NM OIL CONSERVATION

ARTESIA DISTRICT

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

AUG 08 2017

Form C-141 Revised April 3, 2017

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 RECEIVED opy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action													
NAB 1722627793							ГOR		⊠ Initia	l Report	□ F	inal Report	
Name of Co	mpany	DXY USA V		142463			VADE DITTRIC	***********					
Address PO BOX 4294; HOUSTON, TX 77210 Telephone No. 575-390-2828 Facility Name SIMPSON CDM 1H CTB Facility Type BATTERY													
Surface Owner FEE Mineral Owner FEE API No. 30-015-42012													
LOCATION OF RELEASE													
Unit Letter	Section	Township	Range	Feet from the	North/	South Line	Feet from the	East/W	est Line		County		
A	29	215	27E	480	N	ORTH	310	EA	ST		EDDY		
Latitude_ 32.452408 _ Longitude104.206689 NAD83													
NATURE OF RELEASE													
Type of Release OIL Volume of Release 12 bbls OIL Volume Recovered 10 bbls													
Source of Release Fire tube gasket failure							Date and Hour of Occurrence Date and Hour						
Was Immediate Notice Given?							7-21-2017 If YES, To Whom?						
Yes No Not Required							CRYSTAL WEAVER-NMOCD; MIKE BRATCHER-NMOCD; AMBER						
By Whom? WADE DITTRICH						GROVES-SLO Date and Hour 07/28/2017 @ 5:2ZPM # 2-Mail: 712417@							
Was a Watercourse Reached?							If YES, Volume Impacting the Watercourse.						
☐ Yes ☒ No												10011	
If a Watercourse was Impacted, Describe Fully.*							***************************************			W			
Describe Cause of Problem and Remedial Action Taken.*													
Spill caused by a fire tube gasket failure. The fire tube gasket has been repaired and is back in service.													
Describe Area Affected and Cleanup Action Taken.*													
The affected	area of the	spill is 60x30	FT, leak	has gone off lo	cation	(measureme	ents are subject	to chang	e with GI	PS trackin	g). Rem	ediation	
				ediation plan ap						·			
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 h	ave failed to	adequately	investigate and r	emediate	e contaminat	ion that pose a thi	reat to gro	ound water	, surface w	ater, hum	an 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.													
Todorus, Brace	/	/ and/or regi	/			······································	OIL CON	SERV	ATION	DIVISIO	NC		
Signature: Wall With								<u></u>		<i>y</i>			
							Approved by Environmental Specialist:						
Printed Name: WADE DITTRICH							— /						
Title: ENVIROMENTAL COORDINATOR							Approval Date: SIOII Expiration Date: WH						
E-mail Address: wade_dittrich@oxy.com Conditions of Approval:													
							Aca) Offallon Attacket Off 4223					1222	
Date:		Pho	one: 57:	5-390-2828			N. WI	INUY	CU	1 (/)	14		

* Attach Additional Sheets If Necessary

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Operator/Responsible Party,

The OCD has received the form C-141 you provided on $\frac{8/8/2017}{2RP-4333}$ regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number $\frac{2RP-4333}{2RP-4333}$ 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 <u>division-approved corrective action</u> 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 9/8/2017. 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; C₆ thru C₃₆), 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; C₆ thru C₃₆), 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

Bratcher, Mike, EMNRD

From: Wade_Dittrich@oxy.com

Sent: Tuesday, August 8, 2017 7:32 AM

To: Weaver, Crystal, EMNRD; Bratcher, Mike, EMNRD

Cc: agroves@slo.state.nm.us; cbrunson@bbcinternational.com; kathy@bbcinternational.com; jgilkey@bbcinternational.com;

kswinney@bbcinternational.com; Jennifer_Smith@oxy.com

Subject: Simpson CDM 1H CTB

Attachments: Simpson CDM 1H CTB-Initial C-141.pdf

All,

Attached is the Initial C-141. Please review and let me know if you have any questions. Thank you.

Wade Dittrich

Environmental Coordinator Oxy Permian-New Mexico575.390.2828 cell

 $Wade_Dittrich@Oxy.com$

Bratcher, Mike, EMNRD

From: Wade_Dittrich@oxy.com

Sent: Monday, July 24, 2017 7:26 AM

To: Weaver, Crystal, EMNRD; Bratcher, Mike, EMNRD

Cc: agroves@slo.state.nm.us; cbrunson@bbcinternational.com;

kathy@bbcinternational.com; kswinney@bbcinternational.com;

jgilkey@bbcinternational.com

Subject: RE: Simpson CDM 1H CTB

All, this is the report with the corrected **API** number.

Wade Dittrich

Environmental Coordinator

Oxy Permian-New Mexico

575.390.2828 cell

Wade_Dittrich@Oxy.com

From: Dittrich, John W (Ervin Well Site Consultants)

Sent: Monday, July 24, 2017 7:18 AM **

To: 'Weaver, Crystal, EMNRD' <Crystal.Weaver@state.nm.us>; Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>

Cc: 'agroves@slo.state.nm.us' <agroves@slo.state.nm.us>; 'cbrunson@bbcinternational.com'

<cbrunson@bbcinternational.com>; 'kathy@bbcinternational.com' <kathy@bbcinternational.com>;

'kswinney@bbcinternational.com' <kswinney@bbcinternational.com>; 'jgilkey@bbcinternational.com'

<jgilkey@bbcinternational.com>
Subject: Simpson CDM 1H CTB

All,

This is to inform you that Oxy Permian had a **Reportable** release in Eddy County at the <u>Simpson CDM 1H CTB</u> on 7/21/2017.

- Release Location: Legal A-29-21S-27E, API: 30-015-42012
- Release Volume: 12 bbls of Oil and 0 bbls of Produced Water.
- Recovered: 10 bbls recovered
- Cause of Release: Fire tube gasket failure
- Approximate Area impacted by release: 60x30 FT, Leak has gone off location (measurements are subject to change with GPS tracking)
- GPS Coordinates and Driving Direction: 32.452408,-104.206689 FROM CARLSBAD GO EAST ON HOBBS HWY 4 MILES,
 BO NORTH ON TRUCK BYPASS FOR 1.5 MILE, TAKE LEFT AT FIRST CATTLEGUARD TO 1ST INTERSECTION, TURN WEST GO.
 5 MILE TO BATTERY ON LEFT

Please let me know if you have any questions.