AE Order Number Banner

Report Description

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WILLIAMS FOUR CORNERS, LLC

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State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division

October 6, 2016

BP America Production Company
Attn: Steven Moskal
200 Energy Court
Farmington, New Mexico 87401
Certified Mail/ Return Receipt #: 7015 0640 0007 1331 3605

Williams Field Services LLC
Attn: Matt Webre
17755 Arroyo Drive
Bloomfield, New Mexico 87413
Certified Mail/ Return Receipt #: 7015 0640 0007 1331 3612

Re: 2016 Release Investigation
Well: Florance Gas Com J #16A, 30-045-21790, Section 6, Township 30N, Range 9W

Dear Mr. Moskal and Mr. Webre,

The Oil Conservation Division (OCD) has reviewed the Williams Field Services LLC (Williams) and BP America Production Company (BP) investigation reports received on May 16, 2016. Below is a brief summary and the OCD conclusions.

BP Investigation Information and Determinations:

In March 2016 BP returned to the Florance Gas Com J #16A well site to further investigate possible contamination identified during the Williams December 2015 investigation near soil vapor points (SV) SV-1,2,9,10 and 12.

During the investigation BP excavated test holes (TH) 1-11, which found impacted soils, BP's TH's were extended to various depths until visual signs of contamination were diminished. BP collected soil samples from the bottom of each excavation. Laboratory soil sample results for TH- 1,2,3,4,5,6,9 and 11 indicate there may be multiple sources of soil contamination and not one continuous release as outlined in the Williams December 2015 investigation. The results also show the soil contamination possibly terminates prior to reaching ground water. However, in TH-8 and 10 the soil samples returned results above the closure standards, which leaves the possibility that contamination could have reached the ground water table.

Based on the investigation reports and onsite observations contamination in the area of SV-41 may have originated from the underground pipeline between BP and Williams separators. Since BP owns and operates the pipeline, BP will be responsible for the remediation for the area north of the Williams underground gas line in the vicinity of SV-41 and where contamination was identified during the March 2016 investigation.

Williams Investigation Information and Determinations

In April 2016 Williams returned to the Florance Gas Com J #16A well site to initiate a Below Grade Tank (BGT) closure and further investigate possible contamination identified during the Williams December 2015 investigation near SV-33 and 34.

During the investigation Williams excavated the area beneath the BGT, a test hole north of the BGT in the vicinity of SV-41, and the areas beneath SV-33 and 34. Contaminated soils were observed in all of the excavations. Williams collected soil samples from the bottom of each excavation except for the test hole north of the BGT which was backfilled prior to sampling. Laboratory soil sample results were above the closure standards for each excavation, which leaves the possibility that contamination could have reached the ground water table.

Based on the investigation reports and onsite observations, contamination in the BGT and earthen pit area south of Williams underground gas line appears to be associated with the historic Public Service Company of New Mexico (PNM) earthen pit and possible historic BGT overflows. The contamination found in SV-33 and SV-34 starts at the top of the sandstone layer and indicates the source of the release is located upstream and is most likely caused from the earthen pit and BGT. Williams owns and operated the earthen pit and BGT, therefore Williams will be responsible for the remediation of the area south of the Williams underground gas line which includes the former PNM earthen pit, the former Williams BGT, and SV-33 and 34.

The OCD reviewed Williams's concern in regards to the installation and construction of BP's monitoring wells (MW). MW-1, 2, 4, and 5 were drilled through clean soils as indicated by laboratory testing. Since the monitoring wells intersect only 1 water bearing strata that does not demonstrate artesian properties the OCD believes the wells are sufficient in protecting the water formation.

MW-3 boring log indicates that contamination was found from 10' to 40' below grade surface. After constructing the monitor well casing and installing the sand pack BP installed a 1' bentonite chip seal, backfilled with contaminated drill cuttings and capped the monitoring well with a cement slab. BP's construction of the monitoring well could provide a pathway for contaminates to travel to the water table. However, prior to the installation of MW-3 the natural spring to the south and correlated water table had been sampled and witnessed to be seeping Non-Aqueous Phase Liquid's (NAPL), therefore MW-3 did not contribute to the initial contamination of the ground water table.

During the initial and subsequent water sampling events from both Operators MW-3 has consistently had 6"-16" of NAPL on top of the ground water table. Since the only confirmed soil contamination that has reached the ground water table is located within the historic PNM earthen pit Williams, is fully or partly responsible for the ground water remediation pending further investigation. Therefore, Williams is required to provide the OCD a draft ground water remediation plan as requested in March of 2016.

In an effort to maximize onsite assets the OCD is recommending that BP grant Williams access to convert MW-3 to a product recovery well, if the extent of the soil remediation does not require the well to be removed. If BP and Williams cannot come to an agreement on the operation of MW-3 then BP will be required to Plug and Abandon MW-3 following New Mexico Environmental Department (NMED) plugging guidelines. Following the excavation Williams will drill a replacement well in the vicinity of MW-3 to allow for the recovery of NAPL from the ground water.

OCD Requirements:

Both Operators have known contamination near their respective equipment and have had ample amount of time to prepare the appropriate equipment/plan for remediation.

Below are the requirements for each company to be in compliance with the Division approved corrective action. Failure to meet the required timeframes may result in violations and further enforcement action, as this site is a continued risk to surface and ground water.

BP:

- Within 30 days BP will remediate both horizontally and vertically the area near TH-4, 5,8,9,10,11 and the area north of Williams line in the vicinity of SV-41
- Within 45 days BP will Plug and Abandon MW-3 following NMED plugging guidelines if needed.
- If it is determined that BP's operations impacted groundwater, BP will be required to submit a Draft Ground Water Remediation plan within 45 days of discovery.

Williams:

- Within 30 days Williams will remediate both horizontally and vertically the area near SV-33, 34, the former BGT location, and the former PNM earthen pit area.
- Within 30 days Williams will start the recovery of Non-Aqueous Phase Liquid's from MW-3 or within 30 days following the excavation Williams will drill and install a replacement well in the vicinity of MW-3 and commence the recovery of Non-Aqueous Phase Liquid's if needed.
- Within 45 days Williams will provide the OCD with a Draft Ground Water Remediation plan as requested in March, 2016.

Extensions may be granted to either BP or Williams concerning the onsite remediation's as long as the following conditions are met;

- Remediation begins prior to the required timeframe.
- The extensions only allow for continuous on-site remediation.
- The extension request is made to the District prior to the lapse of the required timeframe.

If you have additional questions, please feel free to call me at 505-334-6178 Ext. 115.

Sincerely,

Cory Smith
Environmental Specialist
Energy, Minerals, & Natural Resources Department
Oil Conservation Division
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cc: Katherina Diemer Bureau of Land Management Farmington Field Office

encl: Florance Gas Com J #16A Site Diagram