

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

NM OIL CONSERVATION
ARTESIA DISTRICT

NOV 29 2017

Form C-141
Revised April 3, 2017

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.
RECEIVED

Release Notification and Corrective Action

NAB1733855AB7

#371755 OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Percussion Petroleum Operating, LLC	Contact Roger King
Address 919 Milam Street, Suite 2475 Houston, TX 77002	Telephone No. (575) 361-3605
Facility Name Dagger Draw/Foster Battery	Facility Type Fee

Surface Owner Kevin Willbanks	Mineral Owner St Devote LLC, et al	API No. 30-015-27493
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LOCATION OF RELEASE

Unit Letter K	Section 31	Township 19S	Range 25E	Feet from the 2600	North/South Line South	Feet from the 2310	East/West Line West	County Eddy
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Latitude 32.61721 Longitude -104.52512 NAD83

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 5 bbl	Volume Recovered 0 bbl
Source of Release Water line from battery to SWD	Date and Hour of Occurrence 11/22/17	Date and Hour of Discovery 11/22/17 12:00 PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*
No watercourse impacted.

Describe Cause of Problem and Remedial Action Taken.*
Hole in produced water line on South side of Dagger Draw/Foster Battery. Line is now isolated and is in the process of being repaired.

Describe Area Affected and Cleanup Action Taken.*
Release on South side of Dagger/Draw Foster Battery. Area had already dried when found on 11/20/17. Removed affected area with backhoe and cleaned nearby area.

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.

OIL CONSERVATION DIVISION

Signature: <i>Michael Martin</i>	Approved by Environmental Specialist <i>Crystal W</i>	
Printed Name: Michael Martin		
Title: Petroleum Engineer	Approval Date: 11/30/17	Expiration Date: N/A
E-mail Address: Michael@percussionpetroleum.com	Conditions of Approval: <i>see attached</i>	Attached <input checked="" type="checkbox"/> <i>2RP-4503</i>
Date: 11/29/2017 Phone: (713) 429-4249		

* Attach Additional Sheets If Necessary

Operator/Responsible Party,

The OCD has received the form C-141 you provided on **11/29/17** regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number ARP-4503 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 division-approved corrective action 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 II office in Artesia on or before 12/29/17. 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

Weaver, Crystal, EMNRD

From: Michael Martin <Michael@percussionpetroleum.com>
Sent: Wednesday, November 29, 2017 9:43 AM
To: Weaver, Crystal, EMNRD
Subject: RE: Dagger Draw/Foster Battery C-141
Attachments: Dagger Draw_Foster Battery C-141.pdf

Sorry about that. See attached for the updated C-141.

Thanks,
Michael

From: Weaver, Crystal, EMNRD [mailto:Crystal.Weaver@state.nm.us]
Sent: Wednesday, November 29, 2017 10:31 AM
To: Michael Martin <Michael@percussionpetroleum.com>
Cc: Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>
Subject: RE: Dagger Draw/Foster Battery C-141

Michael,

Amalia who works with us here in the OCD Artesia District II Office forwarded Mike Bratcher and myself this submission that you sent in. Please send all future submissions that relate to this incident and any other environmental circumstances, that are within OCD District II Office jurisdiction, to both Mike Bratcher and myself.

Now regarding your submitted C-141 form there are some discrepancies. If the release ran off from the well pad that is located approximately where the coordinates on the C-141 indicate then the PLSS Unit Letter that was involved would either be Unit Letter F or K. According to the description written on the form it seems that Unit Letter K is most suitable but we shall let you all decide on that. Another discrepancy is that the form is marked as a Final form. OCD will not be accepting a Final form for this release prior to an Initial form being submitted. **Please revise and resubmit so that the corrected form can be processed.** All spills require proper implementation of remediation to be initiated and completed according to OCD rules, regs and Conditions of Approval.

If you have any questions please contact either myself or Mike Bratcher.

Thank you,

Crystal Weaver

Environmental Specialist
OCD – Artesia District II
811 S. 1st Street
Artesia, NM 88210
Office: 575-748-1283 ext. 101
Cell: 575-840-5963
Fax: 575-748-9720

From: Bustamante, Amalia, EMNRD

Sent: Wednesday, November 29, 2017 8:04 AM

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

Subject: FW: Dagger Draw/Foster Battery C-141

Good morning,

I believe this goes to you all?

Amalia Bustamante

Oil Conservation Division-District II

From: Michael Martin [<mailto:Michael@percussionpetroleum.com>]

Sent: Wednesday, November 29, 2017 8:01 AM

To: Bustamante, Amalia, EMNRD <Amalia.Bustamante@state.nm.us>

Subject: Dagger Draw/Foster Battery C-141

Amalia,

Please see attached for C-141 for the release/cleanup on the Dagger Draw/Foster Battery on 11/22/2017. Let me know if you have any questions.

Thanks,

Michael Martin

Petroleum Engineer

Office: (713) 429-4249 | Mobile: (281) 974-6817

Michael@percussionpetroleum.com