RECEIVED

MAY 08 2018

DISTRICT II-ARTESIA O.C.D.

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

Form C-141
Revised April 3, 2017

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

fAB1813055699
nAB1813056113

Release Notification and Corrective Action

#37115 OPERATOR ☒ Initial Report ☐ Final Report

Name of Company: Rockcliff Operating New Mexico LLC	Contact: John Turner
Address: 1301 McKinney St, Suite 1300, Houston, TX 77010	Telephone No.: 903-643-3791
Facility Name : SCB 5B to Candelario 24-1 SWD 4" Polyline SOUTH CULEBRA B 5B 4" POLYLINE	Facility Type: Produced Water Transfer Line

Surface Owner: The Mosaic Company	Mineral Owner: BLM	API No. NA

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	24	23s	28e					Eddy

Latitude 32.294911 **Longitude** -104.043545 NAD 83

NATURE OF RELEASE

Type of Release: Produced Saltwater/Oil	Volume of Release: PW ~720 bbls, Oil ~7.2 bbls	Volume Recovered: ~ 385 bbls
Source of Release: 4" Polyline – Produced Water Transfer Line	Date and Hour of Occurrence: 4/26/18	Date and Hour of Discovery 4/30/18, 0823hrs
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Mike Bratcher NMOCD & National Response Center	
By Whom? John Turner	Date and Hour: 4/30/18 0853 hrs	
Was a Watercourse Reached? ☒ Yes ☐ No	If YES, Volume Impacting the Watercourse. Unknown – but appears to be minimal	

If a Watercourse was Impacted, Describe Fully.*
Yes – Pecos River. Point of Release was approximately 150 feet from the river, on the west side of the bluff. Release fluids first pooled at the bottom of the bluff, then flowed toward the river.

Describe Cause of Problem and Remedial Action Taken.* On 4-26-18, it appears that a 3rd party ran over the 4" polyline that transfers produced water from the SCB #5B CTB to the Candelario 24-1 SWD disposal well and caused a failure in the line. The 3rd party notified The Mosaic Company, the landowner. The landowner responded to the notification believing it was one of their freshwater lines and used clamps to pinch the polyline on both sides of the damaged area to stop the release. Once the release was secured they left the jobsite for the weekend. Very little liquid was released at this time according to 3rd Party. 3rd Party returned to the job site on the morning of 4-30-18 and noticed the upstream clamp was gone and fluid was being released to the ground. 3rd Party notified the landowner again and landowner responded. The landowner determined this was not their line and notified Rockcliff's emergency number of a polyline leaking produced water between the SCB #5B CTB and Candelario SWD and that the water was going in the Pecos River. Rockcliff called Souder Miller & Associates to respond to the spill for assessment, cleanup, and remediation.

Describe Area Affected and Cleanup Action Taken.*
Initial emergency actions began with the construction of a large earthen berm to hinder fluid movement. After an emergency one call cleared, dirt work crews immediately began excavation of impacted material nearest to the river and a vac truck was called to remove all standing fluid. In addition, a hydro-excavator was called to remove impacted caliche in the road construction area. Absorbent boom was deployed across the pooled area and downstream of the point of entry.

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: John Turner	OIL CONSERVATION DIVISION
Printed Name: John Turner	Approved by Environmental Specialist: Signed By Mike Bratcher
Title: Field Sr. Environmental Specialist	Approval Date: 5/9/18 Expiration Date: N/A
E-mail Address: jturner@rockcliffenergy.com	Conditions of Approval: See attached Attached ☒ 2RP-4737
Date: 5-8-18 Phone: 903-475-1865	

* Attach Additional Sheets If Necessary

Operator/Responsible Party,

The OCD has received the form C-141 you provided on 5/8/2018 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number 2RP-4737 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 2 office in ARTESIA on or before 6/8/2018. 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

Bratcher, Mike, EMNRD

From: John Turner <John.Turner@Rockcliffenergy.com>
Sent: Tuesday, May 8, 2018 4:25 PM
To: Bratcher, Mike, EMNRD; Tucker, Shelly; Weaver, Crystal, EMNRD; Gregston, Terry; Holcomb, Sarah, NMENV; Ellington, Brent, OSE
Cc: Nick Koch; Mike Martin; Darrell Taylor; Brian Borque; Jamie Robinson; Greg McCain
Subject: SCB 5B to Candelario 24-1 SWD 4" Polyline C-141 Release Notification - Rockcliff Energy Operating New Mexico LLC
Attachments: SCB_5B_to_Candelarie_Polyline_Release_NMOCD_C-141_5-8-18.pdf

Please find attached the initial Form C-141, Release Notification and Corrective Action, for the release that occurred on Rockcliff Operating New Mexico LLC's 4" produced water transfer polyline near Fishermans Lane discovered on April 30, 2018.

If you have any questions or concerns please do not hesitate to contact me.

Thank you,

John Turner
Rockcliff Energy, LLC
Sr. Environmental Specialist
342 Johnny Clark Rd
Longview, TX 75603
O: (903) 475-1865
C: (903) 261-4673
jturner@rockcliffenergy.com