OCD Rec'd:08/06/18

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 August 8, 2011

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

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Fasken Oil and Ranch 151416	Contact Aaron Pachlhofer
Address 6101 Holiday Hill Road	Telephone No. 432-687-1777
Facility Name Shell Federal No.2 SWD	Facility Type Salt Walter Disposal Battery

Surface Owner: Federal	Mineral Owner: Federal	API No.: 30-015-22717

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	5	T21S	24E	3,300	South	660	West	Eddy

Latitude 32.510319° Longitude -104.527606°

NATURE OF RELEASE

Type of Release: Oil and produced water	Volume of Release: 1190 water, 270 oil	Volume Recovered: 721 water, 10 oil
Source of Release: SWD Battery	Date and Hour of Occurrence: 8/3/18 10:30 P.M. MDT	Date and Hour of Discovery: 8/3/18 10:30 P.M. MDT
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Mark Whittacker, OCD	
By Whom? Vince Hancock, Fasken	Date and Hour 8/4/18 6:15 a.m. MDT	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.* N/A

Describe Cause of Problem and Remedial Action Taken.*
At approximately 10:30 p.m. on 8/3/18 a tank low level alarm was received by Odie Roberts with Fasken. The lightning stick likely occurred just before the alarm notification was sent by the system. A pumper was dispatched to address the problem. When the contractor arrived, the Artesia Fire Department was on location bringing the fire under control. The fire chief told the pumper that the fire was from a lightning strike. The area received approximately 1 inch of rain during this event. The battery was destroyed, the tanks were reduced to about ¼ their original height.
The lined firewall contained approximately 80 to 85% of the spilled fluids, and the liner bottom appears intact. Some fluids flowed across the pad but was further contained by a tertiary berm around the pad. Fluids on the pad appears to be only oil that has been burned. A small overspray of oil was observed to the south of the battery, with some scorched vegetation.

Describe Area Affected and Cleanup Action Taken.*
Fluids and wreckage are being removed. Recovered volumes above are preliminary and will be revised after fluid recovery is completed. Remains of tanks were still holding fluid. Almost all oil appears to have burned.
A work plan to remediate the spill will be prepared and submitted after an onsite meeting with Fasken, OCD and BLM on 8/7/18.

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:	OIL CONSERVATION DIVISION
Printed Name: Aaron Pachlhofer	Approved by Environmental Specialist: Maria Pruett
Title: Environmental Coordinator	Approval Date: 8/7/18 Expiration Date: N/A
E-mail Address: aaronp@forl.com	Conditions of Approval: See attached Attached 2RP-4901
Date: 8/6/18 Phone: 432-687-1777	

* Attach Additional Sheets If Necessary

Operator/Responsible Party,

The OCD has received the form C-141 you provided on 08/06/18 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number 2RP-4901 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 _09/06/18_____. 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

Pruett, Maria, EMNRD

From: Aaron Pachlhofer <aaronp@forl.com>
Sent: Monday, August 6, 2018 12:20 PM
To: Pruett, Maria, EMNRD; Tucker, Shelly; Jim Amos
Subject: Fasken Shell Federal No. 2 SWD Spill/Fire
Attachments: 2731_001.pdf

All,

Thank you for you time on the phone today. Attached is a C-141 for the spill. API number and lat/long are on the form.

The spill was almost fully contained to the pad, due to good containment construction. As I noted on the phone; the liner appears intact so hopefully the vast majority of the fluids were contained. When we get the area cleared, we will get the liner pulled back so that we can see if it held up or not.

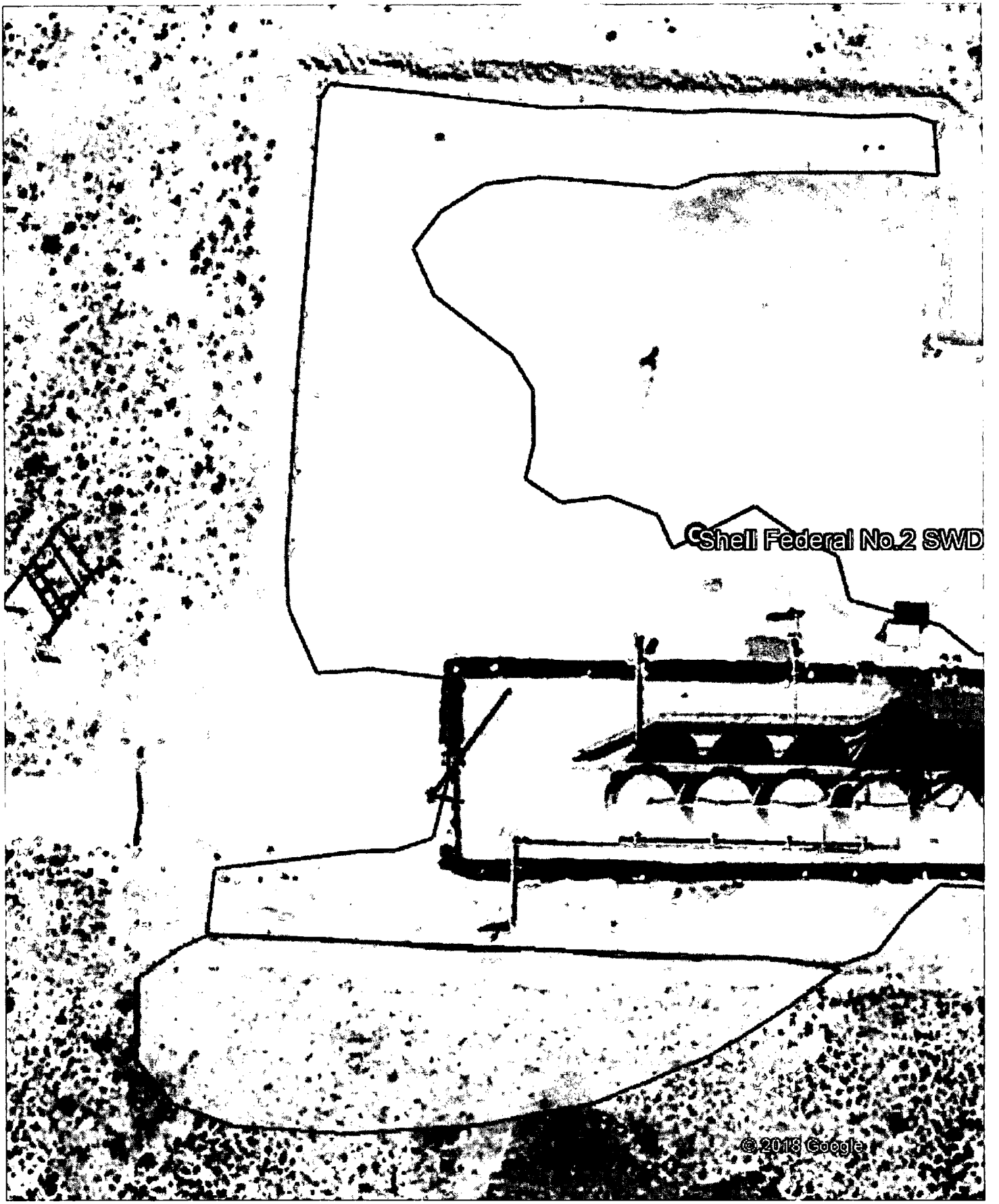
After Maria, Shelly, and I meet onsite tomorrow, I will put together a workplan to get this cleaned up. In discussion with the superintendent, we will need to rebuild this battery very soon. Fasken should be able to get this cleaned up before re-building begins.

See below for an image with the spill area that I captured with my GPS. The yellow shaded area appears to have received a light overspray of oil (drops, not a mist) but it was also scorched. It was damp when I onsite Saturday so I can't tell if there was any produced water released. We should be able to see better once it dries out a bit more.

See you tomorrow at 1:00 New Mexico time.

Thanks,

FASKEN | OIL AND RANCH
Aaron Pachlhofer, P.G.
Environmental Coordinator
Fasken Oil and Ranch, Ltd.
6101 Holiday Hill Road
Midland, TX 79707
432-687-1777 Office
830-377-9190 Cell


Shell Federal No.2 SWD
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