

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

Form C-141
Revised August 8, 2011

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.

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company ConocoPhillips Company	Contact Ashley Maxwell
Address 3401 E. 30th St., Farmington, NM 87402	Telephone No. 505-324-5169
Facility Name San Juan 32-8 Unit 263A	Facility Type Gas Well
Surface Owner Federal	Mineral Owner Federal
API No. 3004532796 Lease # SF-079380	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	15	32N	08W	999'	South	1152'	East	San Juan County

Latitude **36.97922° N** Longitude **-107.6571° W**

NATURE OF RELEASE

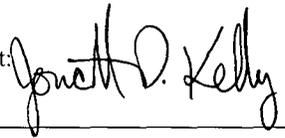
Type of Release Produced Water	Volume of Release 5.2 BBL	Volume Recovered 5 BBL
Source of Release Water Tank	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 6/23/2012 8:00 a.m.
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? RCVD JAN 16 '13	
By Whom?	Date and Hour	OIL CONS. DIV.
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. DIST. 3	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
A dead battery caused the transfer pump not to work properly resulting in 5.2 BBL produced water running over the top of the tank. Release was contained within in the berm. A water truck removed 5 BBL from the berm. Water tank will be scheduled to be cleaned. Soil will be continually raked.

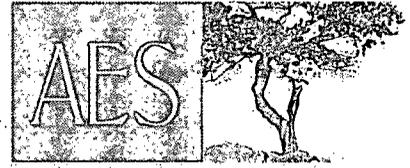
Describe Area Affected and Cleanup Action Taken.*
COPC will assess the soil and determine a path forward for clean-up, if necessary. **Samples were collected and analytical results for 8021, 8015, and chlorides. The results for 8021 and 8015 are below NMOCD Guidelines for Remediation of Leaks, Spills and Release; however, chlorides exceed the guidelines at 290 ppm. Permission to leave in place and submit a final C-141 was approved by Brandon Powell, OCD on September 28, 2012 and Sherrie Landon, BLM on October 30, 2012 based on depth to ground water being at 100'.**

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: Ashley Maxwell		Approved by Environmental Specialist: 	
Title: Field Environmental Specialist		Approval Date: 1/30/2013	Expiration Date:
E-mail Address: ashley.p.wethington@conocophillips.com		Conditions of Approval:	
Date: November 1, 2012 Phone: 505-324-5169		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

nJK1303027709



Animas Environmental Services, LLC

www.animasenvironmental.com

624 E. Comanche
Farmington, NM 87401
505-564-2281

Durango, Colorado
970-403-3274

January 11, 2013

Ashley Maxwell
ConocoPhillips
San Juan Business Unit
Office 216-2
5525 Hwy 64
Farmington, New Mexico 87401

**RE: Produced Water Release Report
San Juan 32-8 #263A
San Juan County, New Mexico**

Dear Ms. Maxwell:

Animas Environmental Services, LLC (AES) is pleased to provide the final report associated with a five barrel (BBL) produced water release at the ConocoPhillips (CoP) San Juan 32-8 #263A, located in San Juan County, New Mexico.

1.0 Site Information

1.1 Location

Site Name – San Juan 32-8 #263A

Legal Description – SE¼ SE¼, Section 15, T32N, R8W, San Juan County, New Mexico

Well Latitude/Longitude – N36.97916 and W107.65774, respectively

Release Latitude/Longitude – N36.97906 and W107.65800, respectively

Land Jurisdiction – Bureau of Land Management (BLM)

Figure 1. Topographic Site Location Map

Figure 2. Aerial Site Map, August 2012

1.2 NMOCD Ranking

Prior to site work, the New Mexico Oil Conservation Division (NMOCD) database was reviewed, and a Cathodic Protection Report dated March 2007 reported the depth to groundwater as 100 feet below ground surface (bgs). The New Mexico Office of the State Engineer (NMOSE) database was reviewed for nearby water wells, and no registered water wells were reported to be located within 1,000 feet of the location. Additionally, Google Earth and the New Mexico Tech Petroleum Recovery Research Center online mapping tool (<http://ford.nmt.edu/react/project.html>) were accessed to aid in the identification of downgradient surface water.

Once on site, AES personnel further assessed the ranking using topographical interpretation, Global Positioning System (GPS) elevation readings, and visual reconnaissance. AES personnel concluded that depth to groundwater at the site was greater than 100 feet bgs. A tributary to the wash in Wildcat Canyon is located approximately 460 feet southeast of the location. Based on this information, the location was assessed a ranking score of 10 per *NMOCD Guidelines for Leaks, Spills, and Releases* (August 1993).

1.3 Produced Water Release Assessment

AES was initially contacted by Ashley Maxwell, CoP representative, on August 21, 2012, and on August 30, 2012, Heather Woods and Zach Trujillo of AES traveled to the location. AES personnel collected one 5-point composite soil sample within the produced water tank secondary containment berm for laboratory analysis.

2.0 Soil Sampling

On August 30, 2012, AES personnel collected one 5-point composite soil sample within the release area around the produced water tank. Soil sample SC-1 was submitted for confirmation laboratory analysis. Soil sample locations are included on Figure 2.

2.1 Laboratory Analyses

The composite soil sample collected for laboratory analysis was placed into a new, clean, laboratory-supplied container, which was then labeled, placed on ice, and logged onto a sample chain of custody record. The sample was maintained on ice until delivery to the analytical laboratory, Hall Environmental Analysis Laboratory (Hall), in Albuquerque, New Mexico. Soil sample SC-1 was laboratory analyzed for:

- Benzene, toluene, ethylbenzene, and xylene (BTEX) per U.S. Environmental Protection Agency (USEPA) Method 8021B;
- Total petroleum hydrocarbons (TPH) for gasoline range organics (GRO) and diesel range organics (DRO) per USEPA Method 8015B;
- Chloride per USEPA Method 300.0.

2.2 Laboratory Analytical Results

Laboratory analytical results reported benzene and total BTEX concentrations in SC-1 as below the laboratory detection limits of 0.050 mg/kg and 0.25 mg/kg, respectively. TPH concentrations were reported at less than 5.0 mg/kg GRO and less than 9.9 mg/kg DRO. The laboratory chloride concentration was reported at 290 mg/kg. Laboratory analytical

results are summarized in Table 1 and included on Figure 2. The laboratory analytical report is attached.

Table 1. Soil Laboratory Analytical Results
San Juan 32-8 #263A Produced Water Release, August 2012

Sample ID	Date Sampled	Depth (ft)	Benzene (mg/kg)	BTEX (mg/kg)	TPH-GRO (mg/kg)	TPH-DRO (mg/kg)	Chlorides (mg/kg)
NMOCD Action Level			10	50	1,000*		250
SC-1	08/30/2012	0.25	<0.050	<0.25	<5.0	<9.9	290

*Action level determined by the NMOCD ranking score per *NMOCD Guidelines for Leaks, Spills, and Releases* (August 1993).

3.0 Conclusions and Recommendations

NMOCD action levels for releases are specified in NMOCD's *Guidelines for Leaks, Spills, and Releases* (August 1993), and the release was assigned a ranking score of 10. Benzene and total BTEX concentrations in SC-1 were reported below NMOCD action levels of 10 mg/kg and 50 mg/kg, respectively. Additionally, the TPH concentration as GRO/DRO was reported below the NMOCD action level of 1,000 mg/kg. However, the chloride concentration in SC-1 exceeded the NMOCD action level of 250 mg/kg with 290 mg/kg.

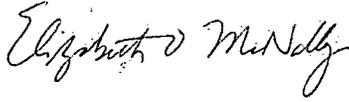
Based on laboratory analytical results of produced water contaminated soils at the San Juan 32-8 #263A, benzene, total BTEX, and TPH concentrations were below applicable NMOCD action levels. The chloride concentration exceeded the applicable NMOCD action level, but CoP was granted permission to leave soils in place by Brandon Powell of NMOCD on September 28, 2012, and by Sherrie Landon of BLM on September 30, 2012. No further work is recommended.

If you have any questions about this report or site conditions, please do not hesitate to contact Deborah Watson at (505) 564-2281.

Sincerely,



Kelsey Christiansen
Environmental Scientist



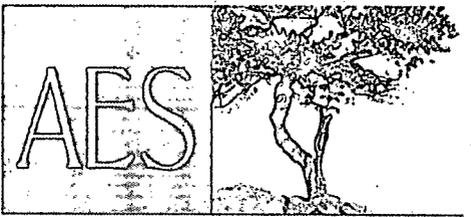
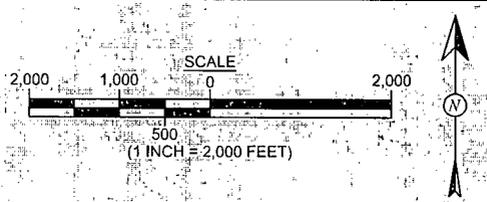
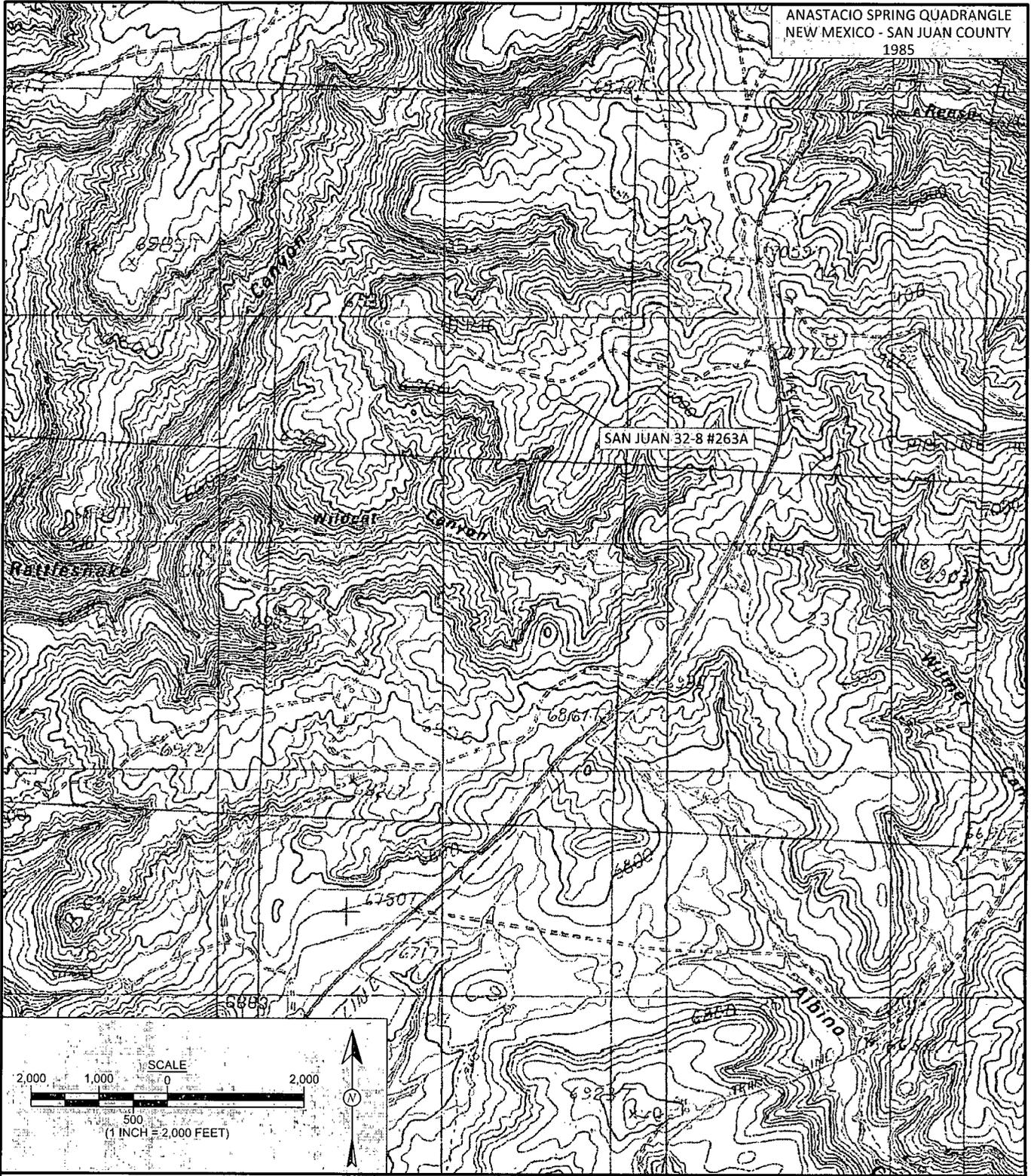
Elizabeth McNally, P.E.

Attachments:

- Figure 1. Topographic Site Location Map
- Figure 2. Aerial Site Map, August 2012
- Hall Analytical Report 1208D99

R:\Animas 2000\Dropbox\2013 Projects\ConocoPhillips\SJ 32-8 #263A\SJ 32-8 #263 A Produced Water Release Report 011113.docx

ANASTACIO SPRING QUADRANGLE
 NEW MEXICO - SAN JUAN COUNTY
 1985



Animas Environmental Services, LLC

DRAWN BY: K. Christiansen	DATE DRAWN: November 6, 2012
REVISIONS BY: C. Lameman	DATE REVISED: November 1, 2012
CHECKED BY: D. Watson	DATE CHECKED: November 1, 2012
APPROVED BY: E. McNally	DATE APPROVED: November 1, 2012

FIGURE 1

TOPOGRAPHIC SITE LOCATION MAP
 ConocoPhillips
 SAN JUAN 32-8 #263A
 SAN JUAN COUNTY, NEW MEXICO
 SE¼ SE¼, SECTION 15, T32N, R8W
 N36.97916, W107.65774



Hall Environmental Analysis Laboratory
4901 Hawkins NE
Albuquerque, NM 87109
TEL: 505-345-3975 FAX: 505-345-4107
Website: www.hallenvironmental.com

September 10, 2012

Debbie Watson
Animas Environmental Services
624 East Comanche
Farmington, NM 87401
TEL: (505) 486-4071
FAX

RE: SJ 32-8 #263A

OrderNo.: 1208D99

Dear Debbie Watson:

Hall Environmental Analysis Laboratory received 1 sample(s) on 8/31/2012 for the analyses presented in the following report.

These were analyzed according to EPA procedures or equivalent. To access our accredited tests please go to www.hallenvironmental.com or the state specific web sites. See the sample checklist and/or the Chain of Custody for information regarding the sample receipt temperature and preservation. Data qualifiers or a narrative will be provided if the sample analysis or analytical quality control parameters require a flag. All samples are reported as received unless otherwise indicated. Lab measurement of analytes considered field parameters that require analysis within 15 minutes of sampling such as pH and residual chlorine are qualified as being analyzed outside of the recommended holding time.

Please don't hesitate to contact HEAL for any additional information or clarifications.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Freeman", is written over a horizontal line.

Andy Freeman
Laboratory Manager
4901 Hawkins NE
Albuquerque, NM 87109

Analytical Report

Lab Order 1208D99

Date Reported: 9/10/2012

Hall Environmental Analysis Laboratory, Inc.

CLIENT: Animas Environmental Services

Client Sample ID: SC-1

Project: SJ 32-8 #263A

Collection Date: 8/30/2012 2:45:00 PM

Lab ID: 1208D99-001

Matrix: SOIL

Received Date: 8/31/2012 10:25:00 AM

Analyses	Result	RL	Qual	Units	DF	Date Analyzed
EPA METHOD 8015B: DIESEL RANGE ORGANICS						Analyst: JMP
Diesel Range Organics (DRO)	ND	9.9		mg/Kg	1	9/4/2012 9:25:39 AM
Surr: DNOP	115	77.6-140		%REC	1	9/4/2012 9:25:39 AM
EPA METHOD 8015B: GASOLINE RANGE						Analyst: NSB
Gasoline Range Organics (GRO)	ND	5.0		mg/Kg	1	8/31/2012 2:50:38 PM
Surr: BFB	100	84-116		%REC	1	8/31/2012 2:50:38 PM
EPA METHOD 8021B: VOLATILES						Analyst: NSB
Benzene	ND	0.050		mg/Kg	1	8/31/2012 2:50:38 PM
Toluene	ND	0.050		mg/Kg	1	8/31/2012 2:50:38 PM
Ethylbenzene	ND	0.050		mg/Kg	1	8/31/2012 2:50:38 PM
Xylenes, Total	ND	0.10		mg/Kg	1	8/31/2012 2:50:38 PM
Surr: 4-Bromofluorobenzene	100	80-120		%REC	1	8/31/2012 2:50:38 PM
EPA METHOD 300.0: ANIONS						Analyst: SRM
Chloride	290	7.5		mg/Kg	5	9/6/2012 1:48:27 PM

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- E Value above quantitation range
- J Analyte detected below quantitation limits
- R RPD outside accepted recovery limits
- S Spike Recovery outside accepted recovery limits

- B Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- RL Reporting Detection Limit

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: 1208D99

10-Sep-12

Client: Animas Environmental Services

Project: SJ 32-8 #263A

Sample ID	LCS-3638	SampType	LCS	TestCode	EPA Method 300.0: Anions					
Client ID	LCSS	Batch ID	3638	RunNo	5348					
Prep Date	9/6/2012	Analysis Date	9/6/2012	SeqNo	152318	Units	mg/Kg			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Chloride	14	1.5	15.00	0	93.4	90	110			

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- E Value above quantitation range
- J Analyte detected below quantitation limits
- R RPD outside accepted recovery limits

- B Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- RL Reporting Detection Limit

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: 1208D99

10-Sep-12

Client: Animas Environmental Services

Project: SJ 32-8 #263A

Sample ID	MB-3578	SampType:	MBLK	TestCode:	EPA Method 8015B: Diesel Range Organics					
Client ID:	PBS	Batch ID:	3578	RunNo:	5271					
Prep Date:	8/31/2012	Analysis Date:	9/4/2012	SeqNo:	149993	Units:	mg/Kg			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Diesel Range Organics (DRO)	ND	10								
Surr: DNOP	11		10.00		113	77.6	140			

Sample ID	LCS-3578	SampType:	LCS	TestCode:	EPA Method 8015B: Diesel Range Organics					
Client ID:	LCSS	Batch ID:	3578	RunNo:	5271					
Prep Date:	8/31/2012	Analysis Date:	9/4/2012	SeqNo:	149994	Units:	mg/Kg			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Diesel Range Organics (DRO)	37	10	50.00	0	73.7	52.6	130			
Surr: DNOP	4.3		5.000		85.6	77.6	140			

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- E Value above quantitation range
- J Analyte detected below quantitation limits
- R RPD outside accepted recovery limits

- B Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- RL Reporting Detection Limit

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: 1208D99
10-Sep-12

Client: Animas Environmental Services
Project: SJ 32-8 #263A

Sample ID	5ML RB	SampType:	MBLK	TestCode:	EPA Method 8015B: Gasoline Range					
Client ID:	PBS	Batch ID:	R5269	RunNo:	5269					
Prep Date:		Analysis Date:	8/31/2012	SeqNo:	149947	Units:	mg/Kg			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Gasoline Range Organics (GRO)	ND	5.0								
Surr: BFB	970		1000		96.9	84	116			

Sample ID	2.5UG GRO LCSB	SampType:	LCS	TestCode:	EPA Method 8015B: Gasoline Range					
Client ID:	LCSS	Batch ID:	R5269	RunNo:	5269					
Prep Date:		Analysis Date:	8/31/2012	SeqNo:	149948	Units:	mg/Kg			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Gasoline Range Organics (GRO)	26	5.0	25.00	0	103	74	117			
Surr: BFB	1000		1000		99.8	84	116			

Sample ID	1208D99-001AMS	SampType:	MS	TestCode:	EPA Method 8015B: Gasoline Range					
Client ID:	SC-1	Batch ID:	R5269	RunNo:	5269					
Prep Date:		Analysis Date:	8/31/2012	SeqNo:	149952	Units:	mg/Kg			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Gasoline Range Organics (GRO)	17	5.0	16.03	0	107	70	130			
Surr: BFB	670		641.0		105	84	116			

Sample ID	1208D99-001AMSD	SampType:	MSD	TestCode:	EPA Method 8015B: Gasoline Range					
Client ID:	SC-1	Batch ID:	R5269	RunNo:	5269					
Prep Date:		Analysis Date:	8/31/2012	SeqNo:	149953	Units:	mg/Kg			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Gasoline Range Organics (GRO)	17	5.0	16.03	0	105	70	130	1.21	22.1	
Surr: BFB	680		641.0		107	84	116	0	0	

Qualifiers:

- | | |
|--|--|
| * Value exceeds Maximum Contaminant Level. | B Analyte detected in the associated Method Blank |
| E Value above quantitation range | H Holding times for preparation or analysis exceeded |
| J Analyte detected below quantitation limits | ND Not Detected at the Reporting Limit |
| R RPD outside accepted recovery limits | RL Reporting Detection Limit |

QC SUMMARY REPORT

Hall Environmental Analysis Laboratory, Inc.

WO#: 1208D99

10-Sep-12

Client: Animas Environmental Services

Project: SJ 32-8 #263A

Sample ID: 5ML RB	SampType: MBLK	TestCode: EPA Method 8021B: Volatiles								
Client ID: PBS	Batch ID: R5269	RunNo: 5269								
Prep Date:	Analysis Date: 8/31/2012	SeqNo: 149956 Units: mg/Kg								
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Benzene	ND	0.050								
Toluene	ND	0.050								
Ethylbenzene	ND	0.050								
Xylenes, Total	ND	0.10								
Surr: 4-Bromofluorobenzene	0.98		1.000		97.7	80	120			

Sample ID: 100NG BTEX LCS	SampType: LCS	TestCode: EPA Method 8021B: Volatiles								
Client ID: LCSS	Batch ID: R5269	RunNo: 5269								
Prep Date:	Analysis Date: 8/31/2012	SeqNo: 149957 Units: mg/Kg								
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Benzene	1.0	0.050	1.000	0	104	76.3	117			
Toluene	1.1	0.050	1.000	0	107	80	120			
Ethylbenzene	1.1	0.050	1.000	0	108	77	116			
Xylenes, Total	3.2	0.10	3.000	0	108	76.7	117			
Surr: 4-Bromofluorobenzene	1.1		1.000		105	80	120			

Qualifiers:

- * Value exceeds Maximum Contaminant Level.
- E Value above quantitation range
- J Analyte detected below quantitation limits
- R RPD outside accepted recovery limits

- B Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- RL Reporting Detection Limit

Sample Log-In Check List

Client Name: Animas Environmental Work Order Number: 1208D99
 Received by/date: AT 08/31/12
 Logged By: Anne Thorne 8/31/2012 10:25:00 AM *Anne Thorne*
 Completed By: Anne Thorne 8/31/2012 *Anne Thorne*
 Reviewed By: AT 08/31/12

Chain of Custody

- 1. Were seals intact? Yes No Not Present
- 2. Is Chain of Custody complete? Yes No Not Present
- 3. How was the sample delivered? Courier

Log In

- 4. Coolers are present? (see 19. for cooler specific information) Yes No NA
- 5. Was an attempt made to cool the samples? Yes No NA
- 6. Were all samples received at a temperature of >0° C to 6.0°C Yes No NA
- 7. Sample(s) in proper container(s)? Yes No
- 8. Sufficient sample volume for indicated test(s)? Yes No
- 9. Are samples (except VOA and ONG) properly preserved? Yes No
- 10. Was preservative added to bottles? Yes No NA
- 11. VOA vials have zero headspace? Yes No No VOA Vials
- 12. Were any sample containers received broken? Yes No
- 13. Does paperwork match bottle labels?
(Note discrepancies on chain of custody) Yes No
- 14. Are matrices correctly identified on Chain of Custody? Yes No
- 15. Is it clear what analyses were requested? Yes No
- 16. Were all holding times able to be met?
(If no, notify customer for authorization.) Yes No

of preserved bottles checked for pH: _____
 (<2 or >12 unless noted)
 Adjusted? _____
 Checked by: _____

Special Handling (if applicable)

- 17. Was client notified of all discrepancies with this order? Yes No NA

Person Notified:		Date:	
By Whom:		Via:	<input type="checkbox"/> eMail <input type="checkbox"/> Phone <input type="checkbox"/> Fax <input type="checkbox"/> In Person
Regarding:			
Client Instructions:			

18. Additional remarks:

19. Cooler Information

Cooler No.	Temp °C	Condition	Seal Intact	Seal No.	Seal Date	Signed By
1	1.4	Good	Yes			

