NM OIL CONSERVATION

State of New Mexico

District 1
1625 N. French Dr., Hobbs, NM 88240
District II

DIF C 2 9 2016 DEC 2 9 2016 Energy Minerals and Natural Resources

Form C-141 Revised August 8, 2011

811 S. First St., Artesia, NM 88210 District III

1000 Rio Brazos Road, Aztec, NM 87410 District IV RECEIVED
1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division 1220 South St. Francis Dr. Submit 1 Copy to appropriate District Office in accordance with 19,15.29 NMAC.

Santa Fe, NM 87505 Palanca Natification and Corrective Action

Release Nothication and Corrective Action													
MARIT	1004	10434	(OPERATOR Initial Repo					П	Final Report			
Name of Company Oxy Permian Ltd. /46946						Contact Casey Summers							
Address I		94; Houston	-	Telephone No. (575) 513-8289									
Facility Nar	ne Sund	lance 8 Fede	ral#1 C7	ТВ		Facility Type Battery							
Surface Ow	ner BLI	м)wner	API No. 30-015-27228									
LOCATION OF RELEASE													
Unit Letter	Section	Township	Range	Feet from the		South Line	Feet from the	East/West Line County					
c	8	24S	31E					Eddy					
Latitude <u>N 32,23798</u> Longitude <u>W 103.80333</u>													
NATURE OF RELEASE													
Type of Rele	ase Oil			IVAI	JRE	Volume of Release 13 bbls Volume Recovered 3 bbls							
Source of Release Bleeder valve on the circulating pump was left open													
Specific Control of the Control of t							12/11/2016						
Was Immediate Notice Given? ☐ Yes ☐ No ☐ Not Required						If YES, To Whom? Mike Bratcher, Heather Patterson- NMOCD; Shelly Tucker- BLM							
By Whom? Kathy Purvis @ BBC International Inc.						Date and Hour 12/13/2016 @ 11:37 am							
Was a Watercourse Reached?							If YES, Volume Impacting the Watercourse.						
☐ Yes ⊠ No													
If a Watercourse was Impacted, Describe Fully.*													
Describe Cause of Problem and Remedial Action Taken.*													
The bleeder valve on the circulating pump was left open spilling 13 bbls of oil on location. A vacuum truck recovered 3 bbls of oil and the valve was closed.													
Describe Area Affected and Cleanup Action Taken.*													
The affected	oran ic nom	ovimetalu 250	n' v 40' o	location Dama	diation u	ill ha comple	stad in aggordance	with an	oppeased	rama/listic	n nlon (rom.	
The affected area is approximately 250' x 40' on location. Remediation will be completed in accordance with an approved remediation plan from NMOCD and the BLM.													
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													
. .	-11/4-					$\frac{1}{\sqrt{1}}$							
Signature:	m					Approved by Environmental Specialist:							
Printed Name	: Case	Summers			'								
Title: NM Environmental Advisor							Approval Date: 1417 Expiration Date: N/A						
			AP11										
E-mail Addro		y_Summers@		Conditions of Approval: See Attached Attached Attached									
Date: 12	-29-1	6	Phone	(575) 513-828	39	SCC	VCC CV	,					

* Attach Additional Sheets If Necessary

JRP-4054

Operator/Responsible Party,

The OCD has received the form C-141 you provided on 12/29/16 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number 2RP-4054 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 <u>division-approved corrective action</u> 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 II office in Artesia on or before 2/3/17. 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

Weaver, Crystal, EMNRD

From: Kathy Purvis <kathy@bbcinternational.com>

Sent: Thursday, December 29, 2016 8:57 AM

To: Bratcher, Mike, EMNRD; Weaver, Crystal, EMNRD; stucker@blm.gov

Casey_Summers@oxy.com; Jennifer_Hudgens@oxy.com; cbrunson@bbcinternational.com; kswinney@bbcinternational.com; 'Jennifer Gilkey'

Subject: Initial C-141, Sundance 8 Federal #1 CTB

Attachments: Initial C-141, Sundance 8 Federal #1 CTB.pdf

Attached is the initial C-141 for a leak that occurred at the Sundance 8 Federal #1 CTB on 12/11/2016 in Eddy County,

NM. Receipt notification and the RP number via email are greatly appreciated.

Kathy Purvis

BBC International, Inc. 1324 W. Marland Blvd. Hobbs, NM 88240

Business: (575) 397-6388 Cell: (575) 441-8619

kathy@bbcinternational.com