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
DEC 14 2016
RECEIVED

Form C-141
Revised August 8, 2011
Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

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nAB1635435498

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company: ETC Field Services 371183	Contact: Johnnie Bradford
Address: 600 N. Marienfeld Street, Ste. 700	Telephone No. (432) 250-5542 (cell) (817) 302-9812 (off)
Facility Name: Nash Draw 6" Poly	Facility Type: Pipeline

Surface Owner: State of NM	Mineral Owner:	API No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	32	23S	30E	507.23	North	576.43	East	Eddy

Latitude 32.26353N Longitude 103.9103W

NATURE OF RELEASE

Type of Release: Gas and Liquid	Volume of Release: 49.17 MMscf/gas – 5.2 BBLs Liquid	Volume Recovered: 0
Source of Release: *Poly Pipeline leaving a meter station over pressured.*	Date and Hour of Occurrence: 12/05/2016 15:00	Date and Hour of Discovery: 12/05/2016 15:00
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? *NMOCD District 2 Cell Phone (Heather Patterson)*	
By Whom? Johnnie Bradford	Date and Hour: 12/05/2016 20:34	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse. *A Watercourse was not affected.*	

If a Watercourse was Impacted, Describe Fully.*
A Watercourse was not affected.

Describe Cause of Problem and Remedial Action Taken.*
ETCFS requested that producers shut in for a couple of hours to allow us to perform maintenance on the pipeline. The producer did not shut in when the pipeline was isolated causing it to overpressure and rupture at the point where the pipe goes underground downstream of the production meter.

Describe Area Affected and Cleanup Action Taken.*
A spray of oil covering an area of 150' x 150' was observed downstream of the leaking pipeline. Oil ran down a lease road and onto pasture approximately 0.1 miles and approximately 0.5' to 1.25' wide, pooling in the lower areas. A contractor has been contacted to remove the contaminated soil and replace with uncontaminated soil. The remediation efforts will adhere to the NMOCD guidelines and all soil will be disposed of at an NMOCD approved landfill.

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: Johnnie Bradford
Printed Name: Johnnie Bradford
Title: Sr. Environmental Specialist
E-mail Address: johnnie.bradford@energytransfer.com
Date: 12/14/2016 Phone: (432) 250-5542

OIL CONSERVATION DIVISION

Signed By Mike Bratcher
Approved by Environmental Specialist:

Approval Date: 12/14/16 Expiration Date: N/A

Conditions of Approval: see attached

Attached ☒

* Attach Additional Sheets If Necessary

JRP-4035

Initial Work Plan:

On December 5, 2016 a pipeline leak occurred on the Nash Draw 6" pipeline owned and operated by Energy Transfer Company Field Services (ETCFS). The location of the leak by GPS Coordinates is 32.26353 N Latitude, 103.9103 W Longitude, in Eddy County NM. A C-141 form is being submitted with the Initial Work Plan. The cause of the leak was due to a producer not shutting in as requested.

The leak consisted of gas and liquid encompassing an area of approximately 150' x 150'. The gas release associated with this leak was significant. Upon discovery, the area was evaluated and an outside contractor was notified to respond to the site and evaluate cleanup efforts.

Depth to groundwater at this location is greater than 200 feet and the distance to surface water is greater than 1,000 horizontal feet; therefore the total ranking score for this site is 0-9. Consequently, the Recommended Remedial Action Level (RRAL) for BTEX and TPH will be met respectively, at 50 ppm and 5,000 ppm.

Remedial Activities:

- The impacted soil will be remediated until no apparent contamination exists. A sample will be taken from the bottom of the excavation at several locations and will be sent to an approved certified lab and analyzed for TCPL BETX, TCLP RCRA 8 Metals, TPH and Chlorides.
- Once the analytical has been received, the results will be evaluated for contaminant levels at or below the NMOCD RRAL.
- Should results dictate additional remedial activities, the process will be repeated until the site meets the NMOCD RRAL as published.
- All excavated material will be disposed at an NMOCD approved landfill.
- Upon completion of the remediation, the appropriate NMOCD office will be notified of the sample results and approval for backfill requested.
- If needed or requested the site will be reseeded as directed.

Operator/Responsible Party,

The OCD has received the form C-141 you provided on **12/14/16** regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number 2RP-4035 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 division-approved corrective action 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 II office in Artesia on or before 1/22/16. 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; C_6 thru C_{36}), 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; C_6 thru C_{36}), 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

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