

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	BC Operating, Inc.	Contact	Nicolas Klopp
Address	P.O. Box 50820, Midland, Texas 79710	Telephone No.	972-422-2510
Facility Name	Government 'E' SWD #1	Facility Type	SWD

Surface Owner	BLM	Mineral Owner	BLM	API No.	30-025-23708
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**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
N	25	19S	34E	600	South	1880	West	Lea

Latitude  Longitude

**NATURE OF RELEASE**

Type of Release	Produced Salt Water, No oil.	Volume of Release	240 bbls	Volume Recovered	220 bbls
Source of Release	Transfer pump failure, leak on discharge side	Date and Hour of Occurrence		Date and Hour of Discovery	11:30 a.m.
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	on 02/28/18 OCD, Hobbs Office		
By Whom?	Bruce Madden	Date and Hour	8:00 a.m. on 02/28/18		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.\*

Describe Cause of Problem and Remedial Action Taken.\*

Problem occurred 8:00am NM time, called OCD Hobbs office and reported @ 11:30am on 2/28/2018. A 2" nipple failed on the discharge side of the circulating pump from the service tanks to the injection pump supply tanks. Picked up all standing water using a vacuum truck on 2/28/2018; 220 bbls in total. All liquids were contained within firewall. Continued clean-up operations on 3/1/2018.

Describe Area Affected and Cleanup Action Taken.\*

Recovered 20 bbls from well pad and 200 bbls from tank battery area. Soil saturated with produced water was delineated based on the soil's moisture content. Contaminated soil was gathered into one area and repeatedly flushed with fresh water until the chloride content of the rinse water was reduced to that of drinking water. Soil that became saturated during the flushing process was hauled off. Removed soil was replaced with fresh caliche then covered with pea gravel.

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: 	<b>OIL CONSERVATION DIVISION</b>	
	Approved by Environmental Specialist:	
Printed Name: Nicolas Klopp	Approval Date:	Expiration Date:
Title: Operations Engineer	Conditions of Approval:	
E-mail Address: nklopp@bcoperating.com	Attached <input type="checkbox"/>	
Date: 4/26/18	Phone: 979.422.2510	

\* Attach Additional Sheets If Necessary

April 26, 2018

**INFORMATION ONLY**

Ms. Olivia Yu  
New Mexico Oil Conservation Division - District 1  
1625 N. French Drive  
Hobbs, New Mexico 88240

Ms. Shelly Tucker  
Environmental Protection Division  
Bureau of Land Management  
620 E. Greene Street  
Carlsbad, NM 88220

RE: *Work Summary for Government E SWD #1 Produced Water Spill* **1RP-4980**

Dear Ms. Yu and Ms. Tucker,

Bruce Madden, Nick Klopp, and I appreciate you meeting with us on location to review 1RP-4980 yesterday.

## **Site Description**

The site is located approximately 22 miles west/southwest of Hobbs, New Mexico. The legal location for the sites is Unit Letter N, Section 25, Township 19S, Range 34E in Lea County, New Mexico. The latitude and longitude for the release is 32.625818 °/-103.516315°. Site location and area maps are presented in RP-2586 and a Detailed Site Diagram, both attached. The release was located on the well pad and within existing primary containment berms for Government E SWD #1 (API No. 30-025-23708) on the West side of Marathon Road.

## **Background Information**

### **June 23, 2009**

LouRay Oil Company submitted and NMOCD/BLM approved a C-144 Closure Plan (P1-01163, attached) relating to an open workover pit located on the southwest corner of the well pad. The small workover pit was to be remediated using standard delineation and remediation practices, as closure of this pit would not impact ongoing operations. Addressing more extensive delineation and remediation of the historical site, the parties agreed to an additional condition:

*At whatever point in the future the site is to be decommissioned while still operated by LouRay, a new C-144 and other required forms shall be submitted to NMOCD and BLM. Until that time, LouRay will maintain a clean and well-kept site for safe operations,*

*protection of underground sources of drinking water and the environment, public health and esthetics.*

### **February 5, 2010**

Agua Sucia, LLC submitted its Post Closure Summary of the workover pit closure, including sampling. NMOCD noted that the then current depth to groundwater at the site was 90 feet. Workover pit sampling results are as follows:

Depth	Chlorides, mg/kg	Benzene, mg/kg	Toluene, mg/kg	Ethyl Benzene, mg/kg	Total Xylenes, mg/kg
10.9'	512	<0.050	<0.050	<0.050	<0.3
12.1'	6,000				
12.7'	206				
14.5'	<16				

The results of historic soil sampling activities at Government E SWD #1 have been provided to NMOCD and BLM in the RP-2586 post closure summary, attached. Only chlorides were detected in soil; BTEX and TPH have not been detected in soil samples. Soil clear of chloride contamination was encountered at a depth of 14.5 feet.

### **July 1, 2015**

BC Operating, Inc. submitted and NMOCD/BLM conditionally approved the closure of RP-3681, attached. The Conditional Closure stipulates the following:

- 1. RP-3681 will remain open until the site is decommissioned and delineated.*
- 2. At Abandonment, delineation will be conducted to ensure proper understanding of historic releases, at which point a new depth of excavation will be determined.*
- 3. Ensure BLM concurrence/approval.*

### **February 28, 2018**

BC Operating, Inc. was notified via email that a NMOCD inspector noticed a major release of produced water at the Government E SWD #1. With your assistance, appropriate notifications and reports were filed with NMOCD/BLM. Approximately 240 barrels of produced water leaked out of a ruptured 2" connection on the facility's circulating pump and into primary containment berm walls surrounding the SWD facility and well pad.

Free water was recovered from within the berm area using a vacuum truck. Soil saturated with produced water was delineated based on the soil's moisture content. Contaminated soil was gathered into one area and repeatedly flushed with fresh water until the chloride content of the rinse water was reduced to that of drinking water. In-situ flushing of soil to remove chlorides is a common agricultural practice that works well to remediate produced water spills when remediation activity begins soon after contamination occurs and before leaching begins. Soil that became saturated during the flushing process was hauled off. Removed soil was replaced with fresh caliche then covered with pea gravel.

P.O. Box 50820  
Midland, Texas 79710  
Phone (432) 684-9696



4000 N. Big Spring, Suite 310  
Midland, Texas 79705  
Fax (432) 686-0600

## Conclusion

BC Operating, Inc. seeks conditional closure of 1RP-4980. All soil contaminated with chlorides as a result of this produced water release has been remediated by in-situ flushing with fresh water or physically removed from the site. BC Operating will continue to maintain the site in a manner that protects groundwater, the public health, and the environment.

Sincerely,

A handwritten signature in blue ink that reads "Jason Wacker".

Jason Wacker  
VP of Engineering and Operations

A handwritten signature in blue ink that reads "Nick Klopp".

Nick Klopp  
Operations Engineer