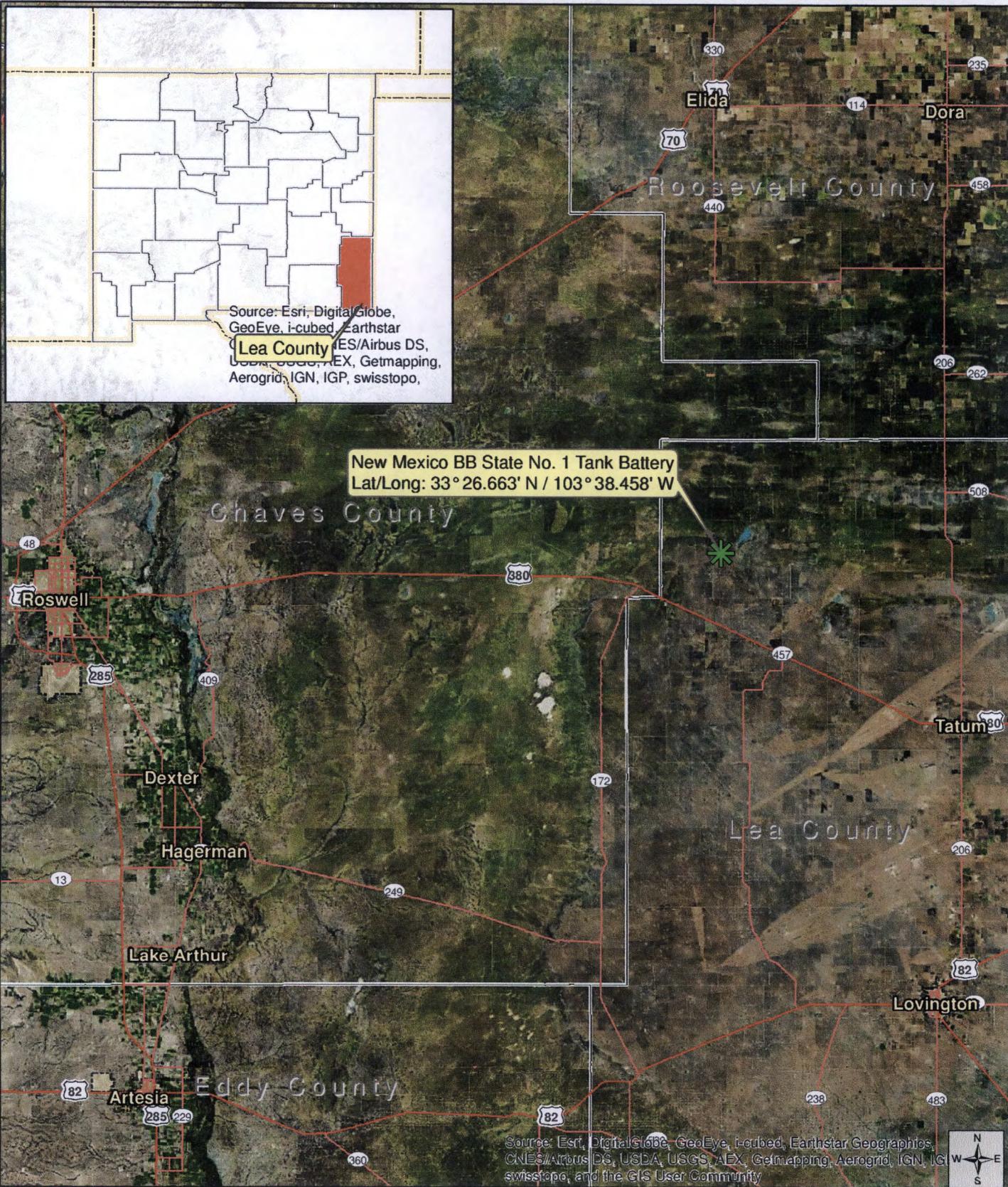


Figure 1  
Site Location Map

**New Mexico BB State No. 1 Tank Battery**

August 20, 2015

Timberwolf  
Environmental

0 5 10 15 20 25 Miles

Jay Management, LLC  
Mescalero Field, Lea County, New Mexico



Project Location

Created By:  
Austin Russell  
TE Project No.: JMG\_T\_SAMP\_15018

NW1/4, SE1/4, Sec 13, T10S, R32E

Datum: NAD83  
Imagery Source: ESRI  
Vector Source: TE & ESRI

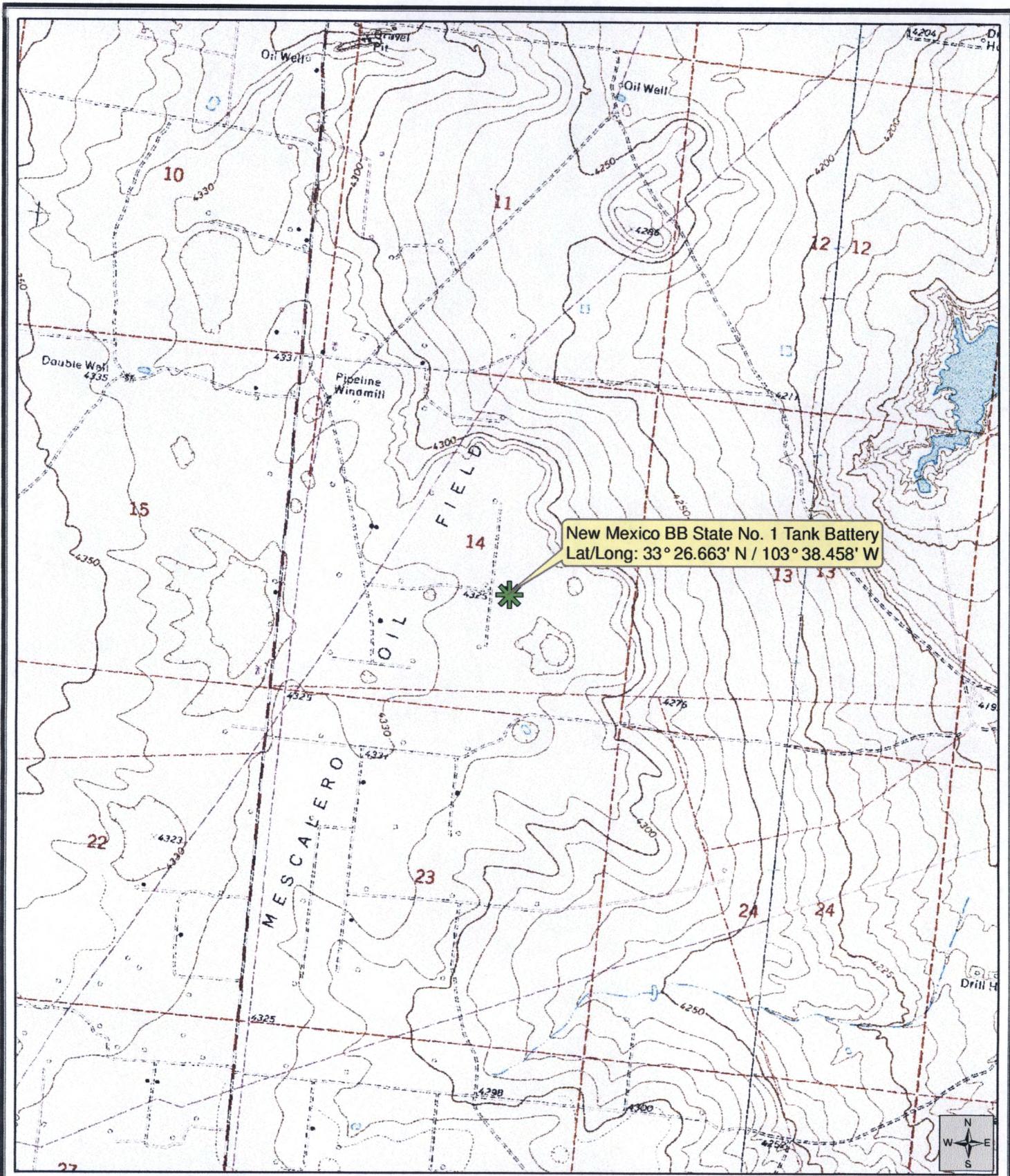


Figure 2  
Topographic Map

**New Mexico BB State No. 1 Tank Battery**

Date: August 20, 2015

**Timberwolf  
Environmental**

0 1,000 2,000 3,000 4,000 5,000 Feet

**Jay Management, LLC**  
**Mescalero Field, Lea County, New Mexico**

Created By:  
Austin Russell

NW1/4, SE1/4, Sec 13, T10S, R32E

Datum: NAD83  
Imagery Source: USGS  
Quads: Caprock, Lane Salt Lake  
Vector Source: TE

TE Project No.: JMG\_TAMP\_15018



Project Location



Figure 3  
2011 Aerial Map

**New Mexico BB State No. 1 Tank Battery**

Date: August 20, 2015

**Timberwolf  
Environmental**

0 100 200 300 400 500 Feet  
**Jay Management, LLC**

 Project Location

Created By: Austin Russell  
TE Project No.: JMGT\_SAMP\_15018  
**Mescalero Field, Lea County, New Mexico**  
NW1/4, SE1/4, Sec 13, T10S, R32E  
Datum: NAD83  
Imagery Source: NAIP  
Vector Source: TE

**Photographic Documentation**



**Photograph 1** – A view of the New Mexico State BB No. 1 Tank Battery sign with oil and produced water spill in background. The photograph was taken by Mark Whitaker of the New Mexico Oil Conservation Division on 01/27/15.

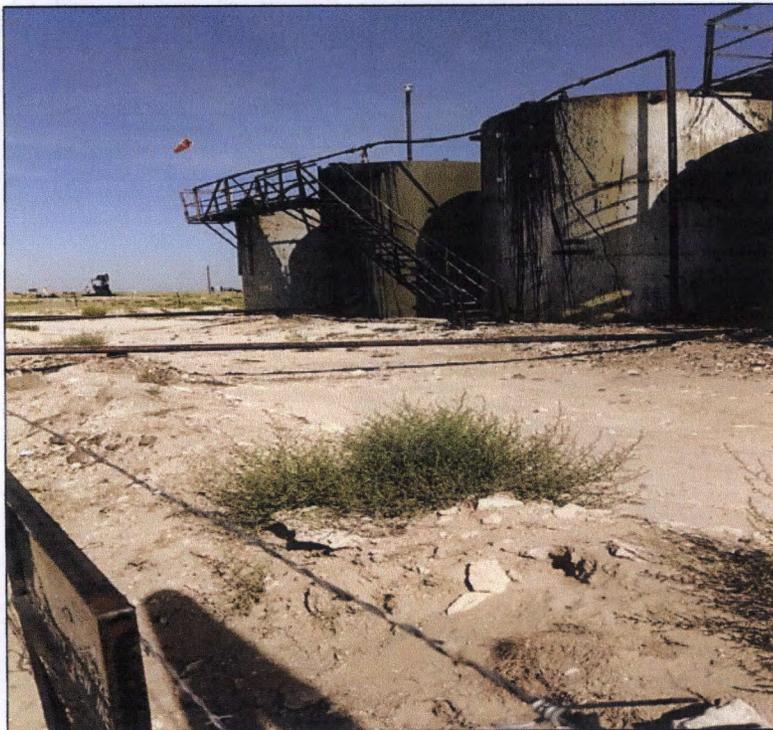


**Photograph 2** – A view of the New Mexico State BB No. 1 after remediation. The photograph was taken by Jay Management personnel.

### Photographic Documentation



**Photograph 3** – A view of the crude oil and produced water spill at the New Mexico State BB No. 1 Tank Battery. The photograph was taken by Mark Whitaker of the New Mexico Oil Conservation Division on 01/27/15.



**Photograph 4** – A second view of the New Mexico State BB No. 1 after remediation. The photograph was taken by Jay Management personnel.