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

NM OIL CONSERVATION

ARTESIA DISTRICT MAR 02 2017

Form C-141 Revised August 8, 2011

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

State of New Mexico

Energy Minerals and Natural Resources

Submit 1 Copy to appropriate District Office in **RECEIVED**^{accordance} with 19.15.29 NMAC.

Release Notification and Corrective Action OPERATOR Initial Report Final Report Name of Company: CHEVRON USA, INC. Contact: Josepha DeLeon Telephone No.: ofc.575-263-0424; mobile 432-425-1528 Address: 6301 Deauville Blvd., Midland, TX 79706 Facility Name Rustler Bluff 33 Facility Type: Oil Surface Owner: Federal Mineral Owner: Private API No. 30-015-42670 LOCATION OF RELEASE Unit Letter Section North/South Line Township Range Feet from the Feet from the East/West Line County B 33 24S 29E 129 North 2035 East Eddy Latitude: 32.1659313086802 Longitude: 103.987380063379 NATURE OF RELEASE Type of Release: Spill Volume of Release: Volume Recovered: REVISED 37.87 barrels water 36 barrels water 12.62 barrels oil 12. barrels oil Source of Release: Stuffing Box Date and Hour of Occurrence: Date and Hour of Discovery 02/18/2017: 08:00 AM 02/18/2017; 08:00 AM Was Immediate Notice Given? If YES, To Whom? Yes No Not Required NMOCD - Randy Bayliss voicemail and Heather Patterson email follow up BLM - Shelly Tucker By Whom? Josepha DeLeon Date and Hour: 02/18/2017; 12:00 p.m. Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. TYes X No N/A If a Watercourse was Impacted, Describe Fully.* N/A Describe Cause of Problem and Remedial Action Taken.* Spill from stuffing box into secondary containment. - All-Huid-was recovered. Describe Area Affected and Cleanup Action Taken.* Vacuum truck extracted all fluid. 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. Juledem OIL CONSERVATION DIVISION Approved by Environments Becians 11/4 Democration Signature:

Printed Name: Josepha DeLeon	
Title: HES Specialist – Compliance Support - Environmental	Approval Date: 3317 Expiration Date: NA
E-mail Address: jdxd@chevron.com	Conditions of Approval:
Date: 03/01/2017 Phone: 575-263-0424	See attached
Attach Additional Sheets If Necessary	2RP-413F

Operator/Responsible Party,

The OCD has received the form C-141 you provided on $\frac{3/2/17}{3.2}$ regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number $\frac{3P-4135}{3.2}$ 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 2 office in Arcrision + 1 on or before 4/18/17. 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

From: Sent: To: Subject: Bratcher, Mike, EMNRD Thursday, March 2, 2017 8:37 AM 'DeLeon, Josepha'; Weaver, Crystal, EMNRD RE: Rustler Bluff 33 Spill

Josie,

The C-141 indicates the release was in a containment with all fluid recovered. I am not familiar with a containment for the well head area (stuffing box leak) that would hold this volume. If you would, please possibly have one of your field personnel take a photo of the containment and send to me. We may be able to enter this C-141 as Initial/Final and save us all some paperwork.

Thank you,

Mike Bratcher NMOCD District 2 811 South First Street Artesia NM 88210 575-748-1283 Ext 108 mike.bratcher@state.nm.us

From: DeLeon, Josepha [mailto:JDXD@chevron.com] Sent: Wednesday, March 1, 2017 2:59 PM To: Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>; Weaver, Crystal, EMNRD <Crystal.Weaver@state.nm.us> Subject: FW: Rustler Bluff 33 Spill

Attached is the C141 for the Rustler Bluff spill.

Josie DeLeon, HES Specialist -

Compliance Support - Environmental

Chevron - MCBU (New Mexico, East Texas and Ft. Stockton Areas) 1616 W. Bender Blvd. Hobbs, NM 88240 575-263-0424 432-425-1528 - cell jdxd@chevron.com https://www.chevroncontractorsafety.com/contractormcbu/ - CHESM Contractor Website

Green/Red – The Doing Thinker

From:	DeLeon, Josepha <jdxd@chevron.com></jdxd@chevron.com>
Sent:	Thursday, March 2, 2017 9:46 AM
То:	Bratcher, Mike, EMNRD; Weaver, Crystal, EMNRD
Subject:	RE: Rustler Bluff 33 Spill

Mike, Eli (our Production Supervisor in Carlsbad) is obtaining a picture for you. The containment is a unlined berm. He contacted Cliff Brunson with BBC for remediation.

He relayed this message.

 From: Barakat, Eli

 Sent: Thursday, March 02, 2017 8:44 AM

 To: DeLeon, Josepha < JDXD@chevron.com>

 Subject: RE: Rustler Bluff 33 Spill

 I will get you a pic, 1 understand his concern, there was no way to estimate what was sucked in the ground without taking sample

 The vacuum truck is not accurate to be able to tell. You can estimate up to the 10th barrel in a 125 vac truck.

 If you want to send him my response and I am more than happy to provide any more info.

 Thanks!

 Eli Barakat

 Production Supervisor

 Carlsbad Production Team

 MCBU - CNAEP

 3150 East Greene Street

 Carlsbad, New Mexico

 Cell
 (575) 602-2995

Do you think we need to revise "Recovered" amount to allow for saturation??

Let me know if you need more information. As soon as I get the picture, I will forward on. Thank you.

Josie DeLeon, HES Specialist -

Compliance Support - Environmental Chevron - MCBU (New Mexico, East Texas and Ft. Stockton Areas) 1616 W. Bender Blvd. Hobbs, NM 88240 575-263-0424 432-425-1528 - cell

From:Bratcher, Mike, EMNRDSent:Thursday, March 2, 2017 10:03 AMTo:'DeLeon, Josepha'; Weaver, Crystal, EMNRDSubject:RE: Rustler Bluff 33 Spill

Yes, please revise the C-141. There should at least be an estimate of volume recovered. If fluid hits the ground, 100% recovery is not likely.

Thanks,

Mike Bratcher NMOCD District 2 811 South First Street Artesia NM 88210 575-748-1283 Ext 108 mike.bratcher@state.nm.us

From: DeLeon, Josepha [mailto:JDXD@chevron.com] Sent: Thursday, March 2, 2017 9:46 AM To: Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>; Weaver, Crystal, EMNRD <Crystal.Weaver@state.nm.us> Subject: RE: Rustler Bluff 33 Spill

Mike, Eli (our Production Supervisor in Carlsbad) is obtaining a picture for you. The containment is a unlined berm. He contacted Cliff Brunson with BBC for remediation.

He relayed this message.

From:	DeLeon, Josepha <jdxd@chevron.com></jdxd@chevron.com>
Sent:	Thursday, March 2, 2017 3:25 PM
То:	Bratcher, Mike, EMNRD; Tucker, Shelly
Subject:	REVISED: Rustler Bluff 33 Spill
Attachments:	02182017 C141 Rustler Bluff Spill.pdf; Rustler Bluff.jpg

Mike attached is the revised C-141 for the Rustler Bluff 33 Spill. Also attached, as you requested is a picture of the site. Thank you.

Yes, please revise the C-141. There should at least be an estimate of volume recovered. If fluid hits the ground, 100% recovery is not likely.

Thanks,

Mike Bratcher NMOCD District 2 811 South First Street Artesia NM 88210 575-748-1283 Ext 108 mike.bratcher@state.nm.us

From: Bratcher, Mike, EMNRD [<u>mailto:mike.bratcher@state.nm.us</u>] Sent: Thursday, March 02, 2017 8:37 AM To: DeLeon, Josepha <<u>JDXD@chevron.com</u>>; Weaver, Crystal, EMNRD <<u>Crystal.Weaver@state.nm.us</u>> Subject: [**EXTERNAL**] RE: Rustler Bluff 33 Spill

Josie,

The C-141 indicates the release was in a containment with all fluid recovered. I am not familiar with a containment for the well head area (stuffing box leak) that would hold this volume. If you would, please possibly have one of your field personnel take a photo of the containment and send to me. We may be able to enter this C-141 as Initial/Final and save us all some paperwork.

Thank you,

Mike Bratcher NMOCD District 2 811 South First Street