

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 April 3, 2017

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: Encana Oil and Gas (USA) Inc.	Contact: Paul Buck
Address: 370 17th St., Suite 1700 Denver, CO 80202	Telephone No. 720-876-3513
Facility Name: Nageezi 405H & 406H	Facility Type: Tank Battery

Surface Owner	Mineral Owner	API No. 30-045-35841
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LOCATION OF RELEASE

Unit Letter K	Section 3	Township 23N	Range 9W	Feet from the 1984	North/South Line South	Feet from the 1738	East/West Line West	County San Juan
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Latitude Longitude NAD83

NATURE OF RELEASE *OCD 36.254185 -107.779468*

Type of Release : Oil	Volume of Release: 60 bbl	Volume Recovered
Source of Release: Tank overflow	Date and Hour of Occurrence: 6/2/2018: ~03:00	Date and Hour of Discovery: 6/2/2018. 06:00
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES: To Whom? Mr. Cory Smith	
By Whom? Paul Buck	Date and Hour: 6/2/2018 16: 52	
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.*

NMOCD

JUN 04 2018

Describe Cause of Problem and Remedial Action Taken.*

A tank overflowed releasing roughly 60 bbl to the lined secondary containment. Roughly 5-10 gallons breached the secondary containment through a faulty seam. Upon discovery the oil was routed to another tank that had capacity to handle the oil and absorbent "diapers" were used to keep the oil outside of secondary containment from moving.

Describe Area Affected and Cleanup Action Taken.*

The affected area was primarily lined secondary containment and the cleanup is to vac truck the oil and any impacted gravel out of the containment and send for disposal. The minor area outside of the containment that was affected is being cleaned up by removing the impacted dirt and sending for disposal.

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>Paul Buck</i>	OIL CONSERVATION DIVISION	
Printed Name: Paul Buck	Approved by Environmental Specialist: <i>[Signature]</i>	
Title: Manager, Field Environmental, Western Operating Area	Approval Date: <i>6/12/18</i>	Expiration Date:
E-mail Address: paul.buck@encana.com	Conditions of Approval: <i>Sample For</i>	Attached <input checked="" type="checkbox"/>
Date: 6/4/2018	Phone: 720-876-3513	<i>TPH, BTEX, Benzene</i>

* Attach Additional Sheets If Necessary

#NES1816348523

*Schedule with OCD DIII for
Confirmations Sampling*

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Smith, Cory, EMNRD

From: Smith, Cory, EMNRD
Sent: Wednesday, June 13, 2018 9:31 AM
To: 'Buck, Paul R.'
Cc: Fields, Vanessa, EMNRD
Subject: RE: Spill at K03
Attachments: Encana Nageezi 405G&406H.PDF

Paul,

OCD has received the C-141 for the Nageezi 405H &406H (API# 30-045-35841) on June 4, 2018. After review OCD has approved the C-141 with the following Attached and below conditions of approval.

- Encana will verify liner integrity
- Encana will remediate the impacted soils as describe on the C-141 (Excavation and haul)
- If Encana decides to change work plans, Encana will submit to the OCD an updated work plan for approval within 30 days.
- Encana will sample the impacted areas for TPH, BTEX, and Benzene.
- Encana will schedule with OCD DIII any final confirmation sampling. (Typical notice is at a minimum of 24 hours prior to sampling)
- Site rank of a 10 due to distance from significant water course site closure standards 1,000 mg/kg TPH (GRO-DRP-MRO), 50 mg/kg BTEX, and 10 mg/kg Benzene.

If you have any additional questions please contact me as soon as possible. The hard copy will be placed in que for scanning, however due to OCD staffing levels scanning maybe delayed.

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

From: Buck, Paul R. <Paul.Buck@encana.com>
Sent: Saturday, June 2, 2018 5:07 PM
To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Subject: Spill at K03

Hi Cory,

Following up on our conversation: Encana had a spill at the K03 facility this morning. API number 30-045-35841. NM Lease # 8005 and 132981A. Well name: Nageezi 405H. We lost roughly 60 barrels in containment but due to a faulty seam in the containment lining, we lost roughly 5-10 gallons out of the containment. We'll get it taken care of this week and I'll submit the proper documentation Monday. Thank you,

Operator/Responsible Party,

The OCD has received the form C-141 you provided on 6/4/18 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number #ACS1816348.523 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 III office in Aztec on or before N/A. 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

Smith, Cory, EMNRD

From: Buck, Paul R. <Paul.Buck@encana.com>
Sent: Wednesday, June 13, 2018 9:22 AM
To: Smith, Cory, EMNRD
Subject: RE: Spill at K03

Good morning Cory,

Thank you for looking into that. The Lat is 36.25418500° and the Long. Is -107.77947000°. Thank you,

Paul

Paul Buck

Manager, Field Environmental, Western Operations
t 720.876.3513
c 303.882.5868

Encana Services Company Ltd.
Encana.com

Encana Services Company Ltd. provides operational, corporate, administrative and advisory services to Encana Corporation and its subsidiaries.

From: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>
Sent: Tuesday, June 12, 2018 1:44 PM
To: Buck, Paul R. <Paul.Buck@encana.com>
Cc: Fields, Vanessa, EMNRD <Vanessa.Fields@state.nm.us>; Powell, Brandon, EMNRD <Brandon.Powell@state.nm.us>
Subject: RE: Spill at K03

Paul,

I did find the C-141 for the below spill it was actually in my to do pile for today!

Just did a quick glance there is no Lat/Long located on the C-141. Could you please verify the Lat/Long and get back with me so I can add your email to the C-141.

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

From: Buck, Paul R. <Paul.Buck@encana.com>
Sent: Saturday, June 2, 2018 5:07 PM

To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>

Subject: Spill at K03

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Paul

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