



Resolution Consultants LLC

6.13.24

MEMORANDUM

RE: Spill Volume Calculations




Shugart Disposal Production Tank #119219 Spill

Incident ID: nAPP2416239042

On 6.8.2024, K. P. Kauffman Company, Inc. (KPK) personnel observed a spill at the East Shugart Plant. The valve on the Free Water Knock Out (FWKO) tank was plugged causing produced water to divert into the oil production tank. The oil production tank overflowed within the berm. Oil was contained within the bermed area. KPK estimates 67 barrels of oil were spilled within the onsite containment. KPK promptly recovered oil from within the bermed area (66 barrels) with a vacuum truck and recirculated the fluids into the onsite production facility. The volume of oil recovered was measured using the gauging system from the vacuum truck.

Katherine Kahn, P.G.
Senior Hydrogeologist

Legend

-  East Shugart Plant
-  Wellhead
-  Release Location



Date: June 2024

Designed By: KPK

Released to Imaging: 6/13/2024 4:03:41 PM



K.P. Kauffman Company, Inc.
1700 Lincoln St. Suite 4550
Denver CO, 80202

K.P. Kauffman Company, Inc.
Shugart Disposal Production Tank #119219 Release
Unit L, Section 35, Township 18 South, Range 31 East
Eddy County, New Mexico

Site Location Map

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 353311

QUESTIONS

Operator: K P KAUFFMAN COMPANY INC 1700 Lincoln Street Denver, CO 80203	OGRID: 228296
	Action Number: 353311
	Action Type: [C-141] Initial C-141 (C-141-v-Initial)

QUESTIONS

Prerequisites	
Incident ID (n#)	nAPP2416239042
Incident Name	NAPP2416239042 SHUGART DISPOSAL PRODUCTION TANK # 119219 @ 0
Incident Type	Produced Water Release
Incident Status	Initial C-141 Received

Location of Release Source

Please answer all the questions in this group.

Site Name	Shugart disposal production tank # 119219
Date Release Discovered	06/08/2024
Surface Owner	Federal

Incident Details

Please answer all the questions in this group.

Incident Type	Oil Release
Did this release result in a fire or is the result of a fire	No
Did this release result in any injuries	No
Has this release reached or does it have a reasonable probability of reaching a watercourse	No
Has this release endangered or does it have a reasonable probability of endangering public health	No
Has this release substantially damaged or will it substantially damage property or the environment	No
Is this release of a volume that is or may with reasonable probability be detrimental to fresh water	No

Nature and Volume of Release

Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission.

Crude Oil Released (bbls) Details	Cause: Overflow - Tank, Pit, Etc. Production Tank Crude Oil Released: 67 BBL (Unknown Released Amount) Recovered: 66 BBL Lost: 1 BBL.
Produced Water Released (bbls) Details	Not answered.
Is the concentration of chloride in the produced water >10,000 mg/l	Not answered.
Condensate Released (bbls) Details	Not answered.
Natural Gas Vented (Mcf) Details	Not answered.
Natural Gas Flared (Mcf) Details	Not answered.
Other Released Details	Not answered.
Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts)	The valve on the Free Water Knock Out (FWKO) tank was plugged causing produced water to divert into the oil production tank. The oil production tank overflowed within the berm. All fluids were contained within the bermed area. KPK estimates 67 barrels of oil were spilled within the onsite containment. KPK promptly recovered oil from the bermed area (66 barrels) with a vacuum truck and recirculated the fluids into the onsite production facility. The valve was repaired. Impacted soil was scraped and will be transported offsite for disposal.

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QUESTIONS (continued)

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QUESTIONS

Nature and Volume of Release (continued)	
Is this a gas only submission (i.e. only significant Mcf values reported)	No, according to supplied volumes this does not appear to be a "gas only" report.
Was this a major release as defined by Subsection A of 19.15.29.7 NMAC	Yes
Reasons why this would be considered a submission for a notification of a major release	From paragraph A. "Major release" determine using: (1) an unauthorized release of a volume, excluding gases, of 25 barrels or more.
With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e. gas only) are to be submitted on the C-129 form.	

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury.

The source of the release has been stopped	True
The impacted area has been secured to protect human health and the environment	True
Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices	True
All free liquids and recoverable materials have been removed and managed appropriately	True
If all the actions described above have not been undertaken, explain why	Not answered.

Per Paragraph (4) of Subsection B of 19.15.29.8 NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please prepare and attach a narrative of actions to date in the follow-up C-141 submission. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see Subparagraph (a) of Paragraph (5) of Subsection A of 19.15.29.11 NMAC), please prepare and attach all information needed for closure evaluation in the follow-up C-141 submission.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD 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 OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD 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.

I hereby agree and sign off to the above statement	Name: John Peterson Title: Executive VP - EH&S Email: jpeterson@kpk.com Date: 06/13/2024
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Action 353311

QUESTIONS (continued)

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QUESTIONS**Site Characterization**

Please answer all the questions in this group (only required when seeking remediation plan approval and beyond). This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

What is the shallowest depth to groundwater beneath the area affected by the release in feet below ground surface (ft bgs)	Not answered.
What method was used to determine the depth to ground water	Not answered.
Did this release impact groundwater or surface water	Not answered.
What is the minimum distance, between the closest lateral extents of the release and the following surface areas:	
A continuously flowing watercourse or any other significant watercourse	Not answered.
Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)	Not answered.
An occupied permanent residence, school, hospital, institution, or church	Not answered.
A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes	Not answered.
Any other fresh water well or spring	Not answered.
Incorporated municipal boundaries or a defined municipal fresh water well field	Not answered.
A wetland	Not answered.
A subsurface mine	Not answered.
An (non-karst) unstable area	Not answered.
Categorize the risk of this well / site being in a karst geology	Not answered.
A 100-year floodplain	Not answered.
Did the release impact areas not on an exploration, development, production, or storage site	Not answered.

Remediation Plan

Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date.

Requesting a remediation plan approval with this submission	No
The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required.	

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CONDITIONS

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CONDITIONS

Created By	Condition	Condition Date
scwells	None	6/13/2024