

APR 04 2017

Form C-14
Revised August 8, 20

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

RECEIVED
Submit Copy to appropriate District Office
accordance with 19.15.29 NMA

Release Notification and Corrective Action

NAB1710036047 OPERATOR Initial Report Final Report

Name of Company	Oxy Permian Ltd. <i>192443</i>	Contact	Casey Summers
Address	PO Box 4294; Houston, TX 77210	Telephone No.	(575) 513-8289
Facility Name	MOC SWD #001	Facility Type	SWD
Surface Owner	BLM	Mineral Owner	
		API No.	30-015-21669

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	7	20S	25E					Eddy County, NM

Latitude N 32.58641° Longitude W 104.52663°

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	20 bbls	Volume Recovered	10 bbls
Source of Release	Compromised 4" steel disposal line	Date and Hour of Occurrence	03/15/2017	Date and Hour of Discovery	
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mike Bratcher, Crystal Weaver-NMOCD; Shelly Tucker-BLM		
By Whom?	Jennifer Gilkey @ BBC International	Date and Hour	03/16/2017 @ 4:25 pm		
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.*

Describe Cause of Problem and Remedial Action Taken.*
A compromised steel disposal line caused a leak of 20 bbls of produced water. A vacuum truck recovered 10 bbls of water and the line was repaired.

Describe Area Affected and Cleanup Action Taken.*
The affected area is approximately 200' x 125' on location just south of the wellhead. Remediation will be completed in accordance with a remediation plan approved by both 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.

Signature:		OIL CONSERVATION DIVISION	
Printed Name:	Casey Summers	Signed By <i>Mike Bratcher</i> Approved by Environmental Specialist:	
Title:	NM Environmental Advisor	Approval Date:	4/4/17
E-mail Address:	Casey.Summers@oxy.com	Expiration Date:	N/A
Date:	4-4-17	Conditions of Approval:	See attached
Phone:	(575) 513-8289	Attached	<input checked="" type="checkbox"/>

* Attach Additional Sheets If Necessary

2RP-4163

Operator/Responsible Party,

The OCD has received the form C-141 you provided on 4/4/2017 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number 200-4103 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 2 office in ARTESIA on or before 5/4/2017. 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

Bratcher, Mike, EMNRD

From: Casey_Summers@oxy.com
Sent: Tuesday, April 4, 2017 2:08 PM
To: stucker@blm.gov; Bratcher, Mike, EMNRD; Weaver, Crystal, EMNRD
Cc: cbrunson@bbcinternational.com; kswinney@bbcinternational.com; kathy@bbcinternational.com; Jennifer_Hudgens@oxy.com; jgilkey@bbcinternational.com
Subject: RE: MOC SWD 1 (3-15-2017)
Attachments: Initial C-141, MOC SWD#001.pdf

I Apologize, the file was saved as initial and final but this is only the initial C-141 for the MOC SWD #1. Please see the correctly saved file attached for your records.

Casey Summers
O: (575)-628-4152
C: (575)-513-8289

From: Summers, Casey L
Sent: Tuesday, April 04, 2017 1:55 PM
To: Tucker, Shelly <stucker@blm.gov>; mike.bratcher@state.nm.us; crystal.weaver@state.nm.us
Cc: Cliff Brunson <cbrunson@bbcinternational.com>; Ken Swinney <kswinney@bbcinternational.com>; Kathy Purvis <kathy@bbcinternational.com>; Hudgens, Jennifer A <Jennifer_Hudgens@oxy.com>; 'Jennifer Gilkey' <jgilkey@bbcinternational.com>
Subject: MOC SWD 1 (3-15-2017)

Attached is the initial C-141 for a leak that occurred at the MOC SWD 1 on 03/15/2017 in Eddy County, NM. Receipt notification and the RP number via email are greatly appreciated.

Thanks You

Casey Summers
O: (575)-628-4152
C: (575)-513-8289

From: Jennifer Gilkey [<mailto:jgilkey@bbcinternational.com>]
Sent: Friday, March 17, 2017 2:38 PM
To: Tucker, Shelly <stucker@blm.gov>; mike.bratcher@state.nm.us; crystal.weaver@state.nm.us
Cc: Cliff Brunson <cbrunson@bbcinternational.com>; Ken Swinney <kswinney@bbcinternational.com>; Kathy Purvis <kathy@bbcinternational.com>; Summers, Casey L <Casey_Summers@oxy.com>; Hudgens, Jennifer A <Jennifer_Hudgens@oxy.com>
Subject: [EXTERNAL] RE: MOC SWD 1

The leak date was March 15, 2017.

Jennifer Gilkey
Administrative Manager
BBC International, Inc.
Phone: (575) 397-6388
Fax: (575) 397-0397

E-mail: jgilkey@bbcinternational.com
1324 W. Marland Blvd.
Hobbs, NM 88240

From: Jennifer Gilkey [<mailto:jgilkey@bbcinternational.com>]
Sent: Thursday, March 16, 2017 4:25 PM
To: Tucker, Shelly (stucker@blm.gov); Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>
(mike.bratcher@state.nm.us); 'crystal.weaver@state.nm.us'
Cc: Cliff Brunson ; Ken Swinney; Kathy Purvis ; Casey Summers (casey_summers@Oxy.com);
'Jennifer_Hudgens@oxy.com'
Subject: MOC SWD 1

This is to inform you that Oxy Permian had a leak at the MOC SWD 0001. Oxy spilled 20 bbls of water. The preliminary report shows the leak measuring approximately 25' x 120' on location. The release is located in U/L K of Section 7, T20S, R25E of Eddy County, NM. BBC International will remediate the location at a later date and an initial C-141 will follow. Driving directions: From US285 and White Pine Rd, go 3.9 miles to MOC sign, turn right 0.5 mile to 'Y', turn left on Picket Rd west for 3.1 miles to MOC sign, turn right 1.4 miles, turn right 0.1 mile to dead end at location. API# 30-015-21669 GPS coordinates N 32.58641 W104.52663

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