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
JAN 16 2018
RECEIVED

Form C-141
Revised April 3, 2017
Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

nAB1801 051958

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company: Marathon Oil Permian LLC 372098	Contact: Jason Wardell
Address: 5555 San Felipe St., Houston, TX 77056	Telephone No.: 575-297-0682
Facility Name: Black River 15 10 State COM X 2H	Facility Type: Gas Well

Surface Owner: State	Mineral Owner: State	API No.: 30-015-42728

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	15	24S	27E	270	FSL	1070	FEL	Eddy

Latitude32.21064077 **Longitude**-104.17339692 NAD83

NATURE OF RELEASE

Type of Release: HCL & Fresh Water	Volume of Release: 250 bbls	Volume Recovered: 0 bbls
Source of Release: 500 bbl tank	Date and Hour of Occurrence: Unknown	Date and Hour of Discovery: 01/04/2018 – 1131 HRS
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Notification via email to Crystal Weaver, Mike Bratcher and Amber Groves.	
By Whom? Jason Wardell	Date and Hour: 01/04/2018 1712 HRS 5:12pm	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
Nipple failure on a 500 bbl tank holding a Hydrochloric Acid and fresh water mix caused fluid to exit tank into temporary secondary containment. The secondary containment also failed resulting in the fluid to impact the well pad as well as run off pad. Leak was stopped and tank repaired.

Describe Area Affected and Cleanup Action Taken.*
Caliche pad was affected on the SW portion of the well pad. Fluid ran off of pad to the S of the well pad as well as the SW most corner. Berms were erected to prevent any further fluid from leaving the pad and soda ash was used per the sds sheet to neutralize the acid both on and off the pad. Impacted caliche was scraped up and disposed of properly. Offsite impacted soil will be delineated and samples taken to ensure all impacted soil has been removed.

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: Jason Wardell	OIL CONSERVATION DIVISION	
Printed Name: Jason Wardell	Approved by Environmental Specialist: Mike Bratcher	
Title: HES Professional	Approval Date: 1/16/18	Expiration Date: N/A
E-mail Address: jlwardell@marathonoil.com	Conditions of Approval: See attached	Attached ☐ 2RP-4559
Date: 01/16/2018 Phone: 575-297-06892		

* Attach Additional Sheets If Necessary

1/16/18 AB

Operator/Responsible Party,

The OCD has received the form C-141 you provided on 1/16/2018 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number 2RP-4559 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 2 office in ARTESIA on or before 2/16/2018. 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; C_6 thru C_{36}), 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; C_6 thru C_{36}), 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: Wardell, Jason L. (MRO) <jlwardell@marathonoil.com>
Sent: Thursday, January 4, 2018 5:12 PM
To: Weaver, Crystal, EMNRD; Bratcher, Mike, EMNRD; agroves@slo.state.nm.us
Cc: Van Curen, Jennifer (MRO)
Subject: Black River 2,5,6 24 hour notification HCL spill

Good Evening,

We had an HCL at 15% (Hydrochloric Acid) and 85% fresh water spill at our Black River 2,5,6 location. As a result of a nipple failure on a tank holding the HCL/water, approximately 250 bbls of fluid was spilled into the temporary containment. The temporary containment for the tank failed which allowed the HCL/water to spill onto the well pad location. Of the 250 bbls, approximately 11.11 bbls spilled off of our location.

The HCL/water on location is in the process of being neutralized and picked up to be disposed of at R360. The HCL/water spilled off of location will be fenced off until a cleanup and remediation plan can be made and approved. I will be submitting a written report in the near future. Please let me know if you have any questions.

Thanks, Jason

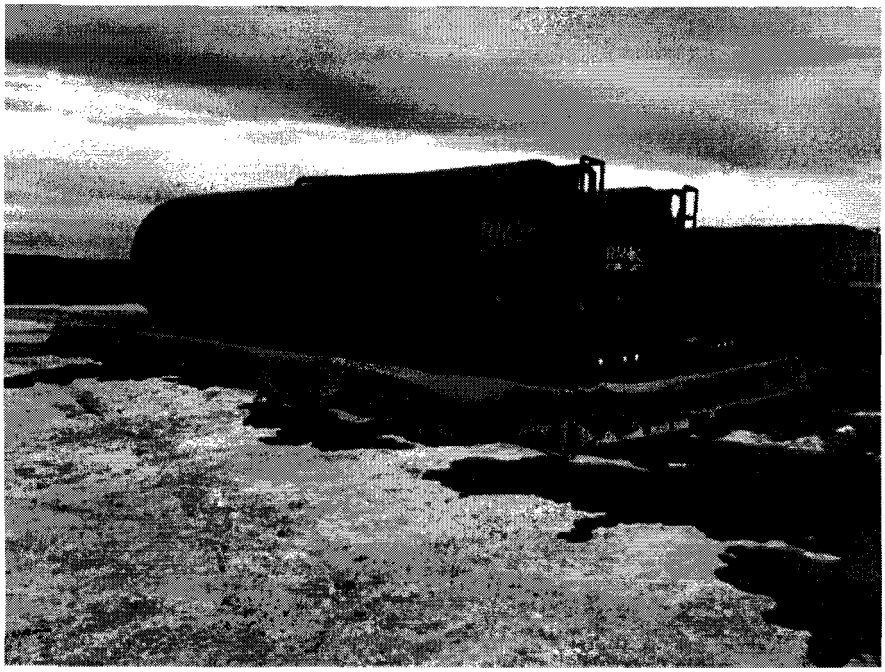
JASON WARDELL
HES Professional
Marathon Oil Company – Permian Asset
2423 Bonita St.
Carlsbad NM. 88220
Office: 575-297-0682
Mobile: 307-272-1632

Bratcher, Mike, EMNRD

From: Wardell, Jason L. (MRO) <jlwardell@marathonoil.com>
Sent: Tuesday, January 16, 2018 12:22 AM
To: Weaver, Crystal, EMNRD; Bratcher, Mike, EMNRD; agroves@slo.state.nm.us
Cc: Van Curen, Jennifer (MRO); Karrigan, Callie N. (MRO)
Subject: c141 Black River 15 10 State COM X 2H
Attachments: C-141 Form Marathon Oil 2018 Black River 15 10 State COM X 2H.doc

Good Evening,

Attached you will find the C141 for our HCL spill we had on 1/4/2018 at our Black Horse 15 10 State COM 2H location. Please let me know if you have any questions.



Spill Onsite

Offsite portion of spill after soda ash was used to neutralize acid.

JASON WARDELL
HES Professional
Marathon Oil Company – Permian Asset
2423 Bonita St.
Carlsbad NM. 88220
Office: 575-297-0682
Mobile: 307-272-1632

Weaver, Crystal, EMNRD

From: Wardell, Jason L. (MRO) <jlwardell@marathonoil.com>
Sent: Thursday, January 11, 2018 4:36 PM
To: Weaver, Crystal, EMNRD; Bratcher, Mike, EMNRD; agroves@slo.state.nm.us
Cc: Karrigan, Callie N. (MRO); Van Curen, Jennifer (MRO)
Subject: Black River State 10 15 State COM 4

Good afternoon,

Just wanted to let you know of a spill we had on our Black River State 10-15 State COM 4 January 9th 2018 at 12:30 PM. Employees arrived on location and discovered that the secondary containment for the recycle pump had overflowed. Upon further investigation a valve was open allowing oil to spill into containment. Approximately 8.02 bbls of oil spilled, overflowing the secondary containment and allowing approximately 3.44 bbls to run off of location. Spill cleanup on location is underway and off site portion has been fenced off until a cleanup and remediation plan can be approved. I will be submitting a written report within 15 days. Please let me know if you have any questions.

Jason

JASON WARDELL
HES Professional
Marathon Oil Company – Permian Asset
2423 Bonita St.
Carlsbad NM. 88220
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Mobile: 307-272-1632