

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: BP	Contact: Steve Moskal	
Address: 200 Energy Court, Farmington, NM 87401	Telephone No.: 505-326-9497	
Facility Name: State Com H 009	Facility Type: Natural gas well	
Surface Owner: State	Mineral Owner: State	API No. 3004520060

LOCATION OF RELEASE

Unit Letter B	Section 16	Township 30N	Range 09W	Feet from the 1,045	North/South Line North	Feet from the 1,575	East/West Line East	County: San Juan
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Latitude 36.81604° Longitude -107.78260°

NATURE OF RELEASE



Type of Release: Unknown - hydrocarbon	Volume of Release: unknown	Volume Recovered: none
Source of Release: Unknown - suspect earthen pit	Date and Hour of Occurrence: unknown	Date and Hour of Discovery: December 5, 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.* During equipment removal after the production well was plugged and abandoned, the construction crew discovered what appears to be hydrocarbon impacts to the soil, likely associated with an earthen pit.

Describe Area Affected and Cleanup Action Taken.* BP proposes to employ soil shredding to remediate hydrocarbon impacted soils at the location. The areas of concern will be excavated, treated and backfilled according to the attached remediation plan, pending approval.

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>4/24/2017</u>	Expiration Date:
E-mail Address: steven.moskal@bp.com	Conditions of Approval: <u>NUE 1711447205</u>	Attached <input checked="" type="checkbox"/>
Date: April 20, 2017	Phone: 505-326-9497	

* Attach Additional Sheets If Necessary

OIL CONS. DIV DIST. 3
APR 21 2017

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Operator/Responsible Party,

The OCD has received the form C-141 you provided on 4/24/17 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number _____ has been assigned. **Please refer to this case number in all future correspondence.** NVF171447215

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 III office in 30 days_ on or before 5/24/17. 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

BP Remediation Plan

To: Cory Smith and Vanessa Fields (NMOCD), Brandon Foley (NMSLO)
From: Steve Moskal (BP)
CC: Jeff Blagg (Blagg Engineering)
Date: 4/19/2017
Re: State Com H 009 - Ex-situ Soil Remediation – Soil Shredding
(B) S-16, T30N, R09W; API #30-045-20060;

Dear Mr. Smith, Mrs. Fields and Mr. Foley,

The State Com H 009 site is an plugged and abandoned natural gas production well location within the San Juan Basin Gas Field in San Juan County, New Mexico. The site is located on land owned by the New Mexico State Land Office (NMSLO) with minerals managed by the NMSLO and is in an area primarily used for oil and gas production with minimal recreation.

Background

During the removal of surface and subsurface well equipment in December of 2016, evident hydrocarbon impacts were found on the well pad area. Research indicated that the impacts could be the result for earthen production pits that may have previously been operated by El Paso Natural Gas (EPNG). BP contacted the current owner of the EPNG shares for confirmation of the pit ownership. EPNG provided documentation which indicated the location of the found pit differed from those previously operated by EPNG. The well site is operated by BP Production. BP will remediate the impacts found during the December 2016 decommissioning activities.

Site Ranking

Following the NMOCD site ranking criteria, the site closure standard is 100 ppm TPH, 50 ppm BTEX and 10 ppm benzene:

- Depth to groundwater >100' (10 points)
- Nearest surface water source >1,000' (0 points)
- Distance to nearest surface water body or coarse >200'<1,000' (20 points)

Proposed Remediation – Soil Shredding

BP proposes to remediate the impacted soil via soil shredding. Soil shredding involves the excavation of the impacted soil which is then placed in processing equipment, such as a hammer mill or pug mill, to mechanically process and break-up the soil. The soil becomes more uniform and is aerated during the mechanical processing. The soil is then ejected from the processing equipment and a chemical oxidizer is applied, in this case, a 35% solution of hydrogen peroxide and water. The applied concentration of hydrogen peroxide typically ranges from 3-8%. The hydrogen peroxide quickly oxidizes the hydrocarbon impacts (reagents), resulting in soil, water and carbon dioxide (products). Once the soil is processed, it is stockpiled and allowed to sit for approximately 2-5 days of residence time. A composite soil sample is collected from each segregated stockpile and submitted for laboratory analysis to determine the effectiveness of the ex-situ remediation process. If the laboratory results are of acceptable levels, the soil will be used as backfill to the excavation; if results are unsatisfactory, the soil is passed through the process once more and a subsequent laboratory sample will be collected for laboratory confirmation as described before. Typically, 48 hours of notice is provided to the regulatory agencies for the opportunity to observe and witness the stockpile sampling.

BP proposes to perform the remediation of hydrocarbon impacts by the means of soil shredding. A conservative estimate of approximately 2,000 cubic yards of soil will be treated through the soil shredding process. BP proposes to treat the impacted soil and segregate windrow stockpiles broken into 100 cubic yard increments. A single, five point composite, soil sample will be collected to represent each 100 cubic yard stockpile. Once a baseline of approximately 1,000 cubic yards of soil is consistently and successfully treated, BP will propose to decrease the sampling frequency to 500 cubic yard stockpile segments. The 500 cubic yard sampling modification will be discussed with the NMOCD and BLM for approval and input prior to implementation. BP would expect to have a sampling modification approval from the agencies within 48 working hours from the time of request. The remediation will then continue until complete and sampling will be based on the regulatory agencies approved sampling plan.

Excavation sampling will be in accordance with a typical dig and haul. The sidewalls and base of the excavation will be sampled in a frequency based on the size and progress of the excavation. Agency notification of excavation sampling will also be issued in advanced, 48 hours if possible.

BP is currently working to establish a schedule to implement remediation at the site. BP plans to shut the well in and remove all surface equipment.

It is understood, that if soil remediation is not successful via the soil shredding, an alternative method such as a dig and haul or soil vapor extraction will be necessary. BP will be in close communications with the agencies in the event an alternative remediation method is required.

Site Closure and Reporting

Once the soil shredding process is complete, the excavated area will be fully backfilled and compacted, and surface equipment will be re-set. Any necessary interim reclamation will be performed. Final reclamation of the well pad will occur at a later date, once the natural gas production well is plugged and abandoned.

A final remediation report will be delivered to NMOCD and BLM for approval of final site closure regarding the excavation and soil shredding activities within 60 days of the end of remediation.