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 opy to appropriate District Office in

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

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			Kele	ease Notific	atio		orrective A	ction	1				
24						OPERATOR			✓ Initial Report				
Name of Company OXY USA, Inc. Address P.O. Box 4294, Houston, TX 77210						Contact Wade Dittrich							
Facility Name Fred Turner JR B 0004						Telephone No. (575)390-2828 Facility Type P&E							
Surface Owner McCasland Ltd. Partnership Mineral Owner							Fee API No. 30-025-07780						
							ON OF RELEASE						
Unit Letter							th/South Line Feet from the E			st/West Line County			
F	17	20S	38E	1970		N	1990		W	Lea			
Latitude 32.574963 Longitude -103.172844 NAD83													
				NAT	URE	OF REL	EASE						
Type of Release Crude Oil & Produced water							f Release Oil & 30 bbls Produce	Volume Recovered					
Source of Release 2-Inch Steel Production Line							Hour of Occurrence	e	Date and Hour of Discovery				
Was Immediate Notice Given?						9/29/2017, Time Unknown 9/29/2017, 6:30 AM If YES, To Whom?							
Yes No Not Required						Olivia Yu - NMOCD; Amber Groves - NMSLO							
By Whom? Wade Dittrich						Date and Hour 9/29/2017, 7:25 PM							
Was a Watercourse Reached?							If YES, Volume Impacting the Watercourse.						
Yes V No													
If a Watercourse was Impacted, Describe Fully.*													
Describe Cau	se of Proble	em and Remed	lial Action	n Taken.*		By Olivia	Yu a	t 8:04	am, O	ct 1	8, 2017		
A 2-inch si been repla	teel produ Iced.	iction line fa	iled, cau	using a release	e of cru	ide oil and	produced wate	er. The	e affected	section o	f stee	l line has	
Describe Are	a Affected a	and Cleanup A	ction Tak	cn.*									
area of ca adjacent p with NMO	liche well basture me CD and N	pad and ac easuring ap IMSLO guid	cess roa proxima lelines.	ad measuring a tely 8,200 sq. :	approx ft. Ren	imately 13 nediation (er free-standing ,000 sq. ft. The of the impacted	e relea: areas	se also a will be c	ffected an onducted	area in acc	of the ordance	
regulations al public health should their o or the enviror	l operators a or the envir operations ha unent. In a	are required to onment. The ave failed to a	o report an acceptanc dequately CD accep	d/or file certain re e of a C-141 repo investigate and re	clease no rt by the mediate	otifications a NMOCD n contaminat	knowledge and u nd perform correc narked as "Final R ion that pose a thra- ve the operator of n	tive acti eport" d cat to gr	ons for rele oes not reli ound water	cases which ieve the oper t, surface wa	may ci rator of iter, hu	danger liability man health	
						OIL CONSERVATION DIVISION							
Signature:	We.		Approved by Environmental Specialist:										
Printed Name: Wade Dittrich													
Title: Enviro	nmental (Coordinator		Approval Date: 10/18/2017 Expiration Date:									
E-mail Addre	ss: wade_	dittrich@ox		Conditions of Approval:									
	6/2017		28	see attached directive									
Attach Addit	ional Shee	IS II Necessa	ary		-								

1RP-4846

nOY1729129537

pOY1729130036

Operator/Responsible Party,

The OCD has received the form C-141 you provided on _10/16/2017_ regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number _1RP-4846_ 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 <u>division-approved corrective action</u> 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 _1_ office in __Hobbs____ on or before _11/18/2017_. 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