

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

NM OIL CONSERVATION

ARTESIA DISTRICT

JAN 02 2017 AB

Form C-141
Revised August 8, 2011

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

RECEIVED

Release Notification and Corrective Action

11AB1700454394 **OPERATOR** ☒ Initial Report ☐ Final Report

Name of Company	WPX Energy Inc/RKI 2940289	Contact	Karolina Blaney
Address	5315 Buena Vista Dr.	Telephone No.	970 589 0743
Facility Name:	Pinnacle 36-32H	Facility Type:	Well Pad

Surface Owner: State	Mineral Owner: State	API No. 30-015-41587
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	36	22S	28E	150	FNL	1700	FWL	Eddy

Latitude: 32.355955527N Longitude: -104.043666686W

NATURE OF RELEASE

Type of Release: Oil	Volume of Release: 8 Bbls	Volume Recovered: 0 Bbls
Source of Release Flare Stack	Date and Hour of Occurrence 12/21/2016	Date and Hour of Discovery 12/21/2016 - 10:00 hrs MT
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? NMOCD Heather Patterson, Crystal Weaver & Michael Bratcher, SLO Amber Groves	
By Whom? Karolina Blaney	Date and Hour: 12/21/16-15:00 hrs MT	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	
If a Watercourse was Impacted, Describe Fully.* N/A		
Describe Cause of Problem and Remedial Action Taken.* The spill was caused by equipment failure; dumps on the heater treater were not working properly which resulted in oil spraying out of the flare stack.		
Describe Area Affected and Cleanup Action Taken.* The spill migrated off location for approximately 40-50 yards southwest of the well pad. After receiving SLO's approval, the impacted soil off location was scraped off. The impacted area will be sampled for chlorides, BTEX and TPH in accordance with NM OCD Guidelines for Remediation of Leaks, Spills, and Releases. Further remediation will be based on the analytical results.		
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.		
Signature: <i>Karolina Blaney</i>	OIL CONSERVATION DIVISION	
Printed Name: Karolina Blaney	Approved by Environmental Specialist: <i>[Signature]</i>	
Title: Environmental Specialist	Approval Date: 11/4/17	Expiration Date: N/A
E-mail Address: Karolina.blaney@wpxenergy.com	Conditions of Approval: <i>See attached</i>	
Date: 1/2/2017 Phone: 970-589-0743	Attached <input checked="" type="checkbox"/>	

* Attach Additional Sheets If Necessary

JRP-405B

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State of New Mexico
Energy Minerals and Natural
Resources Department
Oil 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	nAB1700454394
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party: WPX Energy Permian, LLC	OGRID: 246289
Contact Name: Jim Raley	Contact Telephone: 575-689-7597
Contact email: Jim.Raley@dmn.com	Incident # (assigned by OCD): nAB1700454394
Contact mailing address: 5315 Buena Vista Drive, Carlsbad NM	

Location of Release Source

Latitude 32.353520 Longitude -104.042490
(NAD 83 in decimal degrees to 5 decimal places)

Site Name: Pinnacle 36-32H	Site Type: Well Pad
Date Release Discovered: 12/21/2016	API# (if applicable): 30-015-41587

Unit Letter	Section	Township	Range	County
C	36	22S	28E	Eddy

Surface Owner: ☒ State ☐ Federal ☐ Tribal ☐ Private (Name: _____)

Nature and Volume of Release

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

<input checked="" type="checkbox"/> Crude Oil	Volume Released (bbls): 8	Volume Recovered (bbls): 0
<input type="checkbox"/> Produced Water	Volume Released (bbls):	Volume Recovered (bbls):
	Is the concentration of dissolved chloride in the produced water >10,000 mg/l?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Condensate	Volume Released (bbls)	Volume Recovered (bbls)
<input type="checkbox"/> Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)
<input type="checkbox"/> Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)

Cause of Release:

The spill was caused by equipment failure; dumps on the heater treater were not working properly which resulted in oil spraying out of the flare stack.


$$bbl\ estimate = \frac{saturated\ soil\ volume\ (ft^3)}{4.21\ (bbl\ equivalent)} * estimated\ porosity\ (\%) + recovered\ fluids\ (bbl)$$

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Was this a major release as defined by 19.15.29.7(A) NMAC? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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

<input checked="" type="checkbox"/> The source of the release has been stopped.	
<input checked="" type="checkbox"/> The impacted area has been secured to protect human health and the environment.	
<input checked="" type="checkbox"/> Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.	
<input checked="" type="checkbox"/> All free liquids and recoverable materials have been removed and managed appropriately.	
If all the actions described above have <u>not</u> been undertaken, explain why:	
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: <u>Jim Raley</u>	Title: <u>Environmental Professional</u>
Signature: <u></u>	Date: <u>6/16/2023</u>
email: <u>Jim.Raley@dvn.com</u>	Telephone: <u>575-689-7597</u>
<u>OCD Only</u>	
Received by: _____	Date: _____

Incident ID	nAB1700454394
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Site Assessment/Characterization

This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

What is the shallowest depth to groundwater beneath the area affected by the release?	<u>51-100</u> (ft bgs)
Did this release impact groundwater or surface water?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within 300 feet of a wetland?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release overlying a subsurface mine?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release overlying an unstable area such as karst geology?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the lateral extents of the release within a 100-year floodplain?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Did the release impact areas not on an exploration, development, production, or storage site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined. Refer to 19.15.29.11 NMAC for specifics.

Characterization Report Checklist: *Each of the following items must be included in the report.*

- ☒ Scaled site map showing impacted area, surface features, subsurface features, delineation points, and monitoring wells.
- ☒ Field data
- ☒ Data table of soil contaminant concentration data
- ☒ Depth to water determination
- ☒ Determination of water sources and significant watercourses within ½-mile of the lateral extents of the release
- ☒ Boring or excavation logs
- ☒ Photographs including date and GIS information
- ☒ Topographic/Aerial maps
- ☒ Laboratory data including chain of custody

If the site characterization report does not include completed efforts at remediation of the release, the report must include a proposed remediation plan. That plan must include the estimated volume of material to be remediated, the proposed remediation technique, proposed sampling plan and methods, anticipated timelines for beginning and completing the remediation. The closure criteria for a release are contained in Table 1 of 19.15.29.12 NMAC, however, use of the table is modified by site- and release-specific parameters.

State of New Mexico
Oil Conservation Division

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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: Jim Raley Title: Environmental Professional

Signature:  Date: 6/16/2023

email: Jim.Raley@dvn.com Telephone: 575-689-7597

OCD Only

Received by: _____ Date: _____

Incident ID	nAB1700454394
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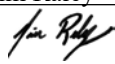
Closure

The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

Closure Report Attachment Checklist: *Each of the following items must be included in the closure report.*

- ☒ A scaled site and sampling diagram as described in 19.15.29.11 NMAC
- ☒ Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District office must be notified 2 days prior to liner inspection)
- ☒ Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling)
- ☒ Description of remediation activities

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. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete.

Printed Name: Jim Raley Title: Environmental Professional
Signature:  Date: 6/16/2023
email: Jim.Raley@dv.com Telephone: 575-689-7597

OCD Only

Received by: _____ Date: _____

Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate and remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.

Closure Approved by: _____ Date: _____

Printed Name: _____ Title: _____

Variance request approved. Closure of the site is not approved. This incident will remain in "Closure not approved" status until a closure report that meets the requirements of 19.15.29.13 NMAC is submitted through the OCD Permitting website. The OCD requests that updates be sent in via email in conjunction with the schedule outlined in the report. This report will be uploaded to the incident file in order to track administrative completeness of the project.



CLOSURE VARIANCE REQUEST

**Pinnacle 36-32H
Eddy County, New Mexico
Incident Number nAB1700454394**

**Prepared for:
WPX Energy Permian, LLC**

Carlsbad • Midland • San Antonio • Lubbock • Hobbs • Lafayette



SYNOPSIS

Etech Environmental & Safety Solutions, Inc. (Etech), on behalf of WPX Energy Permian, LLC (WPX), presents a follow up Closure Variance Request (CVR) detailing additional corrective measures to improve vegetation regrowth at the Pinnacle 36-32H (Site) within an area subject to an inadvertent release of crude oil (**Figure 1** in **Appendix A**). The previous Closure and Variance Request Report (CVRR), authored by a third-party environmental consultant and was denied on March 16, 2023, by the New Mexico Oil Conservation Division (NMOCD) due to the following reason:

"The report does not demonstrate how the variance request will provide equal or better protection of public health and the environment."

Remediation activities documented in the CVRR were completed as outlined in an approved Remediation Work Plan (RWP) submitted by WPX, which included an estimation of residual soil impacts greater than the reclamation standard (343 cubic yards) that could not be safely removed due to a tightly grained formation of caliche. WPX requested a variance to leave it in place as the impermeable nature of the caliche observed would continue to restrict downward migration of elevated constituents of concern (COCs).

WPX met with NMOCD following the denial to discuss the Site and recommend action items in an updated report. This CVR details the summary of remedial actions that will be completed in accordance with requests from NMOCD. All previous remediation activities and soil sample analytical results for the subject release can be referenced in the original RWP and other submitted deliverable documents uploaded to NMOCD portal.

SITE LOCATION AND RELEASE BACKGROUND

On December 21, 2016, failure of the dumps on the heater treater resulted in an overspray of oil out of the flare stack and into the adjacent pasture pipeline Right-of-Way (ROW). Approximately 8 barrels (bbls) of oil were released to the ground surface of the well pad and migrated approximately 40-50 yards southwest of the pad. Initial response efforts involved excavating the release extent to the maximum extent possible. The incident was reported to the NMOCD on a Release Notification and Corrective Action Form (Form C-141) on January 2, 2017, and was subsequently assigned Incident Number nAB1700454394.

The production well (API 30-015-41587) for this Site is located in Unit C, Section 36, Township 22 South, Range 28 East, in Eddy County, New Mexico (32.355955527, -104.043666686) as provided on the initial Form C-141 and is associated with oil and gas exploration and production operations on State Land. The subject release is located south of the production well in the pasture (32.353520°, -104.042490°). The updated coordinates are provided on the Final Form C-141.

SITE CHARACTERIZATION AND CLOSURE CRITERIA

Based on the desktop review for the Site according to Table I, Closure Criteria for Soils Impacted by a Release, of Title 19, Chapter 15, Part 29, Section 12 (19.15.29.12) of the New Mexico Administrative Code (NMAC) and approved characterization detailed in the CVRR, the following Closure Criteria was applied:

COCs	Laboratory Analytical Method	Closure Criteria
Chloride	Environmental Protection Agency (EPA) 300.0	10,000 milligram per kilogram (mg/kg)
TPH (Total Petroleum Hydrocarbon)	EPA 8015 M/D	2,500 mg/kg
Benzene	EPA 8021B	10 mg/kg



Benzene, Toluene, Ethylbenzene, Total Xylenes (BTEX)	EPA 8021B	50 mg/kg
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A reclamation requirement of 600 mg/kg chloride and 100 mg/kg TPH was applied to the top 4 feet of the pasture area that was impacted by the release.

SUPPLEMENTAL WORK AND CLOSURE VARIANCE REQUEST

Based on the discussions held between WPX and NMOCD, the following conclusion regarding the release is presented:

- The area off pad impacted by the release requires continued restoration efforts to assist with vegetation regrowth.

Based on the conclusion drawn above, WPX proposes the following remedial corrective actions:

- WPX will add clean topsoil to the area off pad (**Figure 2** in **Appendix A**) and recontour to match pre-existing surrounding conditions;
- The appropriate BLM seed-mix will be applied and tilled into the clean topsoil once the Site has been recontoured; and
- WPX will install Site appropriate stormwater management controls to the south of the release area in attempt to mitigate erosion of newly lain topsoil and/or seed runoff.

WPX believes these supplemental corrective measures meet requirements set forth in NMAC 19.15.29.13 and what was discussed with NMOCD. WPX will monitor the Site every other week for three months to assure evidence of vegetation growth and storm management controls remain intact, and once regrowth is evident, every year thereafter until approximately 70 percent of existing vegetation coverage is established. As such, WPX respectfully requests approval of this CVR from NMOCD.

If you have any questions or comments, please do not hesitate to contact Joseph Hernandez at (281) 702-2329 or joseph@etechenv.com or Anna Byers at (575) 200-6754 or anna@etechenv.com.

Sincerely,

eTECH Environmental and Safety Solutions, Inc.

Anna Byers
Senior Geologist

Joseph S. Hernandez
Senior Managing Geologist

cc: Jim Raley, WPX
New Mexico Oil Conservation Division
State Land Office



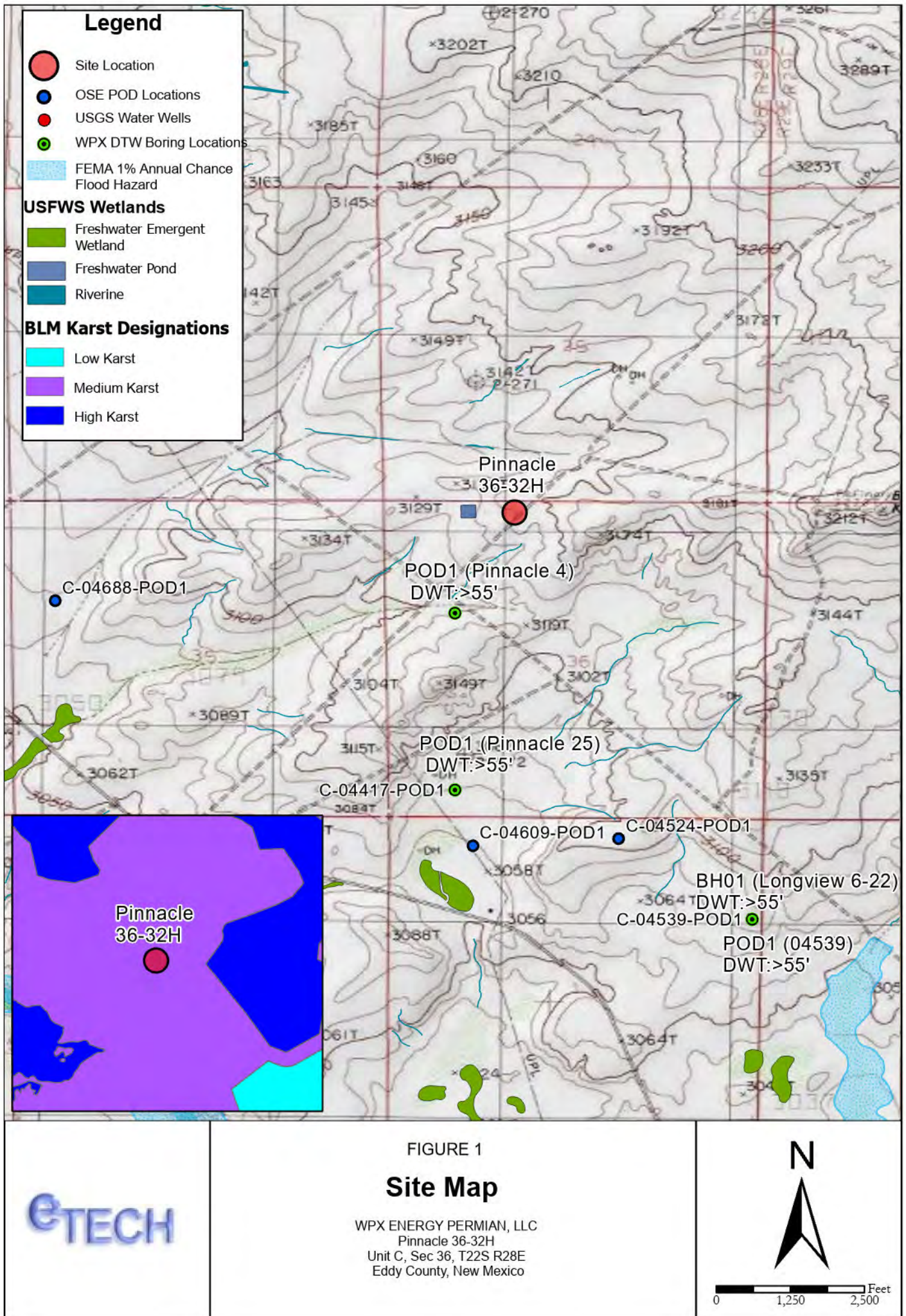
Appendices:

Appendix A: Figure 1: Site Map

Figure 2: Proposed Restoration Area

APPENDIX A

Figures





District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
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811 S. First St., Artesia, NM 88210
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Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 230095

CONDITIONS

Operator: WPX Energy Permian, LLC Devon Energy - Regulatory Oklahoma City, OK 73102	OGRID: 246289
	Action Number: 230095
	Action Type: [C-141] Release Corrective Action (C-141)

CONDITIONS

Created By	Condition	Condition Date
bhall	Variance request approved. This incident will remain in "Closure not approved" status until a closure report that meets the requirements of 19.15.29.13 NMAC is submitted through the OCD Permitting website.	7/5/2023
bhall	The OCD requests that updates be sent in via email in conjunction with the schedule outlined in the report.	7/5/2023