

Penroc Oil Corporation

Oil Conservation Division (OCD) – District 1
1625 N. French Dr.
Hobbs, NM 88240
Attn: Olivia Yu

November 7, 2017

RE: State E 10 Strawn Tank Battery
API No. 30-025-30516

Remediation case No.: 1RP-4802
Unit Letter O, Section 17, T-22-S, R36E, Lea County, NM
Latitude 32.385930 Longitude -103.285105

Dear Ms. Yu,

This letter and supporting documentation is submitted as a work plan for the characterization of impacts associated with the release of crude oil at the State E 10 Strawn Tank Battery located in Lea County, NM. Upon this work plan approval from the OCD, the release characterization work plan will be commenced and the resultant investigation report will be submitted to the OCD.

The goals of this characterization effort are: 1) determination of the lateral and vertical extents along with the magnitude of soil contamination. 2) determine if groundwater or surface waters have been impacted. 3) If groundwater or surface waters have been impacted, what are the extents and magnitude of that impact. 4) The characterization of any other adverse impacts that may have occurred (examples: impacts on vegetation, impacts on wildlife, air quality, loss of use of property, etc.) In meeting these goals, at a minimum, the following items will be addressed:

- Horizontal delineation of soil impacts in each of the four cardinal compass directions. Adsorbed soil contamination will be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C6 thru C36), and for chloride by Method 300. If applicable, other potential contaminants will be analyzed. Soil samples will be taken in both the impacted area and beyond.
- Vertical delineation of soil impacts. Adsorbed soil contamination will be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C6 thru C36), and for chloride by Method 300. If applicable, other potential contaminants will be analyzed. Vertical soil samples will be taken at depth intervals no greater than five feet apart. Lithologic description of the encountered soils will be provided. At least ten vertical feet of soils with contaminant concentration at or below the OCD required value must be demonstrated as existing above the water table.

- Nominal detection limits for field and laboratory analyses will be provided.
- Composite sampling will not occur.
- A statistically significant set of split samples will be submitted for confirmatory laboratory analysis. This will include the laterally farthest and vertically deepest sets of soil samples. At least two soil samples will be submitted for laboratory analysis from each borehole or test pit (highest observed contamination and deepest depth investigated). Copies of actual laboratory results will be provided including chain of custody documentation.
- Probable depth to shallowest protectable groundwater and lateral distance to the nearest surface water will be provided. If there is a reasonable assumption that the depth to protectable water is 50 feet or less, then it will be anticipated at least one groundwater monitoring well will need to be installed in the area of likely maximum contamination.
- If groundwater contamination is encountered, an additional investigation work plan may be required to determine the extents of that contamination.
- Accurately scaled and well-drafted site maps will be provided indicating the location of boring, test pits, monitoring well(s) (if needed), potentially impacted areas, and significant surface features including roads and site infrastructure that might limit either the release characterization or remedial efforts. Digital photographic documentation of the location and fieldwork will be provided.

Please let me know if this release characterization work plan meets your approval. Once this work plan is approved by the OCD, the release characterization work plan will be commenced and the resultant investigation report will be submitted to the OCD.

Please let me know if you have any questions.

Sincerely,



Todd M. Yocham, P.E.

Petroleum Engineer

tyocham@desertproduction.com

432-770-0615 cell

Penroc Oil Corporation
1515 W. Calle Sur, Suite 174
Hobbs, NM 88241

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 April 3, 2017

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

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company: Penroc Oil Corporation	Contact: M.Y. Merchant
Address: 1515 W Calle Sur, Ste 174, Hobbs, NM 88241	Telephone No. 575-492-1236
Facility Name: State E 10 Strawn Tank battery	Facility Type: Tank Battery
Surface Owner: State	Mineral Owner: State of New Mexico
API No. 30-025-30516	

LOCATION OF RELEASE

Unit Letter O	Section 17	Township 22S	Range 36E	Feet from the 330	North/South Line South	Feet from the 660	East/West Line East	County Lea
------------------	---------------	-----------------	--------------	----------------------	---------------------------	----------------------	------------------------	---------------

Latitude 32.385930 Longitude -103.285105 NAD83

NATURE OF RELEASE

Type of Release: Oil	Volume of Release 10 bo	Volume Recovered 5 bo
Source of Release: Oil Tank - picture attached	Date and Hour of Occurrence 08/23/17 6:30 a.m.	Date and Hour of Discovery 8/23/17 7:00 am
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. No	

If a Watercourse was Impacted, Describe Fully.*

No

RECEIVED

By Olivia Yu at 12:16 pm, Sep 06, 2017

Describe Cause of Problem and Remedial Action Taken.*

As the attached picture shows, a hole in the bottom of a 500 bbl oil tank caused the leak. It has been raining heavily before and after the leak. Vacuum truck immediately transferred oil from leaking tank to a good tank.

Describe Area Affected and Cleanup Action Taken.*

2 ft wide, 150 ft long effected. Due to heavy rains before and after the leak, efforts were made to transfer oil from leaking tank to good tank. Oil soaked area was dragged and clean dirt was spread.

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:

Approved by Environmental Specialist:

Printed Name: M.Y. Merchant

Title: President

Approval Date:

9/6/2017

Expiration Date:

E-mail Address: mymerch@penrocoil.com

Conditions of Approval:

see attached directive

Attached ☒

Date: 09/05/2017

Phone: 575-492-1236

fOY1724944823

1RP-4802

nOY1724945103

pOY1724945575

Penroc Oil Corporation

State E 10 Strawn Tank Battery

API No. 30-025-30516

Production Battery

Unit Letter O, Section 17, T-22-S, R36E, Lea County, NM

Latitude 32.385930 Longitude -103.285105

Remediation case No.: 1RP-4802

AND

State E 14

API No. 30-025-30516

Satellite Water Tank Battery

Unit Letter J, Section 17, T-22-S, R36E, Lea County, NM

Latitude 32.388449 Longitude -103.283518

Remediation case No.: 1RP-4819

Penroc Oil Corporation

State E 10 Strawn Tank Battery

API No. 30-025-30516

Production Battery

Unit Letter O, Section 17, T-22-S, R36E, Lea County, NM

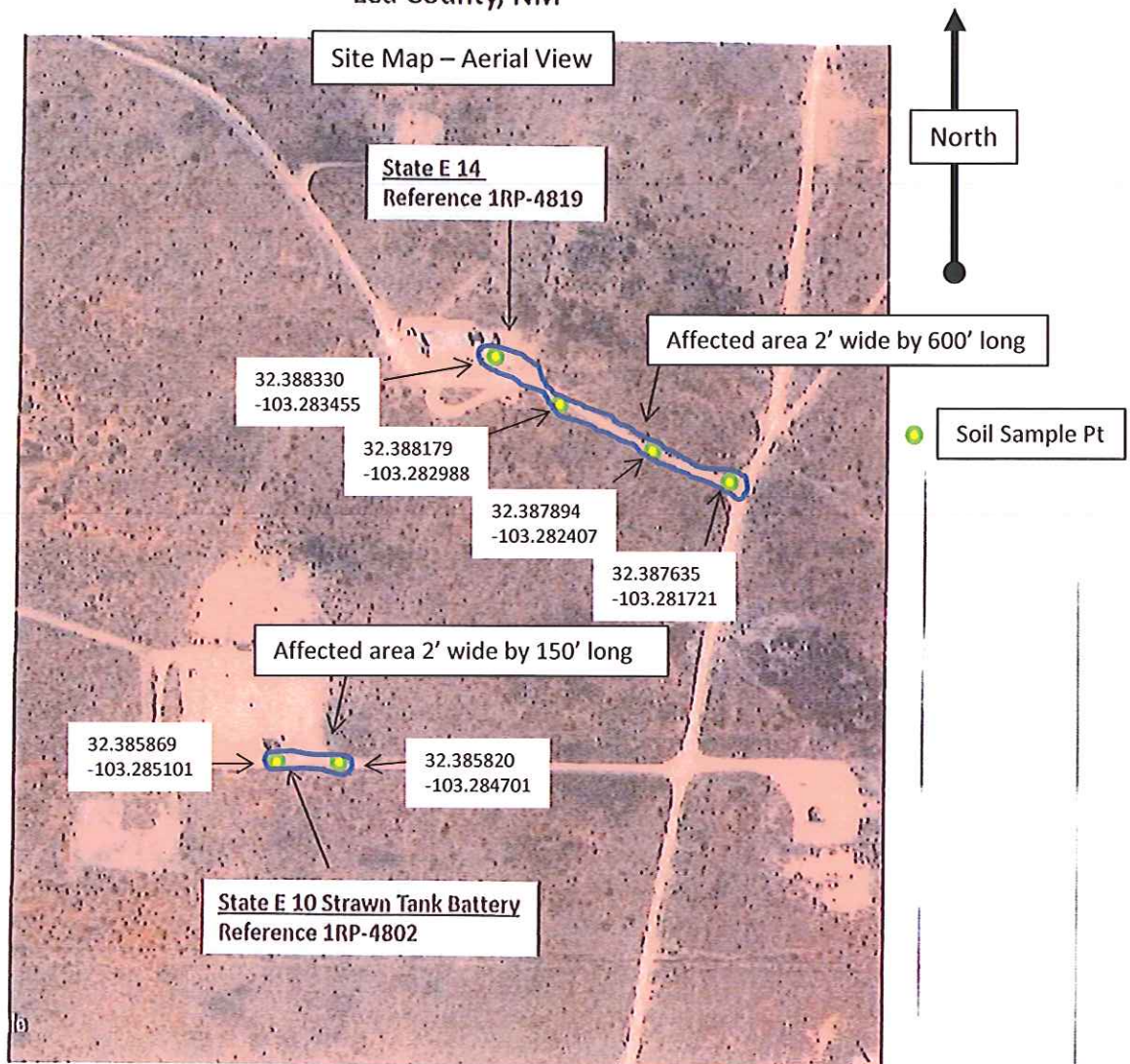
Latitude 32.385930 Longitude -103.285105

Remediation case No.: 1RP-4802

Penroc Oil Corp

State E Lease

Lea County, NM



Penroc Oil Corporation

State E 14

API No. 30-025-30516

Satellite Water Tank Battery

Unit Letter J, Section 17, T-22-S, R36E, Lea County, NM

Latitude 32.388449 Longitude -103.283518

Remediation case No.: 1RP-4819

