

NM OIL CONSERVATION
ARTESIA DISTRICT

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

NOV 21 2017

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised April 3, 2017

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

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

RECEIVED

Release Notification and Corrective Action

NAB1733255518

OPERATOR

Initial Report Final Report

Name of Company	OXY USA, Inc. <i>1009910</i>	Contact	Wade Dittrich
Address	P.O. Box 4294, Houston, TX 77210	Telephone No.	(575)390-2828
Facility Name	Sterling Silver 3 0005	Facility Type	P&E
Surface Owner	Federal	Mineral Owner	Federal
		API No.	30-015-27637

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	3	24S	31E	660	N	2,310	W	Eddy

Latitude 32.251740 Longitude -103.766190 NAD83

NATURE OF RELEASE

Type of Release	Produced water & crude oil	Volume of Release	11 bbls Produced Water & 1 bbl Crude Oil	Volume Recovered	0 bbls
Source of Release	3" inch steel production line	Date and Hour of Occurrence	8/17/2017, Time unknown	Date and Hour of Discovery	8/17/2017
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	IF YES, To Whom?	Mike Bratcher & Crystal Weaver - NMOCD; Shirley Tucker - BLM		
By Whom?	Wade Dittrich	Date and Hour	8/17/2017, 8:22 PM		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	IF YES, Volume Impacting the Watercourse.			

This is a past due C-141 Initial form

If a Watercourse was Impacted, Describe Fully.*
Describe Cause of Problem and Remedial Action Taken.*
Spill caused by failure of a 3" steel production line. The affected section of the pipe has been repaired.

Describe Area Affected and Cleanup Action Taken.*
The release affected an area of the well pad measuring approximately 2,800 sq. ft. The release also affected an area of the pasture adjacent to the pad measuring approximately 1,700 sq. ft. Remediation of the impacted area will be conducted in accordance with NMOCD and BLM guidelines.

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>Wade Dittrich</i>	OIL CONSERVATION DIVISION	
Printed Name: Wade Dittrich	Approved by Environmental Specialist: <i>Crystal Weaver</i>	
Title: Environmental Coordinator	Approval Date: 11/28/17	Expiration Date: N/A
E-mail Address: wade_dittrich@oxy.com	Conditions of Approval: <i>See attached</i>	Attached: <input checked="" type="checkbox"/> <i>ARP-4497</i>
Date: 9/5/2017	Phone: (575) 390-2828	

* Attach Additional Sheets If Necessary

11/21/17 AB

Operator/Responsible Party,

The OCD has received the form C-141 you provided on **11/21/17** regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number 20P-4497 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 12/21/17. 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; C₆ thru C₃₆), 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; C₆ thru C₃₆), 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

Weaver, Crystal, EMNRD

From: Wade_Dittrich@oxy.com
Sent: Tuesday, November 21, 2017 3:48 PM
To: Bratcher, Mike, EMNRD; Weaver, Crystal, EMNRD
Cc: ben@trinityoilfieldservices.com; Jennifer_Smith@oxy.com; stucker@blm.gov
Subject: Initial C141-Sterling Silver 3 0005
Attachments: Scanned from a Xerox Multifunction Device.pdf

All,

Attached is the Initial C141. Please review and let me know if there are any questions. Thank you.

Wade Dittrich

Environmental Specialist

Oxy Permian-New Mexico

575-390-2828 cell

575-397-8214 office

Wade_Dittrich@Oxy.com

Weaver, Crystal, EMNRD

From: Weaver, Crystal, EMNRD
Sent: Tuesday, November 21, 2017 3:26 PM
To: 'Ben J. Arguijo'; Bratcher, Mike, EMNRD
Cc: Trinity; Wade Dittrich
Subject: RE: Sterling Silver 3 0005

Ben,

We don't have an RP number because no Initial C-141 form was ever sent to OCD according to our records. What you have included below that came from Wade on 8/17/17 is only an immediate notification email. An RP number is not generated by us when an operator only sends in an immediate notification email. If an Initial C-141 was actually sent in to OCD we show no record of receiving it.

Thank you,

Crystal Weaver

Environmental Specialist
OCD – Artesia District II
811 S. 1st Street
Artesia, NM 88210
Office: 575-748-1283 ext. 101
Cell: 575-840-5963
Fax: 575-748-9720

From: Ben J. Arguijo [mailto:ben@trinityoilfieldservices.com]
Sent: Tuesday, November 21, 2017 3:13 PM
To: Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>; Weaver, Crystal, EMNRD <Crystal.Weaver@state.nm.us>
Cc: Trinity <todd@trinityoilfieldservices.com>; Wade Dittrich <Wade_Dittrich@oxy.com>
Subject: Re: Sterling Silver 3 0005

Mike/Crystal,

Will you please send me and Wade the signed C-141 with the 2RP# for this release when you get a chance? It is not in the NMOCD imaging system.

Thanks.

Ben

Ben J. Arguijo
Environmental Project Manager
Trinity Oilfield Services
P.O. Box 2587
Hobbs, NM 88241

(575)390-7208
ben@trinityoilfieldservices.com

On Thu, Aug 17, 2017 at 8:22 PM, <Wade_Dittrich@oxy.com> wrote:

All,

This is to inform you that Oxy Permian had a **Reportable** release in **Eddy County** at the **Sterling Silver 3 0005** on **8/17/2017**.

- **Release Location:** Legal -3-24S-31E, API: 30-015-27637
- **Release Volume:** 1 bbls of Oil and 11 bbls of Produced Water.
- **Recovered:** 0 bbls recovered
- **Cause of Release:** 3 inch steel production line failure
- **Approximate Area impacted by release:** 25x25 FT, Leak did leave the location- (measurements are subject to change with GPS tracking)
- **GPS Coordinates and Driving Direction:** **32.251740 , -103.766190** COMING FROM JAL NM TAKE HWY 128 TO MM17 TURN LEFT JUST AFTER MM17 AT THE PORTA JOHN GO STRAIGHT AND TURN RIGHT AT THE T THEN GO TO A 2 TRACK LEASE ROAD AND FOLLOW IT TO THE NEXT T AND GO LEFT CROSSING A CATTLE GUARD AND TURN LEFT, 1ST LOCATION BEFORE BATTERY

Please let me know if you have any questions.

Wade Dittrich
Environmental Coordinator
Oxy Permian-New Mexico
575.390.2828 cell
Wade_Dittrich@Oxy.com