

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

Form C-141
Revised August 8, 2011

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

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company – Thompson Engineering & Production	Contact – Vern Andrews	
Address – 7415 East Main St., Farmington, NM 87410	Telephone No. – 505-327-4892 or 505-320-1763 (cell)	
Facility Name – Charley # 2	Facility Type – Producing Oil Well	
Surface Owner - NAPI	Mineral Owner - Navajo	API No. – 30-045-25940

LOCATION OF RELEASE

Unit Letter O	Section 21	Township 27N	Range 13W	Feet from the 490'	North/South Line South	Feet from the 1850'	East/West Line East	County San Juan
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Latitude N36.554856 Longitude W108.221704

NATURE OF RELEASE

Type of Release – Crude Oil	Volume of Release – 130.49 bbls	Volume Recovered - 0
Source of Release – Production Oil Tank	Date and Hour of Occurrence – 4/2 – 4/5/16	Date and Hour of Discovery 4/6/16 @ 1400 hrs
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Left voice message @ 5 pm for NMOCD Aztec office on 4/6/16 Left voice message @ 10 am at Farmington BLM office for Katrina Dicmer	
By Whom? Vern Andrews	Date and Hour – Appx. 5 pm to NMOCD Aztec office	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. NA	
If a Watercourse was Impacted, Describe Fully.* NA		

OIL CONS. DIV DIST. 3

MAY 18 2016

Describe Cause of Problem and Remedial Action Taken.*

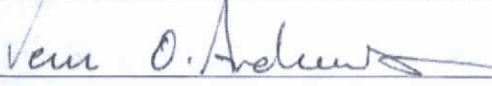

4-6-16 - Drain valve on production oil tank failed. Russell McQuitty found valve sealed in the closed position with oil drained to the 56 bbl water tank which overflowed and filled the containment around the water tank, filling it about ¾ full of oil. Oil then found a mousehole in the dirt containment and flowed throw it onto the well pad. Oil contamination was approximately 80 feet long and 25 feet wide outside of the water tank containment. Tank level prior to leak was 16'-9" – 336.27 bbls in the single oil tank on the well # 64239. Russell immediately notified his supervisors and then called a vacuum truck and pulled all oil from the water tank and all standing oil that we could recover around the water tank then pulled all oil from the oil tank and moved it to the adjacent well, the Charley J # 1 oil tank #62472 which only had 4'-2" in it so we could minimize the risk of more oil leaking and replace the drain valve on the Charley # 2 oil tank. We replaced the oil tank drain valve on 4-7-16 and moved all oil back to the Charley # 2, ending with a final gauge of 10'-3" – 205.78 bbls. We began excavating the contaminated soil and hauling it to Envirotech's landfarm facility on 4/7/16. 688 yards of crude oil contaminated soil was hauled to Envirotech's Landfarm for reclamation. Site excavated and sampled to levels determined to be below a site assessment ranking of zero.

Describe Area Affected and Cleanup Action Taken.*

Area affected was between the water drain tank and the pump unit, an area 80 feet long by 25 feet wide, and the area inside of the water drain tank containment walls, appx. 20'x20'. Soil was excavated to a depth that spot samples with a PID head space analyzer determined levels of contamination were lower than TPH site rankings required (< 5000 ppm). Composite side and bottom samples were taken and witnessed by NMOCD – Vanessa Fields and transported to Envirotech's lab for analysis with proper chain of custody procedure followed. Analytical results returned side composite sample – BTEX (EPA 8021) – ND, TPH (418.1) – 138 ppm, bottom composite sample - BTEX (EPA 8021) – ND, TPH (418.1) – 270 ppm. Permission to backfill the excavated area was granted by NMOCD on April 29th and Farmington BLM on May 2, 2016. Backfilling with virgin soil from Envirotech and replacement of surface facilities was complete and the Charley # 2 well was put back online May 6, 2016.

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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: 		<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Vern O. Andrews		Approved by Environmental Specialist: 	
Title: Production Superintendent		Approval Date: 5/19/2016	Expiration Date:
E-mail Address: vern@walsheng.net		Conditions of Approval: —	Attached <input type="checkbox"/>
Date: 5/16/16 Phone: 505-327-4892			

* Attach Additional Sheets If Necessary

NVF 1613942281



Analytical Report

Report Summary

Client: Walsh Engineering
Chain Of Custody Number:
Samples Received: 4/18/2016 10:25:00AM
Job Number: 07173-0001
Work Order: P604056
Project Name/Location: Charley #2

Report Reviewed By:

A handwritten signature in black ink, appearing to read 'Walter Hinchman', followed by a checkmark.

Date: 4/26/16

Walter Hinchman, Laboratory Director

A handwritten signature in black ink, appearing to read 'Tim Cain'.

Date: 4/26/16

Tim Cain, Quality Assurance Officer

The results in this report apply to the samples submitted to Envirotech's Analytical Laboratory and were analyzed in accordance with the chain of custody document supplied by you, the client, and as such are for your exclusive use only. The results in this report are based on the sample as received unless otherwise noted. Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc. If you have any questions regarding this analytical report, please don't hesitate to contact Envirotech's Laboratory Staff.



Walsh Engineering
7415 E Main St.
Farmington NM, 87402

Project Name: Charley #2
Project Number: 07173-0001
Project Manager: Vern Andrews

Reported:
26-Apr-16 17:02

Analytical Report for Samples

Client Sample ID	Lab Sample ID	Matrix	Sampled	Received	Container
Side Comp	P604056-01A	Soil	04/18/16	04/18/16	Glass Jar, 4 oz.
	P604056-01B	Soil	04/18/16	04/18/16	Glass Jar, 4 oz.
Base Comp	P604056-02A	Soil	04/18/16	04/18/16	Glass Jar, 4 oz.
	P604056-02B	Soil	04/18/16	04/18/16	Glass Jar, 4 oz.

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5796 US Highway 64, Farmington, NM 87401

Three Springs • 65 Mercado Street, Suite 115, Durango, CO 81301

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laboratory@envirotech-inc.com



Walsh Engineering
7415 E Main St.
Farmington NM, 87402

Project Name: Charley #2
Project Number: 07173-0001
Project Manager: Vern Andrews

Reported:
26-Apr-16 17:02

Side Comp
P604056-01 (Solid)

Analyte	Result	Reporting		Dilution	Batch	Prepared	Analyzed	Method	Notes
		Limit	Units						
Volatile Organics by EPA 8021									
Benzene	ND	0.10	mg/kg	1	1617002	04/18/16	04/18/16	EPA 8021B	
Toluene	ND	0.10	mg/kg	1	1617002	04/18/16	04/18/16	EPA 8021B	
Ethylbenzene	ND	0.10	mg/kg	1	1617002	04/18/16	04/18/16	EPA 8021B	
p,m-Xylene	ND	0.20	mg/kg	1	1617002	04/18/16	04/18/16	EPA 8021B	
o-Xylene	ND	0.10	mg/kg	1	1617002	04/18/16	04/18/16	EPA 8021B	
Total Xylenes	ND	0.10	mg/kg	1	1617002	04/18/16	04/18/16	EPA 8021B	
Total BTEX	ND	0.10	mg/kg	1	1617002	04/18/16	04/18/16	EPA 8021B	
Surrogate: 4-Bromochlorobenzene-PID		102 %		50-150	1617002	04/18/16	04/18/16	EPA 8021B	
Total Petroleum Hydrocarbons by 418.1									
Total Petroleum Hydrocarbons	138	40.0	mg/kg	1	1617036	04/22/16	04/22/16	EPA 418.1	

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Walsh Engineering 7415 E Main St. Farmington NM, 87402	Project Name: Charley #2 Project Number: 07173-0001 Project Manager: Vern Andrews	Reported: 26-Apr-16 17:02
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Base Comp
P604056-02 (Solid)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
<u>Volatile Organics by EPA 8021</u>									
Benzene	ND	0.10	mg/kg	1	1617002	04/18/16	04/18/16	EPA 8021B	
Toluene	ND	0.10	mg/kg	1	1617002	04/18/16	04/18/16	EPA 8021B	
Ethylbenzene	ND	0.10	mg/kg	1	1617002	04/18/16	04/18/16	EPA 8021B	
p,m-Xylene	ND	0.20	mg/kg	1	1617002	04/18/16	04/18/16	EPA 8021B	
o-Xylene	ND	0.10	mg/kg	1	1617002	04/18/16	04/18/16	EPA 8021B	
Total Xylenes	ND	0.10	mg/kg	1	1617002	04/18/16	04/18/16	EPA 8021B	
Total BTEX	ND	0.10	mg/kg	1	1617002	04/18/16	04/18/16	EPA 8021B	
<i>Surrogate: 4-Bromochlorobenzene-PID</i>		103 %		50-150	1617002	04/18/16	04/18/16	EPA 8021B	
<u>Total Petroleum Hydrocarbons by 418.1</u>									
Total Petroleum Hydrocarbons	270	40.0	mg/kg	1	1617036	04/22/16	04/22/16	EPA 418.1	

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Walsh Engineering
7415 E Main St.
Farmington NM, 87402

Project Name: Charley #2
Project Number: 07173-0001
Project Manager: Vern Andrews

Reported:
26-Apr-16 17:02

Volatile Organics by EPA 8021 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1617002 - Purge and Trap EPA 5030A										
Blank (1617002-BLK1)				Prepared & Analyzed: 18-Apr-16						
Benzene	ND	0.10	mg/kg							
Toluene	ND	0.10	"							
Ethylbenzene	ND	0.10	"							
p,m-Xylene	ND	0.20	"							
o-Xylene	ND	0.10	"							
Total Xylenes	ND	0.10	"							
Total BTEX	ND	0.10	"							
Surrogate: 4-Bromochlorobenzene-PID	0.159		"	0.160		99.5	50-150			
LCS (1617002-BS1)				Prepared & Analyzed: 18-Apr-16						
Benzene	11.2	0.10	mg/kg	10.0		112	70-130			
Toluene	11.2	0.10	"	10.0		112	70-130			
Ethylbenzene	11.6	0.10	"	10.0		116	70-130			
p,m-Xylene	23.2	0.20	"	20.0		116	70-130			
o-Xylene	11.3	0.10	"	10.0		113	70-130			
Surrogate: 4-Bromochlorobenzene-PID	0.163		"	0.160		102	50-150			
Matrix Spike (1617002-MS1)				Source: P604053-01 Prepared & Analyzed: 18-Apr-16						
Benzene	11.6	0.10	mg/kg	10.0	ND	116	54.3-133			
Toluene	11.5	0.10	"	10.0	ND	115	61.4-130			
Ethylbenzene	11.5	0.10	"	10.0	ND	115	61.4-133			
p,m-Xylene	22.9	0.20	"	20.0	ND	114	63.3-131			
o-Xylene	11.2	0.10	"	10.0	ND	112	63.3-131			
Surrogate: 4-Bromochlorobenzene-PID	0.162		"	0.160		101	50-150			
Matrix Spike Dup (1617002-MSD1)				Source: P604053-01 Prepared & Analyzed: 18-Apr-16						
Benzene	11.2	0.10	mg/kg	10.0	ND	112	54.3-133	3.58	20	
Toluene	11.0	0.10	"	10.0	ND	110	61.4-130	3.79	20	
Ethylbenzene	11.1	0.10	"	10.0	ND	111	61.4-133	3.69	20	
p,m-Xylene	22.0	0.20	"	20.0	ND	110	63.3-131	3.91	20	
o-Xylene	10.8	0.10	"	10.0	ND	108	63.3-131	3.81	20	
Surrogate: 4-Bromochlorobenzene-PID	0.163		"	0.160		102	50-150			

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Walsh Engineering	Project Name:	Charley #2	Reported:
7415 E Main St.	Project Number:	07173-0001	26-Apr-16 17:02
Farmington NM, 87402	Project Manager:	Vern Andrews	

Total Petroleum Hydrocarbons by 418.1 - Quality Control

Envirotech Analytical Laboratory

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch 1617036 - 418 Freon Extraction										
Blank (1617036-BLK1)					Prepared & Analyzed: 22-Apr-16					
Total Petroleum Hydrocarbons	ND	40.0	mg/kg							
LCS (1617036-BS1)					Prepared & Analyzed: 22-Apr-16					
Total Petroleum Hydrocarbons	958	40.0	mg/kg	1000		95.8	80-120			
Matrix Spike (1617036-MS1)					Source: P604056-01 Prepared & Analyzed: 22-Apr-16					
Total Petroleum Hydrocarbons	1140	40.0	mg/kg	1000	138	101	70-130			
Matrix Spike Dup (1617036-MSD1)					Source: P604056-01 Prepared & Analyzed: 22-Apr-16					
Total Petroleum Hydrocarbons	1120	40.0	mg/kg	1000	138	98.4	70-130	1.94	30	

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Walsh Engineering
7415 E Main St.
Farmington NM, 87402

Project Name: Charley #2
Project Number: 07173-0001
Project Manager: Vern Andrews

Reported:
26-Apr-16 17:02

Notes and Definitions

DET	Analyte DETECTED
ND	Analyte NOT DETECTED at or above the reporting limit
NR	Not Reported
dry	Sample results reported on a dry weight basis
RPD	Relative Percent Difference

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WALSH

CHAIN OF CUSTODY RECORD

15634

Client: J THOMPSON ENGINEERING			Project Name / Location: CHARLEY #2 SZ1-TZTN-R13W			ANALYSIS / PARAMETERS												
Email results to: vern@walsheng.net			Sampler Name: JOHN HAMPTON JR. VERN ANDREWS			TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	CO Table 910-1	TPH (418.1)	CHLORIDE	Sample Cool	Sample Intact	
Client Phone No.: 505-327-4892			Client No.: PL04056 07173-0001															
Sample No./ Identification	Sample Date	Sample Time	Lab No.	No./Volume of Containers	Preservative													
					HNO ₃	HCl												
CHARLEY #2 SIDE comp	4/18/16	9:00 AM		2					X					X			441	
CHARLEY #2 BASE comp	4/18/16	9:05 AM		2					X					X			442	
Relinquished by: (Signature) Vern D. Andrews					Date	Time	Received by: (Signature) John Hampton					Date	Time					
					4/18	10:25 AM						4/18/16	10:25					
Relinquished by: (Signature)					Received by: (Signature)													
Sample Matrix																		
Soil <input checked="" type="checkbox"/> Solid <input type="checkbox"/> Sludge <input type="checkbox"/> Aqueous <input type="checkbox"/> Other <input type="checkbox"/>																		
<input type="checkbox"/> Sample(s) dropped off after hours to secure drop off area.																		
On ice TIZ 4.0°C																		

