OIL CONS. DIV DIST. 3

AUG 25 2016

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~~ Subsequent ☐ Final Report

Name of Company: BP	Contact: Steve Moskal
Address: 200 Energy Court, Farmington, NM 87401	Telephone No.: 505-326-9497
Facility Name: Gallegos Canyon Unit 196E	Facility Type: Natural gas well

Surface Owner: Fee	Mineral Owner: Fee	API No. 3004524254

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County: San Juan
D	19	28N	12W	950	North	950	West	

Latitude 36.65237° **Longitude** -108.15838 °

NATURE OF RELEASE

Type of Release: produced water	Volume of Release: 44.1 bbl	Volume Recovered: none
Source of Release: Failed sidewall of BGT	Date and Hour of Occurrence: Beginning March 9, 2016	Date and Hour of Discovery: June 1, 2016 2:30 PM
Was Immediate Notice Given? ☒ Yes ☐ No ☒ Not Required	If YES, To Whom? Vanessa Fields	
By Whom? Steve Moskal	Date and Hour: 6/2/2016 @ 9:05 AM	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Internal corrosion of below grade tank resulted in the release of produced water; above the ground surface. The well had been worked-over and placed back on line on March 9th, 2016. BP assumes all fluids collected from this date to the date of discovery were discharged from the tank.

Describe Area Affected and Cleanup Action Taken.* The fluid was removed from the tank. BP proposes to remediate impacted soils through soil shredding as detailed in the attached remediation plan.

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: Steve Moskal	Approved by Environmental Specialist:	
Title: Field Environmental Coordinator	Approval Date: 8/25/16	Expiration Date:
E-mail Address: steven.moskal@bp.com	Conditions of Approval:	Rem PLAN Attached ☒
Date: August 25, 2016 Phone: 505-326-9497	If Site Conditions change A New plan maybe Required.	

* Attach Additional Sheets If Necessary

#NUF1615443582 4

(5)

Smith, Cory, EMNRD

From: Moskal, Steven <Steven.Moskal@bp.com>
Sent: Tuesday, August 23, 2016 2:22 PM
To: Smith, Cory, EMNRD
Cc: Mora, Roland (Mankin Land)
Subject: RE: Gallegos Canyon Unit 196E Remediation Plan

Cory,

I had neglected to address in our plan that if competent sandstone is encountered we will apply a 6-8% hydrogen peroxide to the base and side walls as applicable. I may have overestimated the total yardage as well. I expect 250-1,000 cubic yards of soil to be treated. Please let me know if you'd like me to revise the plan.

Thank you,

Steve Moskal
BP Lower 48 – San Juan – Farmington
Field Environmental Coordinator
Office: (505) 326-9497
Cell: (505) 330-9179
bp

From: Moskal, Steven
Sent: Tuesday, August 23, 2016 1:12 PM
To: 'Smith, Cory, EMNRD'
Cc: Mora, Roland (Mankin Land)
Subject: Gallegos Canyon Unit 196E Remediation Plan

Cory,

Attached is a remediation plan for your review and approval to use soil shredding on the GCU 196E. The GCU 196E is located on Bolack Ranch. BP is currently working with Mr. Bolack to provide notification and understanding of the project.

Please let me know you thoughts. Thank you,

Steve Moskal
BP Lower 48 – San Juan – Farmington
Field Environmental Coordinator
Office: (505) 326-9497
Cell: (505) 330-9179

BP Remediation Management Plan

To: Cory Smith (NMOCD)
From: Steve Moskal (BP)
CC: Roland Mora (BP)
Date: 8/23/2016
Re: Gallegos Canyon Unit 196E - Ex-situ Soil Remediation – Soil Shredding
(D) S19, T28N, R12W; API #30-045-24254

Dear Mr. Smith,

The Gallegos Canyon Unit (GCU) 196E sites are active natural gas production pads within the San Juan Basin Gas Field in San Juan County, New Mexico. The site is located on a privately owned parcel used for cattle ranching.

Background

On June 7, 2016, BP discovered impacts beneath a below grade tank (BGT) during closure sampling of the tank. The well was shut in and has remained shut in pending negotiations with the private landowner regarding access and other unrelated well locations.

Proposed Remediation – Soil Shredding

Based on recent success of soil shredding technologies used at the BP GCU 216 remediation site, BP proposes to use this technology at the subject site. At the GCU 216 site, BP successfully contracted soil shredding of nearly 40,000 cubic yards of soil to meet site closure standards.

Soil shredding involves the excavation of the impacted soil which is then placed in processing equipment, such as a hammer mill or pug mill, to mechanically process and break-up the soil. The soil becomes more uniform and is aerated during the mechanical processing. The soil is then ejected from the process equipment and a chemical oxidizer is applied, in this proposed case, a 35% solution of hydrogen peroxide and water. The total concentration of hydrogen peroxide typically ranges from 3-6%. The hydrogen peroxide quickly oxidizes the hydrocarbon impacts with the end results of soil, water and carbon dioxide. Once the soil leaves the process, it is stockpiled and allowed to sit for approximately 24-120 hours. A soil sample is collected from each segregated stockpile and submitted for laboratory analysis to determine the effectiveness of the ex-situ remediation process. If the laboratory results are of acceptable levels, the soil will be used as backfill to the excavation; if results are unsatisfactory, the soil is passed through the process once more and a subsequent laboratory sample will be collected for laboratory confirmation as described before. 48 hour notice will be provided to the regulatory agencies for the opportunity to observe and witness the stockpile sampling.

BP proposes to perform the remediation of hydrocarbon impacts by the means of soil shredding. A conservative estimate of approximately 1,500 cubic yards of soil will be treated through the soil shredding process. BP proposes to treat the impacted soil and segregate windrow stockpiles broken into 100 yard increments. A single, five point composite, soil sample will be collected to represent 100 yard stockpile. Once a baseline of 1,000 cubic yards of soil is consistently and successfully treated, BP will propose to decrease the sampling frequency to 500 yard stockpile segments. The 500 yard sampling modification will be discussed with the NMOCD for approval and input prior to implementation. BP would expect to have a sampling modification approval from the agencies within 48 working hours from the time of request. The remediation will then continue until complete and sampling will be based on the regulatory agencies approved sampling plan.

BP is currently working to provide notification to the private landowner regarding the use of soil shredding at the remedial location.

It is understood, that if soil remediation is not successful via the soil shredding, an alternative method such as a dig and haul or soil vapor extraction will be necessary.

Site Closure and Reporting

There is no need to cap the excavation with any topsoil or virgin material if the excavation remains to the center of the well pad. Once the excavation and backfill is complete, BP will ensure a minimum of 3' of clean, virgin material to cap the remediated soil will be placed on any area off the well pad. Topsoil will be reused or imported to the site per the landowner requirements during final reclamation of the well location.

A final remediation report will be delivered to NMOCD for approval of final site closure regarding the excavation and soil shredding activities within 60 days of the end of remediation.