

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 April 3, 2017

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

Name of Company	M & M Energy, LLC	Contact	Micheal McGhee
Address	2409 Ella Lee Lane, Houston, TX 77019	Telephone No.	713-304-1695
Facility Name	State 26-1	Facility Type	Well Pad

Surface Owner	State	Mineral Owner	State of NM	API No.	30-025-41431
---------------	-------	---------------	-------------	---------	--------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
B	26	21S	35E	601	N	2018	E	LEA

Latitude **32.4555626** Longitude **-103.3362961** NAD83

NATURE OF RELEASE

Type of Release	See photos	Volume of Release	Unknown volume	Recovered	0
Source of Release	SWAB UNIT	Date and Hour of Occurrence	5/15 8PM	Date and Hour of Discovery	5/15 8PM
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required				
By Whom?	Date and Hour				
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
If a Watercourse was Impacted, Describe Fully.*	<div style="border: 1px solid black; padding: 5px; text-align: center;"> <p>RECEIVED By <i>CHernandez</i> at 2:27 pm, Jun 11, 2018</p> </div>				
Describe Cause of Problem and Remedial Action Taken.*					

RECEIVED

By *CHernandez* at 2:27 pm, Jun 11, 2018

Describe Cause of Problem and Remedial Action Taken.*
SLIGHT SPRAY OF FLUID FROM BROKEN SWAB UNIT
MISTED TOP OF 3 FOOT DEEP CALICHE PAD
REMOVE DIRT
NOT ENOUGH FLUID TO PICK UP

Describe Area Affected and Cleanup Action Taken.*
20' X 40' LIGHT MIST ON WELLPAD
PICKED IT UP

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:	OIL CONSERVATION DIVISION		
Printed Name: MICHEAL MCGHEE	Approved by Environmental Specialist: <i>CH</i>		
Title: MANAGER	Approval Date: 6/11/2018	Expiration Date:	
E-mail Address: MMCGHEE01@YAHOO.COM	Conditions of Approval:		Attached <input checked="" type="checkbox"/>
Date: 6/11/2018 Phone: 713-304-1695	See attached directive		

* Attach Additional Sheets If Necessary

1RP-5089

pCH1816254151

nCH1816253396

M&M ENERGY, LLC

**STATE 26" #1
SEC. 26 T11S - R35E
UNIT B AP NO. 41431**

















Operator/Responsible Party,

The OCD has received the form C-141 you provided on 6/11/2018 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number 1RP-5089 has been assigned. **Please refer to this case number in all future correspondence.**

It is the Division's obligation under both the Oil & Gas Act and Water Quality Act to provide for the protection of public health and the environment. Our regulations (19.15.29.11 NMAC) state the following,

The responsible person shall complete division-approved corrective action for releases that endanger public health or the environment. The responsible person shall address releases in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with 19.15.30 NMAC. [emphasis added]

Release characterization is the first phase of corrective action unless the release is ongoing or is of limited volume and all impacts can be immediately addressed. Proper and cost-effective remediation typically cannot occur without adequate characterization of the impacts of any release. Furthermore, the Division has the ability to impose reasonable conditions upon the efforts it oversees. **As such, the Division is requiring a workplan for the characterization of impacts associated with this release be submitted to the OCD District 1 office in Hobbs on or before 7/11/2018. If and when the release characterization workplan is approved, there will be an associated deadline for submittal of the resultant investigation report. Modest extensions of time to these deadlines may be granted, but only with acceptable justification.**

The goals of a 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.). To meet these goals as quickly as possible, the following items must, at a minimum, be addressed in the release characterization workplan and subsequent reporting:

- Horizontal delineation of soil impacts in each of the four cardinal compass directions. Adsorbed soil contamination must 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. This is not an exclusive list of potential contaminants. Analyzed parameters should be modified based on the nature of the released substance(s). Soil sampling must be both within the impacted area and beyond.
- Vertical delineation of soil impacts. Adsorbed soil contamination must 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. As above, this is not an exclusive list of potential contaminants and can be modified. Vertical characterization samples should be taken at depth intervals no greater than five feet apart. Lithologic description of encountered soils must also be provided. At least ten vertical feet of soils with contaminant concentrations at or below these values must be demonstrated as existing above the water table.
- Nominal detection limits for field and laboratory analyses must be provided.
- Composite sampling is not generally allowed.
- Field screening and assessment techniques are acceptable (headspace, titration, EC [include algorithm for validation purposes], EM, etc.), but the sampling and assay procedures must be clearly defined. Copies of field notes are highly desirable. A statistically significant set of split samples must be submitted for confirmatory laboratory analysis, including the laterally farthest and vertically deepest sets of soil samples. Make sure there are at least two soil samples submitted

for laboratory analysis from each borehole or test pit (highest observed contamination and deepest depth investigated). Copies of the actual laboratory results must be provided including chain of custody documentation.

- Probable depth to shallowest protectable groundwater and lateral distance to nearest surface water. If there is an estimate of groundwater depth, the information used to arrive at that estimate must be provided. If there is a reasonable assumption that the depth to protectable water is 50 feet or less, the responsible party should anticipate the need for at least one groundwater monitoring well to be installed in the area of likely maximum contamination.

- If groundwater contamination is encountered, an additional investigation workplan may be required to determine the extents of that contamination. Groundwater and/or surface water samples, if any, must be analyzed by a competent laboratory for volatile organic hydrocarbons (typically Method 8260 full list), total dissolved solids, pH, major anions and cations including chloride and sulfate, dissolved iron, and dissolved manganese. The investigation workplan must provide the groundwater sampling method(s) and sample handling protocols. To the fullest extent possible, aqueous analyses must be undertaken using nominal method detection limits. As with the soil analyses, copies of the actual laboratory results must be provided including chain of custody documentation.

- Accurately scaled and well-drafted site maps must be provided providing the location of borings, test pits, monitoring wells, potentially impacted areas, and significant surface features including roads and site infrastructure that might limit either the release characterization or remedial efforts. Field sketches may be included in subsequent reporting, but should not be considered stand-alone documentation of the site's layout. Digital photographic documentation of the location and fieldwork is recommended, especially if unusual circumstances are encountered.

Nothing herein should be interpreted to preclude emergency response actions or to imply immediate remediation by removal cannot proceed as warranted. Nonetheless, characterization of impacts and confirmation of the effectiveness of remedial efforts must still be provided to the OCD before any release incident will be closed.

Jim Griswold

OCD Environmental Bureau Chief
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
505-476-3465
jim.griswold@state.nm.us

From: [Hernandez, Christina, EMNRD](#)
To: "mmcghee01@yahoo.com"
Cc: [Mann, Ryan](#); [Yu, Olivia, EMNRD](#)
Subject: RE: M&M Energy
Date: Monday, June 11, 2018 3:38:00 PM
Attachments: [1RP-5089.pdf](#)

Dear Mr. McGhee:

The 1RP for this incident is

5089	6/11/2018	A	M&M Energy	State 26-1	30-025-41431	21S-35E-26 B	5/15/2018
-------------	-----------	---	------------	------------	--------------	-----------------	-----------

Please remember to include this 1RP identifier to all communications. Also, please be advised that a release characterization/delineation workplan as detailed in the attachment must be approved by NMOCD BEFORE any remediation work.

NMOCD database indicates State surface and mineral ownerships. NMSLO can verify. Please include SLO in all further communications and report submittals.

Thanks,

Christina Hernandez
EMNRD-OCD
Environmental Specialist
1625 N. French Drive
Hobbs, NM 88240
575-393-6161 x111
Christina.Hernandez@state.nm.us

OCD approval does not relieve the operator of liability should their operations fail to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

From: Micheal McGhee <mmcghee01@yahoo.com>
Sent: Monday, June 11, 2018 1:06 PM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Subject: Re: M&M Energy

HERE YOU GO

On Monday, June 11, 2018, 11:15:39 AM CDT, Micheal McGhee <mmcghee01@yahoo.com> wrote:

I have. She says I still have to file the c-141

She's not listening at all

[Sent from Yahoo Mail for iPhone](#)

On Monday, June 11, 2018, 10:03 AM, jamesbruc@aol.com wrote:

I would just respond and state what you just told me.

-----Original Message-----

From: Micheal McGhee <mmcghee01@yahoo.com>
To: James Bruce <jamesbruc@aol.com>
Sent: Mon, Jun 11, 2018 9:55 am
Subject: Fw: FW: M&M Energy

Jim. We determined the spill was less than 5 bbls. Sussposedly not enough to report.

What happens if they issue a letter of violation?

[Sent from Yahoo Mail for iPhone](#)

Begin forwarded message:

On Monday, June 11, 2018, 7:32 AM, Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> wrote:

Good morning Mr. McGhee:

The initial C-141 of the reportable release that occurred on May 16, 2018 at State 26 #1 (30-025-41431) is still outstanding. Please be advised that NMOCD will issue a Letter of Violation to the Responsible Operator if the C-141 form is not submitted today, June 11, 2018 by 4 pm.

NMSLO may have additional concerns and stipulations.

Thanks,

Olivia Yu
Environmental Specialist
NMOCD, District I
Olivia.yu@state.nm.us
575-393-6161 x113

OCD approval does not relieve the operator of liability should their operations fail to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

From: Yu, Olivia, EMNRD
Sent: Monday, June 4, 2018 1:42 PM
To: 'Micheal McGhee' <mmcghee01@yahoo.com>
Cc: 'rmann@slo.state.nm.us' <rmann@slo.state.nm.us>; Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us>
Subject: RE: FW: M&M Energy

Mr. McGhee:

Please be advised a C-141 is still required for the below release. Currently, the Responsible Operator is not in compliance.

Thanks,
Olivia

From: Yu, Olivia, EMNRD
Sent: Friday, June 1, 2018 7:16 AM
To: 'Micheal McGhee' <mmcghee01@yahoo.com>
Cc: 'rmann@slo.state.nm.us'; Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us>
Subject: RE: FW: M&M Energy

Mr. McGhee:

Please clarify the below statement. Also, please provide calculations and photo document for the volume estimation. NMOCD assessed the release as of a reportable volume. Please see the attachment for photographic evidence.

Please be advised that all communications and report submittals must include NMSLO as this release occurred on State surface and mineral ownerships.

Thanks,
Olivia

From: Micheal McGhee <mmcghee01@yahoo.com>
Sent: Thursday, May 31, 2018 4:25 PM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Subject: Re: FW: M&M Energy

Ms Yu

While I'm sure your photo documentation will provide an areal extent. I'm also pretty sure it doesn't indicate just a surface must b

We calculated less than 5 bbl. please provide what you can to establish > 5

[Sent from Yahoo Mail for iPhone](#)

On Thursday, May 31, 2018, 4:59 PM, Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> wrote:

Mr. McGhee:

NMOCD has photo documentation indicating that the release is of reportable limit. If otherwise, please provide documentation. The C-141 is still expected electronically.

Thanks,
Olivia

From: Micheal McGhee <mmcghee01@yahoo.com>
Sent: Thursday, May 31, 2018 2:12 PM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Subject: Re: FW: M&M Energy

Dear Ms. Yu,

Please be advised that the report we assumed was valid is not.

It was determined this incident was less than 5 bbl.

Therefore we would like to withdraw this report.

Thank you for your time and attention to this matter.

Sincerely,

Micheal McGhee

On Thursday, May 31, 2018, 3:07:06 PM CDT, Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> wrote:

Dear Mr. McGhee:

Please be advised that per NMAC 19.15.29, the C-141 form is due today, May 31, 2018 for the below release. Please submit the initial C-141 by 4 pm MST.

Thanks,

Olivia Yu
Environmental Specialist
NMOCD, District I
Olivia.yu@state.nm.us
575-393-6161 x113

OCD approval does not relieve the operator of liability should their operations fail to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

From: Brown, Maxey G, EMNRD
Sent: Thursday, May 17, 2018 1:42 PM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Subject: RE: M&M Energy

Forgot 30-025-41431, sec 26 T21S R35E. State 26 #1 M&M Energy, LLC

From: Brown, Maxey G, EMNRD
Sent: Thursday, May 17, 2018 1:39 PM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>

Subject: M&M Energy

Mike McGee 713-304-1695 , 10 +/- bbls oil and water on location. 5/16/2018 8:00am reported on 5/17/2018 1:30pm. Will send you an email and attach C-141.

Maxey G. Brown
EMNRD-OCD
District I Supervisor
1625 N. French Drive
Hobbs, NM 88240
575-393-6161 ext. 102
maxeyg.brown@state.nm.us

 Virus-free. www.avg.com