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**

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

Form C-141

Final Report

Revised April 3, 2017

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Release Notification and Corrective Action

OPERATOR

Name of Co	mpany Ma	arathon Oil I	ermian I	LLC		Contact Callie Karrigan					
Address 2423 Bonita St, Carlsbad, NM 88220							Telephone No. 405-202-1028 (cell) 575-297-0956 (office)				
							Facility Type Oil and gas production facilities				
Surface: Owner: Federal Mineral: Owner:						Federal			API No. : 30-025-40633		
LOCATION OF RELEASE											
Unit Letter	Section	Township	Range	Feet from the	North	n/South Line	Feet from the	East/W	est Line	County	
B 25 26S 34E 330 North						1	2080	East		LEA	
Latitude 32.020534 .Longitude -103.421416											
NATURE OF RELEASE											
Type of Release: Produced water and oi							Volume of Release 230 bbls Volume Recovered 230 bbls				
Source of Release: Water Tank thief hatch										Hour of Discovery	
							6/18/2018 time unknown 6/18/2018 9:00 am			3 9:00 am	
							If YES, To Whom?				
☐ Yes ☐ No ☐ Not Required							Christina Hernandez and Olivia Yu- Lea County OCD				
By Whom? Callie Karrigan							Shelly Tucker – BLM Date and Hour 06/19/2018 8:33 am				
Was a Watercourse Reached?							If YES, Volume Impacting the Watercourse.				
Yes No											
If a Watercou	ırse was Im	pacted, Descr	ibe Fully.	*		APPROVED					
Not applicable.											
By CHernandez at 4:45 pm, Jul 03, 2018											
Describe Cause of Problem and Remedial Action Taken.*											
On 6/17/18, the site Operator was making his rounds and observed a realse in tank containment. Upon further investigation, it was found that the water											
tanks had overflowed after turning the well on the previous day. Approximately 230 barrels of oil and produced water was released in line containment.											
	Operator turned off gas lift, shut-in well and dispatched a vac truck. Well had previously been shut-in and produced an unexpected amount of produced										
water in the 20 hours of it being turned on. Automation shut-downs are being added.											
Describe Area Affected and Cleanup Action Taken.*											
The entire tar	nk containm	nent was affec	ted with s	tanding fluids. A						sure washed tanks and	
containment.	Absorbent	pads were als	o used to 1	recover excess flu	ids. Th	e liner was ass	sessed and maintai	ined com	plete integ	grity.	
T1 1 4	C 4		1	* 1	1 4 4	d 1	1 11 1	1	1.41	A NIMOCD 1	
										eases which may endanger	
										eve the operator of liability	
										; surface water, human health	
										ompliance with any other	
		ws and/or regu					1		,		
OIL CONSERVATION DIVISION										DIVISION	
								· -			
Signature: Callie Karrigan										\ L	
							Approved by Environmental Specialist:				
Printed Name: Callie Karrigan											
							7/3/2018			xx/xx/xxxx	
Title: HES Pi	rofessional	- Environmen	tal			Approval Da	te:	E	xpiration l	Date:	
E mail Address; ankarrigan@marathanail.com							Conditions of Approval:				
E-mail Address: cnkarrigan@marathonoil.com						Conditions 0	Conditions of Approval:			Attached	
Date: 7/2/201	8									Audelieu 📋	
Phone: 405-202-1028 (cell) 575-297-0956 (office)											

^{*} Attach Additional Sheets If Necessary





Post clean-up









From: <u>Hernandez, Christina, EMNRD</u>

To: "Karrigan, Callie N. (MRO)"; Yu, Olivia, EMNRD; "Tucker, Shelly"

Subject: RE: Marathon Oil Company - Initial and Final C141 - Madera 25 Fed Com 2H

Date: Tuesday, July 3, 2018 5:42:00 PM
Attachments: approvedC-141 Form - Initial and Final.pdf

Dear Ms. Karrigan:

Please see attachment for your records.

It is NMOCD's understanding that all impacted material in the containment has been removed and the liner inspected for integrity. The available information indicates **OPERATOR** has met the requirements of 19.15.29 NMAC and no further corrective action is required. NMOCD considers **nCH1818461132** 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,

Christina Hernandez
EMNRD-OCD
Environmental Specialist
1625 N. French Drive
Hobbs, NM 88240
575-393-6161 x111
Christina.Hernandez@state.nm.us

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: Karrigan, Callie N. (MRO) < cnkarrigan@marathonoil.com>

Sent: Monday, July 2, 2018 9:30 AM

To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>; Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us>; Tucker, Shelly <stucker@blm.gov>

Subject: Marathon Oil Company - Initial and Final C141 - Madera 25 Fed Com 2H

Good morning,

Please see the attached initial and final C141. Please let me know if you have any questions.

Hope everyone has a nice 4th of July holiday!

Callie

From: Karrigan, Callie N. (MRO)

Sent: Monday, June 18, 2018 8:33 AM

To: Yu, Olivia, EMNRD < Olivia. Yu@state.nm.us>; Tucker, Shelly < stucker@blm.gov>; Hernandez,

Christina, EMNRD < Christina.Hernandez@state.nm.us>

Subject: Marathon Oil Company - 24 hour notice - Madera 25 Fed Com 2H

All,

On 6/17/18, the site Operator was making his rounds and observed a release in tank containment at the Madera 25 Fed Com 2H. Upon further investigation, it was found that the water tanks had overflowed after turning the well on the previous day. Approximately 230 barrels of oil and produced water was released in lined containment. A vac truck recovered the fluids.

A C141 will be submitted shortly. Please let me know if you have any questions.

Callie