

CONOCOPHILLIPS

P.O. Box 2197 Houston, TX 77252-2197 Phone 281.293.1000

VGEU Well 034

(1RP-3438)

Corrective Action Plan

API No. 30-025-02881

Release Date: July 6th, 2014

Unit Letter G, Section 26, Township 17S, Range 35E



CONSULTING & SAFETY

PO Box 2948 | Hobbs, NM 88241 | Phone 575.393.2967

January 5th, 2015

Dr. Tomáš Oberding, PhD

Environmental Specialist – New Mexico Oil Conservation Division Energy, Minerals and Natural Resources Department 1625 N. French Dr. Hobbs, NM 88240

> RE: Corrective Action Plan ConocoPhillips VGEU Well 034 (1RP-3438) UL/G sec. 26 T17S R35E API No. 30-025-02881

Dr. Oberding:

ConocoPhillips (CoP) has retained Rice Environmental Consulting and Safety (RECS) to address potential environmental concerns at the above-referenced site.

Background and Previous Work

The site is located approximately 4.6 miles east of Buckeye, New Mexico at UL/G sec. 26 T17S R35E. Records from RECS installed monitor wells and USGS wells indicate that groundwater will likely be encountered at a depth of approximately 52 +/- feet.

On July 6th, 2014, CoP discovered that the well's stuffing box was leaking. The well was shut in, and the packing for the stuffing box was replaced. A total of 11.75 barrels of primarily produced water was released over 2,040 square feet of lease pad. Ten barrels of the released fluid was recovered. NMOCD was notified of the release on July 8th, 2014, and an initial C-141 was sent to NMOCD for their approval (Appendix A).

RECS personnel were on site beginning on November 18th, 2014. The release was GPS mapped, and two points within the release area were sampled at the surface (Figure 1). Samples with depth were not taken given how indurate the soil is at the site. The samples were field tested for chlorides and organic vapors and then taken to a commercial laboratory for analysis (Appendix B). Both surface samples returned elevated laboratory chloride readings and Gasoline Range Organics (GRO) and Diesel Range Organics (DRO) readings of non-detect, except for the DRO reading at Point 2, which returned a value of 70.2 mg/kg.

Photo documentation of the release can be found in Appendix C.

Corrective Action Plan

Based on the laboratory analysis of the release, the release will be scraped down 6 inches. Once the scrape is completed, a composite sample from the bottom of the scrape will be taken and

field tested for chlorides and organic vapors. If the field data indicates that the composite will not achieve chloride, GRO and DRO readings below regulatory standards, the scrape will be deepened until field testing indicates that all constituents from the bottom composite will return values below regulatory standards. The bottom composite will then be taken to a commercial laboratory to confirm that chloride, GRO and DRO readings are below regulatory standards.

All excavated soils will be taken to a NMOCD approved facility for disposal. Clean caliche will be imported to the site to serve as backfill. A sample of the imported caliche will be taken to a commercial laboratory to confirm that the chloride value is below regulatory standards. The scrape will be backfilled with the imported caliche and contoured to the surrounding location.

Once these activities have been completed, a report will be sent to NMOCD requesting 'remediation termination' and site closure.

RECS appreciates the opportunity to work with you on this project. Please call Hack Conder at (575) 393-2967 or me if you have any questions or wish to discuss the site.

Sincerely,

Lara Weinheimer

Project Scientist

RECS

(575) 441-0431

Attachments:

Figure 1 – Initial Sampling Data

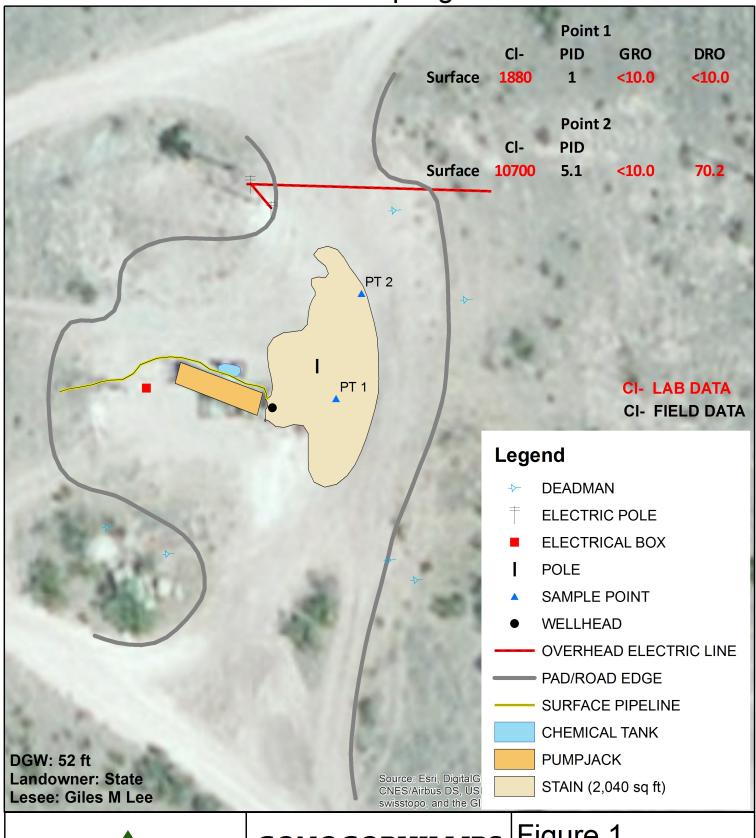
Appendix A – Initial C-141

Appendix B – Initial Sampling Lab

Appendix C – Photo Documentation

Figures

Initial Sampling Data

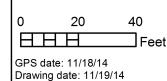




CONOCOPHILLIPS VGEU WELL 034

Legals: UL/G sec. 26 T-17-S R-35-E LEA COUNTY, NM

Figure 1



Drafted by: L. Weinheimer



Appendix A Initial C-141

District I 1 1.23 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 220 3, St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Forn: 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** M Initial Report Final Report Name of Company: ConocoPhillips Contact: Spencer Cluff Address: 29 Vacuum Complex Lane Telephone No. 575-391-3143 Facility Name: VGEU Well 034 Facility Type: Oil Well Surface Owner: NMOCD Mineral Owner NMOCD API No. 3002502881 LOCATION OF RELEASE Unit Letter Section Township Range Feet from the North/South Line Feet from the East/West Line County G 26 35E 1980 North 2200 East LEA Latitude 32.8076533080148 Longitude - 103.426925251861 NATURE OF RELEASE Volume of Release: 92 BBLS Type of Release: Spill Volume Recovered: 50 BBLS Source of Release: Stuffing Box Date and Hour of Occurrence Date and Hour of Discovery 7/06/2014 2:00 p.m. 7/07/2014 10:00 a.m. Was Immediate Notice Given? If YES, To Whom? Geoffrey Leking By Whom? Spencer Cluff Date and Hour: 07/8/2014 3:00 p.m. If YES, Volume Impacting the Watercourse. Was a Watercourse Reached? ☐ Yes ☒ No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* ENV - Agency Reportable - EVGSAU 2622 - 10.75 BPW 1 BO - RR II - MCBU - Buckeye: On July 6, 2014 at approximately 1400 hrs. MST, a stuffing box leak occurred at the EVGSAU 035. MSO isolated the well and changed the packing in the stuffing box. The spill occurred due to worn out packing. The spill area was measured in two sections; 1) 30 ft. X 18 ft. X 2 inches deep, 2) 12 ft. X 30 ft. X 2 inches deep. The total volume of the spill was 11.75 barrels, 1 barrel of crude oil and 10.75 barrels of produced water, with 10 barrels recovered. A work order to remediate the area has been submitted and the area will be remediated according to NMOCD guidelines. Describe Area Affected and Cleanup Action Taken.* The spill area was measured in two sections; 1) 30 ft. X 18 ft. X 2 inches deep, 2) 12 ft. X 30 ft. X 2 inches deep. Spill stayed on the caliche pad. MSO shut in the well and placed the packing. 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. OIL CONSERVATION DIVISION Signature: Spencer A. Cluff Approved by Environmental Specialist: Printed Name: Spencer Cluff Title: LEAD HSE Approval Date: Expiration Date: E-mail Address: spencer.a.cluff@conocophillips.com Conditions of Approval: Attached

Phone: 575-391-3143

Date: 07/8/2014

^{*} Attach Additional Sheets If Necessary

$\underset{\text{Initial Sampling Lab}}{Appendix} \, B$



November 21, 2014

LAURA FLORES
RICE ENVIRONMENTAL CONSULTING & SAFETY LLC
419 W. CAIN
HOBBS, NM 88240

RE: EVGSAU #034

Enclosed are the results of analyses for samples received by the laboratory on 11/19/14 8:07.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/ga/lab accred certif.html.

Cardinal Laboratories is accreditated through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2 Haloacetic Acids (HAA-5)
Method EPA 524.2 Total Trihalomethanes (TTHM)
Method EPA 524.4 Regulated VOCs (V1, V2, V3)

Celey D. Keine

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Lab Director/Quality Manager



Analytical Results For:

RICE ENVIRONMENTAL CONSULTING & SAFETY LAURA FLORES

419 W. CAIN HOBBS NM, 88240

Fax To: (575) 397-1471

Received: 11/19/2014 Sampling Date: 11/18/2014

Reported: 11/21/2014 Sampling Type: Soil

Project Name: EVGSAU #034 Sampling Condition: Cool & Intact
Project Number: NONE GIVEN Sample Received By: Jodi Henson

Project Location: NOT GIVEN

Sample ID: POINT 1 @ SURFACE (H403552-01)

| Chloride, SM4500CI-B | mg, | /kg | Analyze | d By: AP | | | | | |
|----------------------|--------|-----------------|------------|--------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 1880 | 16.0 | 11/20/2014 | ND | 400 | 100 | 400 | 0.00 | |
| TPH 8015M | mg | /kg | Analyze | d By: ms | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 11/20/2014 | ND | 182 | 90.8 | 200 | 3.28 | |
| | | | | | | | | | |

Surrogate: 1-Chlorooctane 115 % 47.2-157
Surrogate: 1-Chlorooctadecane 129 % 52.1-176

Sample ID: POINT 2 @ SURFACE (H403552-02)

| Chloride, SM4500Cl-B | mg, | /kg | Analyze | d By: AP | | | | | |
|----------------------|--------------------------------|------------------------|------------|--------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Result Reporting Limit | | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 10700 | 16.0 | 11/20/2014 | ND | 400 | 100 | 400 | 0.00 | |
| TPH 8015M | mg | /kg | Analyze | d By: ms | | | | | |
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10 | <10.0 | 10.0 | 11/20/2014 | ND | 182 | 90.8 | 200 | 3.28 | |
| DRO >C10-C28 | O >C10-C28 70.2 10.0 | | 11/20/2014 | ND | 182 | 90.8 | 200 | 3.21 | |
| | | | | | | | | | |

Surrogate: 1-Chlorooctane 121 % 47.2-157
Surrogate: 1-Chlorooctadecane 138 % 52.1-176

Cardinal Laboratories *=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whistoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results related only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.

Celey D. Keine



Notes and Definitions

ND Analyte NOT DETECTED at or above the reporting limit

RPD Relative Percent Difference

** Samples not received at proper temperature of 6°C or below.

*** Insufficient time to reach temperature.

- Chloride by SM4500Cl-B does not require samples be received at or below 6°C

Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories *=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whistoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results related only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.

Celeg D. Freene



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240 (575) 393-2326 FAX (575) 393-2476

| Company Name: RECS | | | | | BILL TO | | | | | | ANALYSIS REQUEST | | | | | | | | | | | | | |
|---|--|-----------------------|-------------|-------------------------|-----------|---------------------|----------------------|---------------------|----------|---|--|--|---------|----|-----|--|--|----------------|--|--|--|--|--|--|
| Project Manager: Laura Flores, Jacob Kamplain | | | | | F | P.O. #: | | | | | | | | | | | | | | | | | | |
| Address: | , | | | | | c | Company: | | | | | | | | | | | | | | | | | |
| City: | State: Zip: | | | | | | Attn: | | | | | | | | | | | | | | | | | |
| Phone #: | Fax #: | | | | | A | Address: | | | | | | | - | | | | | | | | | | |
| Project #: | Project Owner: | | | | | 0 | City: | | | | | | | | | | | | | | | | | |
| Project Name: | | | | | S | State: Zip: | | | | | 1 | | | | | | | | | | | | | |
| Project Location: EVGS AV # 034 | | | | F | hone | e #: | | | | 1 | | | | | | | | | | | | | | |
| Project Location: EVG 5 AV # 034 Sampler Name: Kyle Schnaid+ | | | | | _ | ax# | - | | | | 1 | | | | | | | | | | | | | |
| Lab I.D. 14403552 | Sample I.D. Point 1@ Surface Point 2 @ Surface | O O (G)RAB OR (C)OMP. | GROUNDWATER | WASTEWATER | TRIX | | ACID/BASE: | TOOO/SIDE | | DATE -18-14 -18-14 | TIME /:30 | \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ | ZOL X Y | | | | | | | | | | | |
| analyses. All claims includi service. In no event shall C | nd Damages. Cardinal's liability and client's exclusive remedy for ing those for negligence and any other cause whatsoever shall be lardinal be liable for incidental or consequental damages, includin ing out of or related to the performance of services hereunder by (| deemed wa | nitation, I | ess made ousiness in | in writi | ing and rotions, lo | eceived ss of use | by Car e, or los | rdinal y | within 30 days afte rofits incurred by o | r completion of client, its subsidi | the applications in the same applications in t | able | | | | | | | | | | | |
| Relinquished B | y: Sunaidt Date: 19 It will be a superior of the superior o | Rece | O eived | By: By: | \bigcup | De | Ln | D | 0 | n_ | Phone Re Fax Resu REMARK | esult: ult: | AL. | es | □ N | | | Phone Fax # | | | | | | |
| | : (Circle One) - Bus - Other: | 6.0 | | Sample Cool Ye | e Co | Yes No | n | CH | Vai | KED BY: | | | | | | | | | | | | | | |

Appendix C Photo Documentation

ConocoPhillips VGEU Well 034 Unit Letter G, Section 26, T17S, R35E



Initial release area, facing north

11/18/14



Initial release area, facing south

11/18/14