

Fields, Vanessa, EMNRD

From: Fields, Vanessa, EMNRD
Sent: Thursday, February 14, 2019 8:39 AM
To: 'Wjholcomb'
Cc: Powell, Brandon, EMNRD; Smith, Cory, EMNRD
Subject: Holcomb Oil & Gas Carnahan Com #001 Production Tank Leaking
Attachments: P1490400.JPG; P1490403.JPG; P1490404.JPG; P1490405.MP4

Mr. Holcomb,

On Wednesday February 13, 2019 the Oil Conservation Division (OCD) conducted a follow up inspection on the Carnahan Com #001 API# 30-045-08946, in reference to the previous release's that have occurred from the stuffing box, and the leaking hole in the production tank. Upon arrival, it was noted the hole in the production tank was still visible and leaking.

Holcomb will need to comply with 19.15.29.8 as follows below:

19.15.29.8 RELEASES

A. Requirements. For all releases regardless of volume, the responsible party shall comply with 19.15.29.8 NMAC and shall remediate the release. For major and minor releases, the responsible party shall also comply with 19.15.29.9, 19.15.29.10, 19.15.29.11, 19.15.29.12 and 19.15.29.13 NMAC.

B. Initial response. The responsible company must take the following immediate actions unless the actions could create a safety hazard that would result in injury.

(1)**Source elimination and site security.** The responsible party must take appropriate measures to stop the source of the release and limit access to the site as necessary to protect human health and the environment.

(2)**Containment.** Once the site is secure, the responsible party must contain the materials released by construction of berms or dikes, the use of absorbent pads or other containment actions to limit the area affected by the release and prevent potential fresh water contaminants from migrating to watercourses or areas that could pose a threat to public health and environment. The responsible party must monitor the containment to ensure that it is effectively containing the material and not being degraded by weather or onsite activity.

(3)**Site stabilization.** After containment, the responsible party must recover any free liquids and recoverable materials that can be physically removed from the surface within the containment area. The responsible party must deliver material removed from the site to a division-approved facility.

(4)**Remediation.** The responsible party may commence remediation immediately.
[19.15.29.8 NMAC-Rp, 19.15.29.8 NMAC, 8/14/2018]

Due to the number of continuous releases at the Carnahan Com #001, the OCD will be pursuing the referenced release's as a compliance issue.

Holcomb will need to provide to the OCD when the sourced release is contained and remediated.

Thank you

Vanessa Fields
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 119
Cell: (505) 419-0463
vanessa.fields@state.nm.us

Fields, Vanessa, EMNRD

From: Fields, Vanessa, EMNRD
Sent: Thursday, February 14, 2019 9:28 AM
To: 'wjholcomb@qwestoffice.net'
Cc: Powell, Brandon, EMNRD; Smith, Cory, EMNRD
Subject: RE: [EXT] Re: Holcomb Oil & Gas Carnahan Com #001 Production Tank Leaking

Mr. Holcomb,

Please review that the photo and video that I provided in the original email this morning demonstrating the tank is actively leaking to the ground surface.

Thank you,

Vanessa Fields
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 119
Cell: (505) 419-0463
vanessa.fields@state.nm.us

-----Original Message-----

From: wjholcomb@qwestoffice.net <wjholcomb@qwestoffice.net>
Sent: Thursday, February 14, 2019 9:23 AM
To: Fields, Vanessa, EMNRD <Vanessa.Fields@state.nm.us>
Subject: [EXT] Re: Holcomb Oil & Gas Carnahan Com #001 Production Tank Leaking

Vanessa:

We are aware of the hole in the tank, but it is not leaking as any water is below the hole. We have located a replacement tank and should begin those operations when services are available.

Jeff Holcomb

On Thu 14/02/19 9:39 AM , "Fields, Vanessa, EMNRD" Vanessa.Fields@state.nm.us sent:
> Mr. Holcomb,
> On Wednesday February 13, 2019 the Oil Conservation Division (OCD)
> conducted a follow up inspection on the Carnahan Com #001 API#
> 30-045-08946, in reference to the previous release's that have
> occurred from the stuffing box, and the leaking hole in the production
> tank. Upon arrival, it was noted the hole in the production tank was
> still visible and leaking.
> HOLCOMB WILL NEED TO COMPLY WITH 19.15.29.8 AS FOLLOWS BELOW:
> 19.15.29.8 RELEASES

>

> A. REQUIREMENTS. For all releases regardless of volume, the

> responsible party shall comply with 19.15.29.8 NMAC and shall

> remediate the release. For major and minor releases, the responsible

> party shall also comply with 19.15.29.9, 19.15.29.10, 19.15.29.11,

> 19.15.29.12 and 19.15.29.13 NMAC.

> B. INITIAL RESPONSE. The responsible company must take the following

> immediate actions unless the actions could create a safety hazard that

> would result in injury.

>

> (1)SOURCE ELIMINATION AND SITE SECURITY. The responsible party must

> take appropriate measures to stop the source of the release and limit

> access to the site as necessary to protect human health and the

> environment.

> (2)CONTAINMENT. Once the site is secure, the responsible party must

> contain the materials released by construction of berms or dikes, the

> use of absorbent pads or other containment actions to limit the area

> affected by the release and prevent potential fresh water contaminants

> from migrating to watercourses or areas that could pose a threat to

> public health and environment. The responsible party must monitor the

> containment to ensure that it is effectively containing the material

> and not being degraded by weather or onsite activity.

> (3)SITE STABILIZATION. After containment, the responsible party must

> recover any free liquids and recoverable materials that can be

> physically removed from the surface within the containment area. The

>

> responsible party must deliver material removed from the site to a

> division-approved facility.

> (4)REMEDIATION. The responsible party may commence remediation

> immediately.

>

> [19.15.29.8 NMAC-Rp, 19.15.29.8 NMAC, 8/14/2018] Due to the number of

> continuous releases at the Carnhan Com #001, the OCD will be pursuing

> the referenced release's as a compliance issue.

> Holcomb will need to provide to the OCD when the sourced release is

> contained and remediated.

> Thank you

>

> Vanessa Fields

>

> Environmental Specialist

>

> Oil Conservation Division

>

> Energy, Minerals, & Natural Resources

>

> 1000 Rio Brazos, Aztec, NM 87410

>

> (505)334-6178 ext 119

>

> Cell: (505) 419-0463

>

Fields, Vanessa, EMNRD

From: wjholcomb@qwestoffice.net
Sent: Wednesday, February 20, 2019 10:21 AM
To: Fields, Vanessa, EMNRD
Subject: [EXT] Re: Carnahan 1

Ms Fields:

The well was shut down on the 14th and the tank pulled. The tank was removed on the 16th soil samples taken to envirotech, of which you have the c-138's. A replacement tank has been purchased but weather constraints have slowed the process.

More to follow

Jeff Holcomb

On , sent:

```
> MIME message decoding error: could not open the message file to decode
> /smstor/SiteMailUser/tmp/wjholcomb@qwestoffice.net/fd30af391dfc4896a7f
> 75e2c
> f69ac9d7-c2ab196ee3db47a1942a73ea2265f2fa@MBXCAS002.nmes.lcl.data:
> fopen(/smstor/SiteMailUser/tmp/wjholcomb@qwestoffice.net/fd30af391dfc4
> 896a7
> f75e2cf69ac9d7-c2ab196ee3db47a1942a73ea2265f2fa@MBXCAS002.nmes.lcl.dat
> a)
> [function.fopen]: failed to open stream: No such file or directory
>
```

Fields, Vanessa, EMNRD

From: Fields, Vanessa, EMNRD
Sent: Thursday, February 21, 2019 9:25 AM
To: 'wjholcomb@qwestoffice.net'
Cc: Powell, Brandon, EMNRD; Smith, Cory, EMNRD
Subject: RE: [EXT] Re: Carnahan 1

Good morning Mr. Holcomb,

Thank you for the follow-up email. The OCD has processed the initial C-141 for the first release that occurred on January 23, 2019 at the Carnahan Com #001. All correspondence in regards to the release along with the initial C-141 we be available in the well file.

Please reference the incident number below on all future correspondence:

NVF1905233180 CARNAHAN COM #001 @ 30-045-08946
General Incident Information

Site Name: CARNAHAN COM #001
Well: [30-045-08946] CARNAHAN COM #001
Facility:
Operator: [10605] HOLCOMB OIL & GAS INC
Status: Closure Not Approved
Type: Produced Water Release
District: Aztec
Severity:
Surface Owner: Private
County: San Juan (45)

Incident Location: P-35-30N-12W Lot: 0 FNL 0 FEL
Lat/Long: 36.7648115,-108.06215087 NAD83
Directions:

-----Original Message-----

From: wjholcomb@qwestoffice.net <wjholcomb@qwestoffice.net>
Sent: Wednesday, February 20, 2019 10:21 AM
To: Fields, Vanessa, EMNRD <Vanessa.Fields@state.nm.us>
Subject: [EXT] Re: Carnahan 1

Ms Fields:

The well was shut down on the 14th and the tank pulled. The tank was removed on the 16th soil samples taken to envirotech, of which you have the c-138's. A replacement tank has been purchased but weather constraints have slowed the process.

More to follow

Jeff Holcomb

On , sent:

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> MIME message decoding error: could not open the message file to decode
> /smstor/SiteMailUser/tmp/wjholcomb@qwestoffice.net/fd30af391dfc4896a7f
> 75e2c
> f69ac9d7-c2ab196ee3db47a1942a73ea2265f2fa@MBXCAS002.nmes.lcl.data:
> fopen(/smstor/SiteMailUser/tmp/wjholcomb@qwestoffice.net/fd30af391dfc4
> 896a7
> f75e2cf69ac9d7-c2ab196ee3db47a1942a73ea2265f2fa@MBXCAS002.nmes.lcl.dat
> a)
> [function.fopen]: failed to open stream: No such file or directory
>
```

RECEIVED

District I
1625 N. French Dr., Hobbs, NM 88240District II
811 S. First St., Artesia, NM 88210District III
1000 Rio Brazos Road, Aztec, NM 87410District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

FEB 08 2019

State of New Mexico
Energy Minerals and Natural
Resources DepartmentDISTRICT II-ARTESIA O.C.D. Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141

Revised August 24, 2018

Submit to appropriate OCD District office

| | |
|----------------|--|
| Incident ID | |
| District RP | |
| Facility ID | |
| Application ID | |

NMUCD

FEB 11 2019

DISTRICT III

Release Notification

Responsible Party

| | | | |
|-------------------------|------------------------------------|------------------------------|--------------|
| Responsible Party | Holcomb Oil & Gas, Inc. | OGRID | 10605 |
| Contact Name | William "Jeff" Holcomb | Contact Telephone | 505 326-0550 |
| Contact email | wjholcomb@questoffice.net | Incident # (assigned by OCD) | |
| Contact mailing address | P.O. Box 2058, Farmington NM 87499 | | |

Location of Release Source

Latitude 36.7648115312

Longitude -108.062150878

(NAD 83 in decimal degrees to 5 decimal places)

| | | | |
|-------------------------|----------------|----------------------|--------------|
| Site Name | Carnahan Com 1 | Site Type | Gas Well |
| Date Release Discovered | 1-23-19 | API# (if applicable) | 30-045-08946 |

| Unit Letter | Section | Township | Range | County |
|-------------|---------|----------|-------|----------|
| P | 35 | 30N | 12W | San Juan |

Surface Owner: ☐ State ☐ Federal ☐ Tribal ☒ Private (Name: Animas Valley Land Water)

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)

| | | |
|--|--|---|
| <input type="checkbox"/> Crude Oil | Volume Released (bbls) | Volume Recovered (bbls) |
| <input checked="" type="checkbox"/> Produced Water | Volume Released (bbls) .02 bbls < 1 gal. | Volume Recovered (bbls) ϕ no free liq. |
| | Is the concentration of total dissolved solids (TDS) in the produced water >10,000 mg/l? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <input type="checkbox"/> Condensate | Volume Released (bbls) | Volume Recovered (bbls) |
| <input checked="" type="checkbox"/> Natural Gas | Volume Released (Mcf) ϕ | Volume Recovered (Mcf) ϕ |
| <input type="checkbox"/> Other (describe) | Volume/Weight Released (provide units) | Volume/Weight Recovered (provide units) |

Cause of Release

Leaking Stuffing Box - could not duplicate could not find reported release. Tighten up stuffing box, regreased.
Used microbial bugs around wellhead.
Production tank to be replaced small hole identified @ around 6' above ground no leaks.

State of New Mexico
Oil Conservation Division

| | |
|----------------|--|
| Incident ID | |
| District RP | |
| Facility ID | |
| Application ID | |

Was this a major release as defined by 19.15.29.7(A) NMAC?

☐ Yes ☒ No

If YES, for what reason(s) does the responsible party consider this a major release?

If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

- ☒ The source of the release has been stopped.
- ☒ The impacted area has been secured to protect human health and the environment.
- ☒ Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.
- ☒ All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have not been undertaken, explain why:

Per instructions from OCD inspector the reported release was excavated and tested by Envirotech & approximately 1 yd³ was disposed at their facility. There was no free liquid to recover. Soil analysis will be forwarded when rec'd.
Per rule 19.15.29.8 A this additional testing was not required however, we complied with the inspector's request.

Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD 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 OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD 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.

Printed Name: William J. Holcomb

Title: President

Signature: [Signature]

Date: 1-28-2019

email: wjholcomb@westernoffice.net

Telephone: (505) 326-0330

OCD Only

Received by: Vanessa Fields

Date: 2/11/2019