

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

AUG 17 2016

Form C-141
Revised August 8, 2011

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

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: BP	Contact: Steve Moskal
Address: 200 Energy Court, Farmington, NM 87401	Telephone No.: 505-326-9497
Facility Name: Gallegos Canyon Unit 264	Facility Type: Natural gas well
Surface Owner: Fee	Mineral Owner: Fee
API No. 3004520656	

LOCATION OF RELEASE

Unit Letter E	Section 17	Township 28N	Range 12W	Feet from the 1,630	North/South Line North	Feet from the 1,150	East/West Line West	County: San Juan
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Latitude 36.66512° Longitude -108.14076°

NATURE OF RELEASE

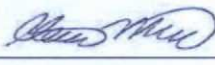

Type of Release: Former earthen pit – condensate/produced water	Volume of Release: unknown	Volume Recovered: none
Source of Release: Former earthen pit	Date and Hour of Occurrence:	Date and Hour of Discovery: May 10, 2016
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom? Steve Moskal	Date and Hour:	
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.* Impacts were discovered beneath a below grade tank during closure sampling. Impacts may have been associated with tank integrity as a corrosion hole was identified during inspection of the tank. Laboratory results confirmed the release exceeded the BGT closure standard and the spill an release guidelines. Remedial excavation then followed.

Describe Area Affected and Cleanup Action Taken.* Approximately 2,531 cubic yards of soil was excavated and removed from the site for landfarm treatment. The excavation measured 75'x95'x18' maximum depth. A single portion of the excavation had remaining impacts along the SW wall at a depth of 15-16'. The area of remaining contaminants is off the pad disturbance area and required landowner approval for excavation. The excavation was backfilled awaiting landowner approval. BP plans to further delineate the area, vertically and horizontally, determine if continued excavation is necessary. Attached is a workplan for delineation of the offsite contaminants.

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: Steve Moskal	Approved by Environmental Specialist: 	
Title: Field Environmental Coordinator	Approval Date: <u>8/17/2016</u>	Expiration Date:
E-mail Address: steven.moskal@bp.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: August 15, 2016 Phone: 505-326-9497	<u>NCS1613445286</u>	

* Attach Additional Sheets If Necessary

Remediation Complete 60 days
From initial C-141.
Include MRO/ORD in sampling

BP Remediation Plan

To: Vanessa Fields (NMOCD)
From: Steve Moskal (BP)
CC: John Ritchie (BP), Katherina Diemer (BLM)
Date: 8/15/2016
Re: Gallegos Canyon Unit 264 – Contaminant Delineation for In-Place Closure.

Dear Ms. Fields,

The Gallegos Canyon Unit (GCU) 264 site is an active natural gas production pad within the San Juan Basin Gas Field in San Juan County, New Mexico. The site is located on private land with previous ownership and approved drilling permit (APD) issued by the Bureau of Land Management (BLM). The APD was approved in 1970. The transfer of ownership from the BLM to the private landowner occurred sometime during 1981-1982. The well location is near the head of a small ephemeral stream draining a very steep slope, covered with well-established sage brush.

A historical release of natural gas liquids from production and process equipment was identified during the closure sampling of a below grade tank (BGT) in April of 2016. Since the discovery of the release BP has excavated approximately 2,531 cubic yards of impacted soil to depths of 18 feet below ground surface (fbgs); collected numerous soil confirmation samples for closure of all onsite impacts. During the remedial excavation, it was identified that the impacts likely go off site and are located 15 feet, or greater, below an ephemeral wash.

The site soils consist of loose tan-brown sands with an underlying grey silty-clay. The thickness of the brown sands ranges from 8 to 12 feet and the underlying grey formation with an unknown thickness at this time.

After the majority of impacted soil was removed from the production pad area in May of 2016, laboratory analysis of 14 composite and 1 discrete soil confirmation samples revealed that remaining total petroleum hydrocarbons (TPH) concentrations were below detection limits for the excavated sidewall and base of the excavation, except in far southwest wall section of the excavation where the edge of the production pad meets the ephemeral wash. The contamination zone is approximately 25-30' long and ranges from 15-16' feet below ground surface. The analytical results of the 1 discrete sample collected from the 15-16' zone of the SW wall resulted in 560 ppm total petroleum hydrocarbons (TPH) and 3.32 ppm of combined BTEX. A site excavation diagram and laboratory results are attached.

BP proposes to perform off-site delineation to determine the extent of hydrocarbon impacts to soils of the wash (refer to Figure 1 for the confirmed extent of soil impacts to-date). Approximately, twelve Geoprobe[®] soil borings will be advanced to approximately 18-22 feet deep and field screened using a calibrated photoionization detector (PID) in 2-foot intervals starting at 14 feet to total depth. Attached in Figure 2 are the anticipated locations of the soil borings, however, the borings will be spaced and directed on field screening, visual observation and physical characteristics of the screening intervals. Based on the results of the field screenings, soil samples will be collected from the highest PID screening interval and at total depth and placed in laboratory provided glassware for select boring locations. A minimum 6 soil samples will be collected and submitted to an accredited laboratory for analysis of TPH via 8015 and BTEX via 8021. Two samples from each boring where

final extents are assumed to be will be submitted for laboratory analysis: an upgradient, a west/southwest extent and a downgradient.

The objectives of this investigation are:

- Determine the size and extents of the contaminants.
- Obtain enough information to prepare a detailed geological model and map the extent and thickness contaminant zone.
- Confirm the contaminant concentrations are relatively low (BTEX, GRO and DRO concentration levels).

BP will perform the proposed site investigation within 60 days of approval. Upon completion of the field activities, analytical data evaluation and geological model interpretation, BP will submit to the NMOCD a report of the remedial excavation and soil boring investigation activities for the proposed in-place closure Gallegos Canyon Unit 264 site within 60 days of receipt of the soil boring laboratory data. BP will then either request site closure or develop a remediation plan according to the investigation findings.

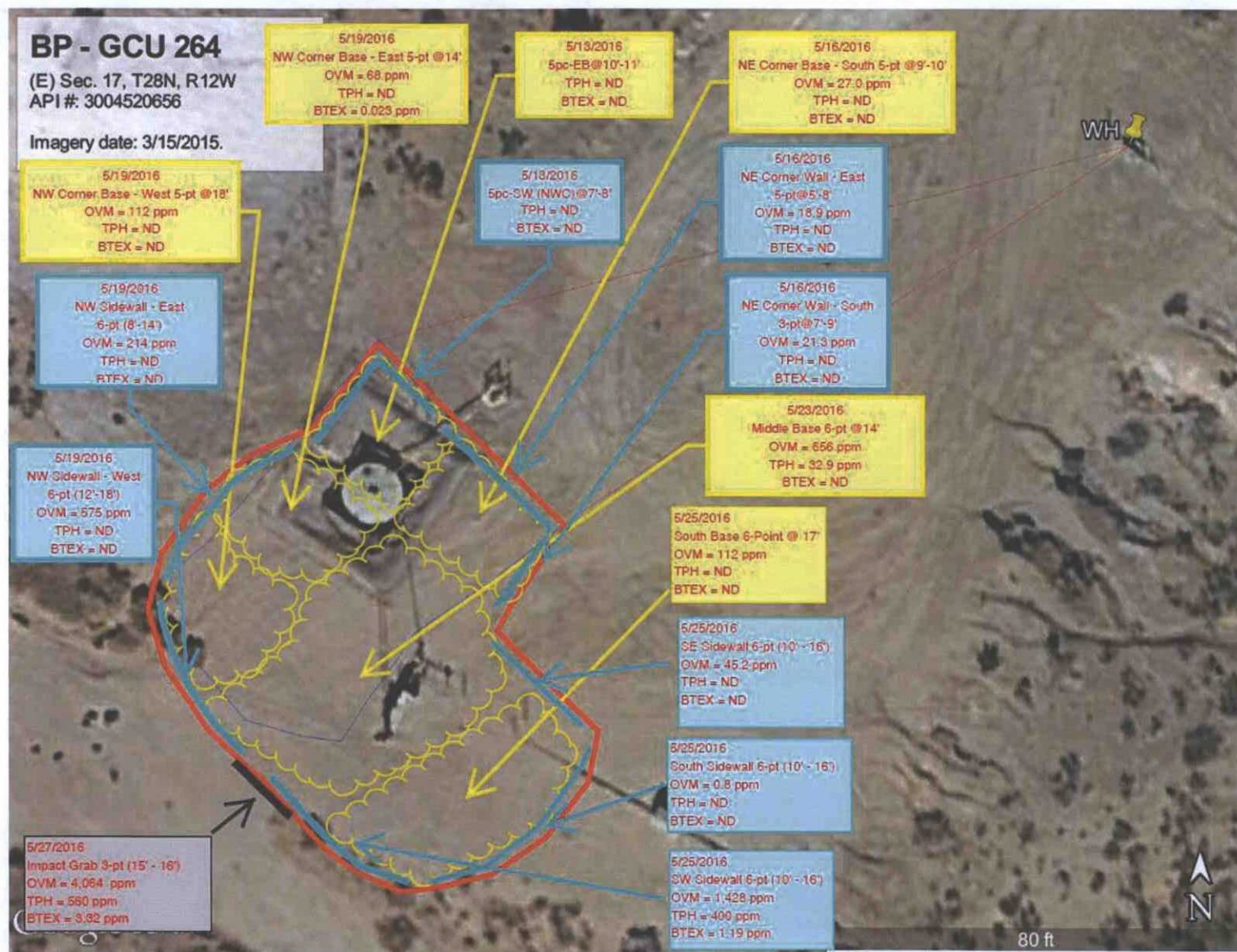


Figure 1. Confirmed Extent of Soil Impacts – To Date.



Figure 2. Proposed Soil Boring Locations.