

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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

Form C-141
Revised August 8, 2011

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

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

| | |
|---|-------------------------------------|
| Name of Company ConocoPhillips Company | Contact Crystal Tafoya |
| Address 3401 East 30th St, Farmington, NM | Telephone No. (505) 326-9837 |
| Facility Name: State E Gas Com 1E | Facility Type: Gas Well |

| | | |
|--------------------------|-------------------------------------|-----------------------------|
| Surface Owner BLM | Mineral Owner State (E-6515) | API No. 30-045-25145 |
|--------------------------|-------------------------------------|-----------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|-------------------------|----------------------|------------------------|---------------------|-----------------------------|----------------------------------|-----------------------------|-------------------------------|---------------------------|
| Unit Letter A | Section 16 | Township 29N | Range 10W | Feet from the 800 | North/South Line North | Feet from the 800 | East/West Line East | County San Juan |
|-------------------------|----------------------|------------------------|---------------------|-----------------------------|----------------------------------|-----------------------------|-------------------------------|---------------------------|

Latitude **36.730999** Longitude **-107.88400**

RCVD HPR 2-14
OIL CONS. DIV.
DIST. 3

NATURE OF RELEASE

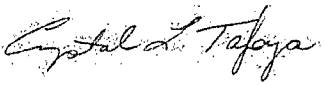
| | | |
|--|---|--|
| Type of Release Produced Water | Volume of Release 30 BBLS | Volume Recovered 20 BBLS |
| Source of Release Pit Tank | Date and Hour of Occurrence Unknown | Date and Hour of Discovery 1/30/2014 at 9:15AM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? BLM (Shari Ketcham) & NMOCD (Jonathan Kelly) | |
| By Whom? Lisa Hunter | Date and Hour 1/31/2014 at 1:28PM | |
| 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.*
N/A

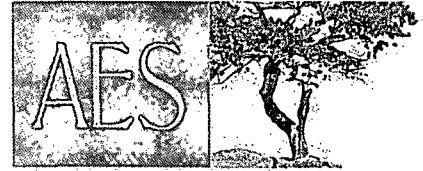
Describe Cause of Problem and Remedial Action Taken.*
Hole in pit tank discovered allowing 30bbbls of produced water to be released. Water hauler contacted and recovered 20bbbls of produced water. Well was immediately shut-in. This release was contained within the berm and did not leave location.

Describe Area Affected and Cleanup Action Taken.*
NMOCD action levels for releases are specified in NMOCD's Guidelines for Leaks, Spills and Releases and the release was assigned a ranking score of 10. Samples were collected and analytical results are below applicable NMOCD action levels. No further work will be performed. The final report is attached for review.

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: Crystal Tafoya | Approved | DENIED <i>Does not have required sample analysis, final closure requires Lab analysis</i> |
| Title: Field Environmental Specialist | Approval | |
| E-mail Address: crystal.tafoya@conocophillips.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 4/1/2014 Phone: (505) 326-9837 | | |

* Attach Additional Sheets If Necessary



Animas Environmental Services, LLC

www.animasenvironmental.com

624 E. Comanche
Farmington, NM 87401
505-564-2281

Durango, Colorado
970-403-3084

March 20, 2014

Crystal Tafoya
ConocoPhillips
San Juan Business Unit
Office 214-05
5525 Hwy 64
Farmington, New Mexico 87401

Via electronic mail to:

SJBUE-Team@ConocoPhillips.com

**RE: Release Assessment Report
State E Gas Com #1E
San Juan County, New Mexico**

Dear Ms. Tafoya:

On February 6, 2014, Animas Environmental Services, LLC (AES) completed a release assessment at the ConocoPhillips (CoP) State E Gas Com #1E, located in San Juan County, New Mexico. The release consisted of approximately 30 barrels (bbls) of produced water from the below grade tank (BGT) at the location, of which 20 bbls of produced water were recovered.

1.0 Site Information

1.1 Location

Location – NE¼ NE¼, Section 16, T29N, R10W, San Juan County, New Mexico
Well Head Latitude/Longitude – N36.73132 and W107.88417, respectively
Release Location Latitude/Longitude – N36.73098 and W107.88416, respectively
Land Jurisdiction – State of New Mexico
Figure 1. Topographic Site Location Map
Figure 2. Aerial Site Map, February 2014

1.2 NMOCD Ranking

In accordance with New Mexico Oil Conservation Division (NMOCD) release protocols, action levels were established per NMOCD *Guidelines for Remediation of Leaks, Spills, and Releases* (August 1993) prior to site work. The release was given a ranking score of 10 based on the following factors:

- **Depth to Groundwater:** No groundwater data was available for this location. Based on topographical interpretation, Global Position System (GPS) elevation readings, and visual reconnaissance, depth to groundwater at the site was estimated to be greater than 100 feet below ground surface (bgs). (0 points)
- **Wellhead Protection Area:** The release location is not within a wellhead protection area. (0 points)
- **Distance to Surface Water Body:** An unnamed wash which discharges to the wash in Slane Canyon is located approximately 740 feet northwest of the location. (10 points)

1.3 Assessment

AES was initially contacted by Crystal Tafoya of CoP on February 3, 2014, and on February 6, 2014, Debbie Watson and Jesse Sprague of AES completed the release assessment field work. The assessment included collection and field screening of four soil samples from three soil borings around the release area. Soil borings were terminated between 5 and 6 feet. Sample locations are shown on Figure 3.

2.0 Soil Sampling

A total of four soil samples from three borings (SB-1 through SB-3) were collected during the assessment. All soil samples were field screened for volatile organic compounds (VOCs), and selected samples were analyzed for total petroleum hydrocarbons (TPH).

2.1 Field Screening

2.1.1 Volatile Organic Compounds

Field screening for VOC vapors was conducted with a photo-ionization detector (PID) organic vapor meter (OVM). Before beginning field screening, the PID-OVM was first calibrated with 100 parts per million (ppm) isobutylene gas.

2.1.2 Total Petroleum Hydrocarbons

Field TPH samples were analyzed per U.S. Environmental Protection Agency (USEPA) Method 418.1 using a Buck Scientific Model HC-404 Total Hydrocarbon Analyzer Infrared Spectrometer (Buck). A 3-point calibration was completed prior to conducting soil analyses. Field analytical protocol followed AES's *Standard Operating Procedure: Field Analysis Total Petroleum Hydrocarbons per EPA Method 418.1*.

2.2 Field Screening Results

On February 6, 2014, release assessment field screening results for VOCs via OVM showed concentrations ranging from 10 ppm in SB-1 up to 36.7 ppm in SB-3. Field TPH

concentrations ranged from less than 20.0 mg/kg in SB-2 and SB-3 up to 31.3 mg/kg in SB-1. Results are included below in Table 1 and on Figure 3. The AES Field Screening Report is attached.

Table 1. Field Screening VOCs and TPH Results
State E Gas Com #1E Release Assessment, February 2014

| <i>Sample ID</i> | <i>Date Sampled</i> | <i>Sample Depth (ft bgs)</i> | <i>VOCs via OVM (ppm)</i> | <i>Field TPH (mg/kg)</i> |
|----------------------------|---------------------|------------------------------|---------------------------|--------------------------|
| <i>NMOCD Action Level*</i> | | | <i>100</i> | <i>1,000</i> |
| SB-1 | 2/6/14 | 5 | 10.0 | NA |
| | | 6 | 24.0 | 31.3 |
| SB-2 | 2/6/14 | 5 | 29.3 | <20.0 |
| SB-3 | 2/6/14 | 5 | 36.7 | <20.0 |

NA – not analyzed

*Action level determined by the NMOCD ranking score per *NMOCD Guidelines for Remediation of Leaks, Spills, and Releases* (August 1993)

3.0 Conclusions and Recommendations

On February 6, 2014, AES conducted a release assessment of produced water impacted soils associated with a release from the onsite BGT at the State E Gas Com #1E. Action levels for releases are determined by the NMOCD ranking score per *NMOCD Guidelines for Remediation of Leaks, Spills, and Releases* (August 1993), and the site was assigned a rank of 10.

Release assessment field screening results were below NMOCD action levels of 100 ppm VOC and 1,000 mg/kg TPH for all samples. The highest VOC concentration was reported in SB-3 with 36.7 ppm, and the highest TPH concentration was reported in SB-1 with 31.3 mg/kg.

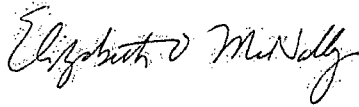
Based on field screening results of the release assessment at the State E Gas Com #1E, VOCs and TPH concentrations were below applicable NMOCD action levels. No further work is recommended.

If you have any questions about this report or site conditions, please do not hesitate to contact Deborah Watson at (505) 564-2281.

Sincerely,



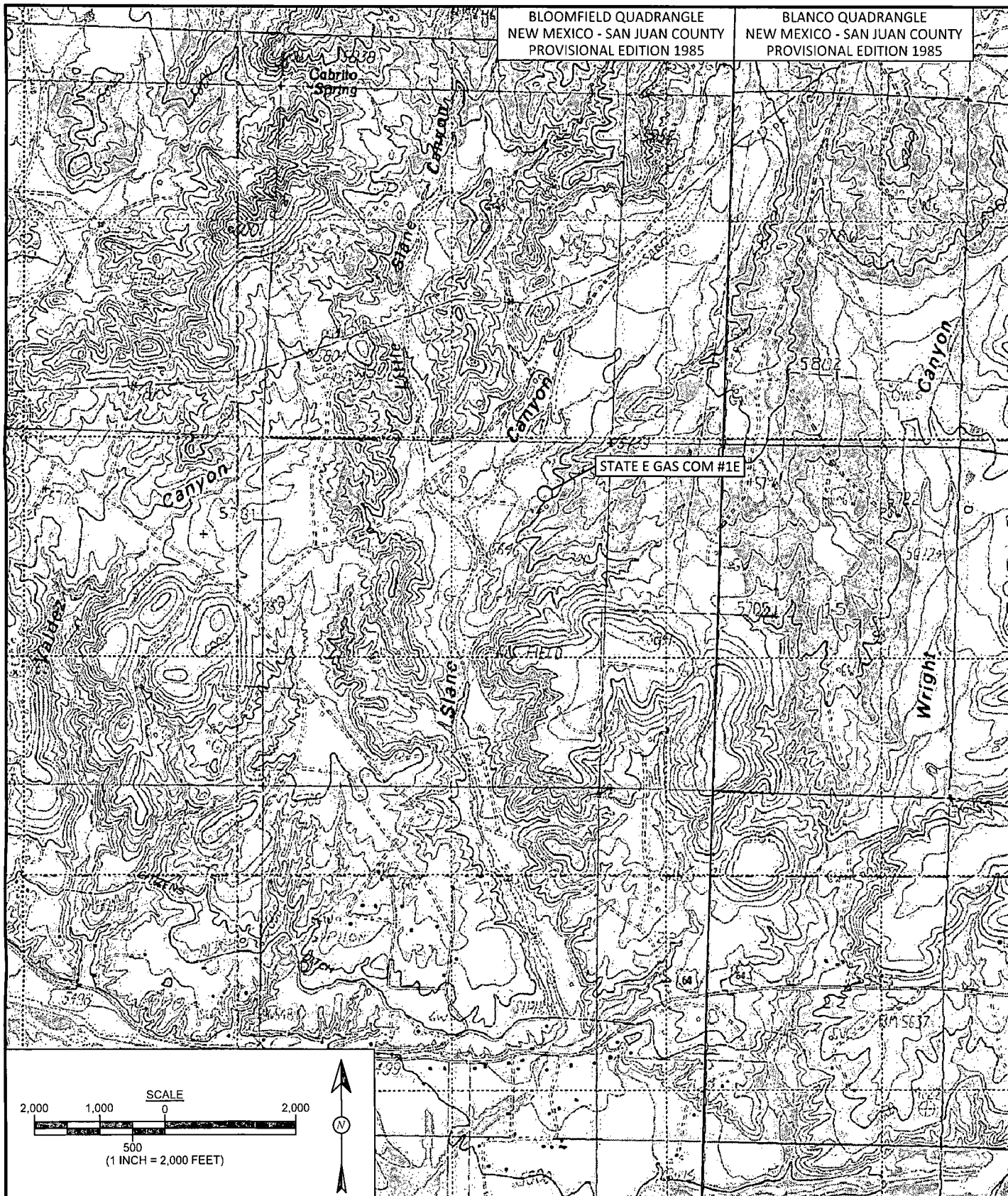
Jesse Sprague
Staff Geologist



Elizabeth McNally, PE

Attachments:

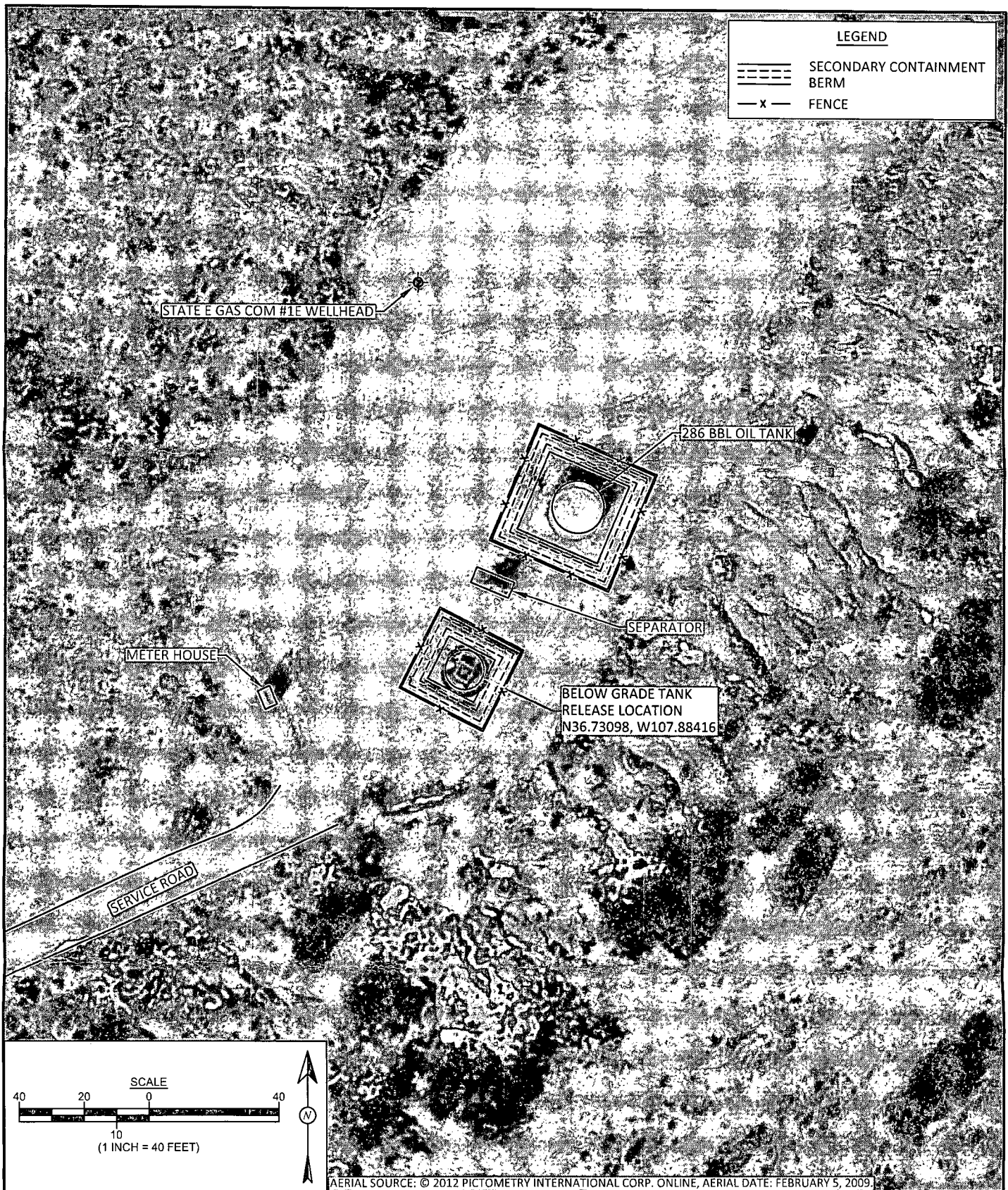
- Figure 1. Topographic Site Location Map
- Figure 2. Aerial Site Map, February 2014
- Figure 3. Release Assessment Sample Locations and Results, February 2014
- AES Field Screening Report 020614



Animas Environmental Services, LLC

| | |
|------------------------------------|---|
| DRAWN BY: S. Glasses | DATE DRAWN: February 7, 2014 |
| REVISIONS BY: C. Lameman | DATE REVISED: March 18, 2014 |
| CHECKED BY: D. Watson | DATE CHECKED: March 18, 2014 |
| APPROVED BY: E. McNally | DATE APPROVED: March 18, 2014 |

TOPOGRAPHIC SITE LOCATION MAP
ConocoPhillips
STATE E GAS COM #1E
NE¼, NE¼, SECTION 16, T29N, R10W
SAN JUAN COUNTY, NEW MEXICO
N36.73132, W107.88417



Animas Environmental Services, LLC

| | |
|------------------------------------|---|
| DRAWN BY: S. Glasses | DATE DRAWN: February 7, 2014 |
| REVISIONS BY: C. Lameman | DATE REVISED: March 18, 2014 |
| CHECKED BY: D. Watson | DATE CHECKED: March 18, 2014 |
| APPROVED BY: E. McNally | DATE APPROVED: March 18, 2014 |

FIGURE 2

AERIAL SITE MAP FEBRUARY 2014

ConocoPhillips
STATE E GAS COM #1E
NE¼, NE¼, SECTION 16, T29N, R10W
SAN JUAN COUNTY, NEW MEXICO
N36.73132, W107.88417

STATE E GAS COM #1E WELLHEAD

| Field Screening Results | | | | |
|-------------------------|--------|------------|---------------|-------------|
| Sample ID | Date | Depth (ft) | OVM-PID (ppm) | TPH (mg/kg) |
| NMOC ACTION LEVEL | | | 100 | 1,000 |
| SB-1 | 2/6/14 | 5 | 10.0 | NA |
| | | 6 | 24.0 | 31.3 |
| SB-2 | 2/6/14 | 5 | 29.3 | <20.0 |
| SB-3 | 2/6/14 | 5 | 36.7 | <20.0 |
| NA - NOT ANALYZED | | | | |

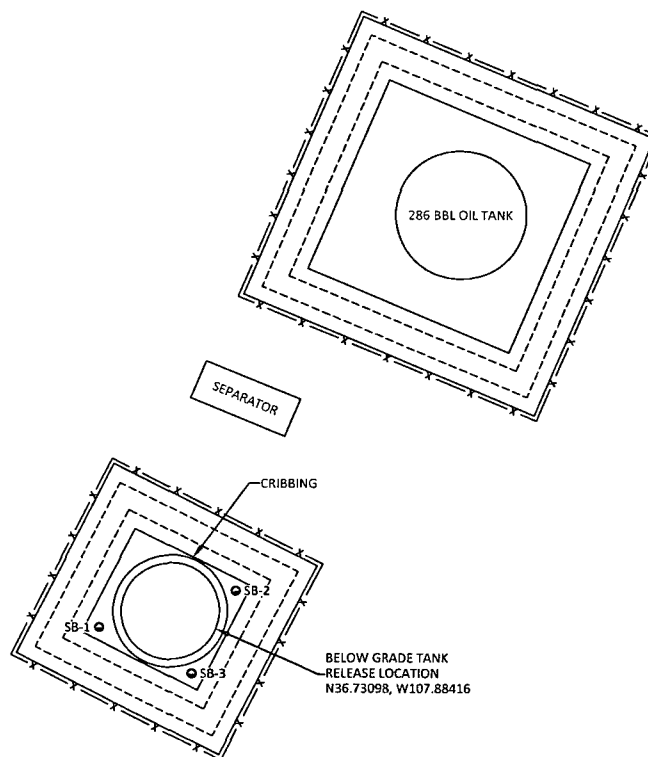


FIGURE 3

RELEASE ASSESSMENT SAMPLE LOCATIONS AND RESULTS
FEBRUARY 2014
 ConocoPhillips
 STATE E GAS COM #1E
 NE¼ NE¼, SECTION 16, T29N, R10W
 SAN JUAN COUNTY, NEW MEXICO
 N36.73132, W107.88417

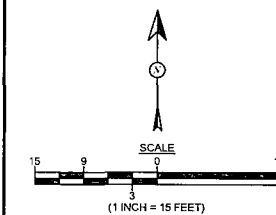


Animas Environmental Services, LLC

| | |
|------------------------------------|---|
| DRAWN BY: C. Lameman | DATE DRAWN: February 7, 2014 |
| REVISIONS BY: C. Lameman | DATE REVISED: March 18, 2014 |
| CHECKED BY: D. Watson | DATE CHECKED: March 18, 2014 |
| APPROVED BY: E. McNally | DATE APPROVED: March 18, 2014 |

LEGEND

- SAMPLE LOCATIONS
- ===== SECONDARY CONTAINMENT BERM
- x - FENCE



AES Field Screening Report

Client: ConocoPhillips

Project Location: State E Gas Com #1E

Date: 2/6/2014

Matrix: Soil



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| Sample ID | Collection Date | Time of Sample Collection | Sample Location | OVM (ppm) | Field TPH Analysis Time | Field TPH* (mg/kg) | TPH PQL (mg/kg) | DF | TPH Analysts Initials |
|-----------|-----------------|---------------------------|-----------------|-----------|-------------------------|--------------------|-----------------|----|-----------------------|
| SB-1 @ 5' | 2/6/2014 | 13:04 | SW Corner | 10.0 | Not Analyzed for TPH | | | | |
| SB-1 @ 6' | 2/6/2014 | 13:05 | SW Corner | 24.0 | 13:49 | 31.3 | 20.0 | 1 | DAW |
| SB-2 @ 5' | 2/6/2014 | 13:08 | NE Corner | 29.3 | 13:43 | 17.2 | 20.0 | 1 | DAW |
| SB-3 @ 5' | 2/6/2014 | 13:15 | SE Corner | 36.7 | 13:56 | 16.0 | 20.0 | 1 | DAW |

DF Dilution Factor

NA Not Analyzed

ND Not Detected at the Reporting Limit

PQL Practical Quantitation Limit

*Field TPH concentrations recorded may be below PQL.

Total Petroleum Hydrocarbons - USEPA 418.1

Analyst:

Debrah Wata