

From: [Yu, Olivia, EMNRD](#)
To: ["Graham, Rick"; "Tucker, Shelly"](#)
Cc: [Ellis, Kimberly](#); [Gutierrez, Joe J](#)
Subject: RE: Reportable release at Atha SWD
Date: Friday, January 5, 2018 11:11:00 AM
Attachments: approved_Finalized_Key_2017-12-8 Atha C-141.pdf

Mr. Graham:

Thank you for your prompt response. Yes; the warning tape may be removed.

FYI, please be advised that releases at the Atha SWD tank battery occurred on Federal surface. Any releases must be concurrently communicated to Shelly Tucker with BLM as well as NMOCD. Like approval will be required.

The available information indicates **OPERATOR** has met the requirements of 19.15.29 NMAC and no further corrective action is required. NMOCD considers **nOY1800533693** closed. This determination by the Oil Conservation Division does not relieve Operator of responsibility should future information indicate a threat to ground water, surface water, human health, or the environment. Furthermore, it does not relieve Operator of responsibility for compliance with any federal, state, or local laws and/or regulations.

Thanks,

Olivia Yu
Environmental Specialist
NMOCD, District I
Olivia.yu@state.nm.us
575-393-6161 x113

OCD approval does not relieve the operator of liability should their operations fail to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

From: Graham, Rick [mailto:rgraham01@keyenergy.com]
Sent: Friday, January 5, 2018 10:53 AM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Cc: Ellis, Kimberly <kellis@keyenergy.com>; Gutierrez, Joe J <jgutierrez03@keyenergy.com>
Subject: RE: Reportable release at Atha SWD

Ms. Yu,

Thank you for the C-141 information and update. Attached you will find the final submittal of the C-

141 in regards to the release on December 1, 2017 at the Atha SWD site. Unfortunately, we were not able to locate any dated photos from the July 19, 2017 release in our records.

Would it be acceptable for Key personnel to remove the warning tape currently blocking entrance to the disposal lane at the Atha well site?

Thanks,

Rick Graham | Key Energy Services | Environmental Director
o: 713.651.4437 | c: 346.274.5432 | e: rgraham01@keyenergy.com

From: Yu, Olivia, EMNRD [<mailto:Olivia.Yu@state.nm.us>]
Sent: Friday, January 05, 2018 11:08 AM
To: Graham, Rick <rgraham01@keyenergy.com>
Cc: Ellis, Kimberly <kellis@keyenergy.com>; Dinwiddie, Blake <bdinwiddie@keyenergy.com>
Subject: RE: Reportable release at Atha SWD

Dear Mr. Graham:

Thank you for your patience. The liner integrity statement and photos are accepted for the release on December 1, 2017. Please see the attachment for your records and submit a final C-141 to close the incident.

Are there dated photos for the release from July 19, 2017?

Olivia

From: Dinwiddie, Blake [<mailto:bdinwiddie@keyenergy.com>]
Sent: Wednesday, December 20, 2017 4:02 PM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Cc: Whitaker, Mark A, EMNRD <MarkA.Whitaker@state.nm.us>; Graham, Rick <rgraham01@keyenergy.com>; Ellis, Kimberly <kellis@keyenergy.com>
Subject: FW: Reportable release at Atha SWD

Ms. Yu;

As requested, attached are recent photographs of the lined tank battery containment following removal of produced water that resulted from the December 1, 2017 reportable spill. The photographs demonstrate the condition of the liner as it relates to the containment floor, sidewalls, and corners. No visible rips, tears, perforations, or any other damage is present to the liner that would allow potential leakage of fluids from the tank battery containment. Additionally, Key personnel did not observe any visible leakage outside of the lined containment during the July 19, 2017 or December 1, 2017 reportable spills.

Please let us know if you require any additional information concerning liner integrity. As indicated

in my previous email, Rick Graham will be your point of contact moving forward.

Thanks

Blake Dinwiddie | Key Energy Services
Environmental Project Manager/Interim Environmental Director
1301 McKinney Street, Suite 1800, Houston, Texas 77010
o: 713.757.5491 | m: 281.384.8589 | bdinwiddie@keyenergy.com

From: Dinwiddie, Blake
Sent: Friday, December 08, 2017 3:19 PM
To: 'Yu, Olivia, EMNRD' <Olivia.Yu@state.nm.us>
Cc: Whitaker, Mark A, EMNRD <MarkA.Whitaker@state.nm.us>; Graham, Rick <rgraham01@keyenergy.com>; Austin Weyant <austin.veyant@soudermiller.com>; Ellis, Kimberly <kellis@keyenergy.com>
Subject: RE: Reportable release at Atha SWD

Ms. Yu;

Attached is the C-141 for the reportable spill that occurred Friday, December 1. You are correct in that the fluids had not yet been fully vacuumed from the tank battery containment area as of Monday, December 4. After speaking with Key field personnel, apparently no vacuum trucks were immediately available to remove the fluids, which delayed cleanup efforts. All fluids have since been removed and transferred into the disposal system, and cleaning of the liner was tentatively scheduled for today.

Regarding updates for Incident #RP-4571 (January 15, 2017) and #1RP-4592 (February 1, 2017) resulting from flowline leaks, Key understood that a Soil Closure Report had been previously submitted on its behalf by Souder, Miller & Associates (SMA). However, upon further investigation it appears a miscommunication occurred between Key and SMA . . . the Soil Closure Report was apparently finalized during August 2017 but was never submitted to the NMOCD. Key has requested that SMA submit the Soil Closure Report for your review ASAP.

Regarding Incident #1RP-4547 (December 16, 2016) that occurred as a result of a flowline leak, according to SMA that spill location is ready for closure sampling and is tentatively scheduled to occur sometime during December.

Key will provide the requested statement of liner integrity and photo documentation to the NMOCD as it relates to the most recent (December 1) spill and the previous July 19, 2017 spill, both of which were contained within the lined tank battery containment. Should be able to have this information to you sometime next week.

If you have any further questions, please let us know. Also, please note that future correspondence should go to Mr. Rick Graham (copied on this email) who will be assuming my duties as Environmental Director over the next few weeks; however, please copy me on any correspondence to Mr. Graham until the end of December.

Thanks

Blake Dinwiddie | Key Energy Services

Environmental Project Manager/Interim Environmental Director
1301 McKinney Street, Suite 1800, Houston, Texas 77010
o: 713.757.5491 | m: 281.384.8589 | bdinwiddie@keyenergy.com

From: Yu, Olivia, EMNRD [<mailto:Olivia.Yu@state.nm.us>]

Sent: Monday, December 04, 2017 4:01 PM

To: Dinwiddie, Blake <bdinwiddie@keyenergy.com>

Cc: Whitaker, Mark A, EMNRD <MarkA.Whitaker@state.nm.us>

Subject: Reportable release at Atha SWD

Dear Mr. Dinwiddie:

NMOCD was informed of a major release at the Atha SWD (API well # 30-025-08816) on Friday, December 1, 2017. A NMOCD inspector stopped by the location today, December 4, 2017, and observed that the fluids were still not vacuumed. Please be advised the NMOCD does not preclude the Responsible Operator from immediate corrective actions such as removal of fluids and impacted soil.

Also, please note that this is the 5th reportable release this year that NMOCD is aware of. Release characterization/delineation plans for 1RP-4571 and 1RP-4592 are still outstanding. There has been no update for 1RP-4547 since May 30, 2017. A statement of liner integrity and photo documentation affirming that the release on July 19, 2017 was entirely contained within the lined secondary containment have not been submitted. NMOCD requires a status update along with a course of action to resolve each of these releases.

Thanks,

Olivia Yu
Environmental Specialist
NMOCD, District I
Olivia.yu@state.nm.us
575-393-6161 x113

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