

SEP 18 2017

Form C-141
Revised August 8, 2011

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

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

HOBBS OCD State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

SEP 18 2017

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Release Notification and Corrective Action

NAB17262579162

OPERATOR

Initial Report Final Report

Name of Company <i>Caza Operating LLC</i>	Contact <i>Tony B. Sam</i>
Address <i>200 N. Lorraine St. #1550, Midland, TX 79701</i>	Telephone No. <i>432-682-7424</i>
Facility Name <i>Forehand Ranch 22 State 8H</i>	Facility Type <i>Battery</i>
Surface Owner <i>Ogden Farms & Cattle Company, Inc.</i>	Mineral Owner <i>State of New Mexico</i>
API No. <i>30-015-43555</i>	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	22	23S	27E	2310	south	1980	west	Eddy

Latitude *32.289568* Longitude *-104.180084*

Past due C-141 was due 9/15/17

NATURE OF RELEASE

Type of Release <i>oil</i>	Volume of Release <i>152 bbls</i>	Volume Recovered <i>0</i>
Source of Release <i>Tank battery</i>	Date and Hour of Discovery <i>9/11/17 11:30am</i>	Date and Hour of Discovery <i>9/11/17 11:30am</i>
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>9/11/17 11:30am</i>	<i>cant read</i>
By Whom?	Date and Hour	<i>looks like</i>
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	<i>9/11/17 11:30am</i>

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* *200 bbls were in the tank. A fire started and burned 152 bbls in the tank. 48 bbls were vacuumed out of the tank after the fire was suppressed. Cause is under investigation.*

Describe Area Affected and Cleanup Action Taken.* *6 tanks damaged within the Forehand Ranch 22-8H & 9H central battery. Fire department controlled and suppressed fire within containment. Seen secured. Evidence on seen being preserved for investigation.*

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: <i>Tony B. Sam</i>	OIL CONSERVATION DIVISION	
Printed Name: <i>Tony B. Sam</i>	Approved by Environmental Specialist: <i>Crystal Dunn</i>	
Title: <i>VP Operations</i>	Approval Date: <i>9/19/17</i>	Expiration Date: <i>N/A</i>
E-mail Address: <i>tsam@cazapetro.com</i>	Conditions of Approval: <i>see attached</i>	Attached: <i>22P-4395</i>
Date: <i>09/12/2017</i>	Phone: <i>432-682-7424</i>	

* Attach Additional Sheets If Necessary

Please refer to the New Mexico Oil Conservation Division Website for updated form(s) at:
<http://www.emnrd.state.nm.us/OCD/forms.html>
Thank you

9/18/17

Operator/Responsible Party,

The OCD has received the form C-141 you provided on **9/18/17** regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number ARP-4395 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 II office in Artesia on or before 10/18/17. 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

Weaver, Crystal, EMNRD

From: Yu, Olivia, EMNRD
Sent: Monday, September 18, 2017 12:59 PM
To: Weaver, Crystal, EMNRD; Bratcher, Mike, EMNRD
Cc: agroves@slo.state.nm.us
Subject: initial C141: Caza API 30-015-43555
Attachments: Scanned from a Xerox Multifunction Printer.pdf

Hello All:

This release is in District 2. Several discrepancies:

U/L is K , not C.

Amber: can you verify? RBDMS has the surface as Federal, but E-permitting indicates State surface and mineral. One well file has Federal checked, while another State lease.

Thanks,
Olivia

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

From: OCHOBXWC8045@STATE.NM.US [mailto:OCHOBXWC8045@STATE.NM.US]
Sent: Monday, September 18, 2017 12:52 PM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Subject: Scanned from a Xerox Multifunction Printer

Please open the attached document. It was sent to you using a Xerox multifunction printer.

Attachment File Type: pdf, Multi-Page

Multifunction Printer Location: HOBBS NM
Device Name: OCHOB-XWC8045

For more information on Xerox products and solutions, please visit <http://www.xerox.com>

Weaver, Crystal, EMNRD

From: Griswold, Jim, EMNRD
Sent: Wednesday, September 6, 2017 11:26 AM
To: tsam@cazapetro.com
Cc: Marks, Allison, EMNRD; Cordero, Gilbert, EMNRD; Weaver, Crystal, EMNRD
Subject: Fire at Forehand Ranch 22-8H tank battery

Mr. Sam,

Let me start by expressing OCD's sympathy for the tragic loss and our continuing respect for the difficult and at times dangerous work undertaken by members of the oilfield community. OCD was first made aware on Friday afternoon of the fire by our Deputy Secretary, who was informed by the Governor's Office, who was informed by the Chief of the State Police. Under OCD regulations any release which results in a fire is considered a major release. The person operating or controlling the release or the location of a major release must provide verbal notice to our district office within 24 hours followed by written notice within 15 days. To my knowledge, verbal notice was not provided. Please file written notice using OCD form C-141 no later than September 15th. If you or your staff have any questions, please feel free to contact myself or Crystal Weaver in our Artesia office (575-748-1283 x101). Again, our condolences.

Jim Griswold

Environmental Bureau Chief

Oil Conservation Division

1220 South St. Francis Drive

Santa Fe, New Mexico 87505

505.476.3465

email: jim.griswold@state.nm.us