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

State of New Mexico Energy Minerals and Natural Resources

RECEIVED

Form C-141 Revised August 8, 2011

Oil Conservation Division 1220 South St. Francis Dr. FFR Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

1220 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe. NM 87505 Release Notification and Corrective Action **OPERATOR** Initial Report Final Report Name of Company: BP Contact: Jeff Peace Telephone No.: 505-326-9479 Address: 200 Energy Court, Farmington, NM 87401 Facility Name: Gallegos Canyon Unit 36 Facility Type: Natural gas well Surface Owner: Federal Mineral Owner: Federal API No. 3004507330 LOCATION OF RELEASE Feet from the North/South Line Feet from the East/West Line County: San Juan Unit Letter Section Township Range 12W 1,758 North 1,013 19 28N East Н Longitude 108.14754 Latitude 36.65001 NATURE OF RELEASE Type of Release: unknown, possibly produced water Volume of Release: unknown Volume Recovered: none Source of Release: below grade tank - 95 bbl Date and Hour of Occurrence: Date and Hour of Discovery: November unknown 9, 2010: 3:33 PM Was Immediate Notice Given? If YES, To Whom? ☐ Yes ☐ Not Required By Whom? Date and Hour Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. Yes No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* Sampling of the soil beneath the BGT during removal showed chloride concentrations of 1,700 ppm, which is above the standard of 250 ppm. Analysis results are attached. Describe Area Affected and Cleanup Action Taken.* Sampling results showed the soil exceeded the standard for chloride. The BGT sampling field report showed a dense, very hard sandstone bedrock directly beneath the BGT. The BGT permit application indicates depth to groundwater is greater than 100 feet, and the distance to a flowing watercourse is greater than 300 feet. There are no freshwater wells or springs within 1000 feet. Based on the depth to groundwater and distance to freshwater sources BP is requesting NMOCD approved a risk-based closure approval for this site. 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: Approved by Environmental Specialist: Printed Name: Jeff Peace Title: Field Environmental Coordinator Approval Date: Expiration Date: E-mail Address: peace.jeffrey@bp.com Conditions of Approval:

* Attach Additional Sheets If Necessary

Phone: 505-326-9479

Date: February 25, 2015

#NCS 15/0352309



Attached

Hall Environmental Analysis Laboratory, Inc.

Date: 06-Dec-10

CLIENT:

Blagg Engineering

Lab Order:

1011530

Client Sample ID: 5 PC-TB@6' 95 BBL BET

Collection Date: 11/9/2010 3:33:00 PM

Project:

GCU #36

Date Received: 11/12/2010

Lab ID:

1011530-01

Matrix: SOIL

| Analyses | Result | PQL | Qual Units | DF | Date Analyzed |
|---|--------|--------------|------------|----|------------------------|
| EPA METHOD 8015B: DIESEL RANGE ORGANICS | | | | | Analyst: SCC |
| Diesel Range Organics (DRO) | ND | 10 | mg/Kg | 1 | 11/14/2010 12:26:29 AM |
| Surr: DNOP | 93.4 | 61.7-135 | %REC | 1 | 11/14/2010 12:26:29 AM |
| EPA METHOD 8015B: GASOLINE R. | ANGE | | , | | Analyst: NSB |
| Gasoline Range Organics (GRO) | ND | 5.0 | mg/Kg | 1 | 11/16/2010 10:27:33 PM |
| Surr: BFB | 104 | 89.7-125 | %REC | 1 | 11/16/2010 10:27:33 PM |
| EPA METHOD 300.0: ANIONS | | | | | Analyst: SRM |
| Chloride | 1700 | 75 | mg/Kg | 50 | 11/30/2010 11:40:24 PM |
| EPA METHOD 8260B: VOLATILES S | | Analyst: MMS | | | |
| Benzene | ND | 0.050 | mg/Kg | 1 | 11/17/2010 3:15:00 PM |
| Toluene | ND | 0.050 | mg/Kg | 1 | 11/17/2010 3:15:00 PM |
| Ethylbenzene | ND | 0.050 | mg/Kg | 1 | 11/17/2010 3:15:00 PM |
| Xylenes, Total | ND | 0.10 | mg/Kg | 1 | 11/17/2010 3:15:00 PM |
| Surr: 4-Bromofluorobenzene | 94.6 | 82.2-105 | %REC | 1 | 11/17/2010 3:15:00 PM |
| EPA METHOD 418.1: TPH | | | | | Analyst: LRW |
| Petroleum Hydrocarbons, TR | ND | 20 | mg/Kg | 1 | 11/16/2010 |

Qualifiers:

- Value exceeds Maximum Contaminant Level
- E Estimated value
- Analyte detected below quantitation limits
- NC Non-Chlorinated
- PQL Practical Quantitation Limit

- Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- MCL Maximum Contaminant Level
 - ND Not Detected at the Reporting Limit
 - Spike recovery outside accepted recovery limits

| CLIENT: BP | BLAGG P.O. BOX 87, (50 | | | API#: 3004507330 | | | | | | |
|--|---------------------------|------------------------|-------------------|------------------------|-----------------------------|-------------------------|--|--|--|--|
| FIELD REPORT: | ESTIGATION . | PAGE No: 1 of | 1 | | | | | | | |
| SITE INFORMATION | | DATE STARTED: 11/09/10 | | | | | | | | |
| QUAD/UNIT: H SEC: 19 TW | NM | DATE FINISHED: | | | | | | | | |
| QTR-QTR/FOOTAGE: SE/NE | TE / FEE / INDIAN | ENVIRONMENTAL | | | | | | | | |
| _LEASE#: SF079244A | (HORN F - J. WILBORN | SPECIALIST: N. | JV | | | | | | | |
| REFERENCE POINT | : WELL HEAD (W. | H.) GPS COOF | RD.: | 36.65018 X 108.14 | 758 GL ELEV.: | 5,683' | | | | |
| 1) 95 BBL BGT GPS COORD.: 36.65001 X 108.14754 DISTANCE/BEARING FROM WH.: 68', S10.5E | | | | | | | | | | |
| 2) GPS COORD.: DISTANCE/BEARING FROM W.H.; | | | | | | | | | | |
| 3) | EARING FROM W.H.: | | | | | | | | | |
| | GPS COORD.: | | | DISTANCE/B | EARING FROM W.H.: | 0.44 | | | | |
| LAB INFORMATION: | 0.0.0.00 | | | | | OVM READING (ppm) | | | | |
| 1) SAMPLE ID: 5 PC-TB @ 6' 95 BB | | | | | | NA | | | | |
| 2) SAMPLE ID: | | | | | | | | | | |
| 3) SAMPLE ID: | | | | | | | | | | |
| 4) SAMPLE ID: | | | | | | | | | | |
| SOIL DESCRIPTION | | SILTY SAND | / SILT / SILTY CL | AY / CLAY / GRAVEL / O | THER BEDROCK (SANDS | TONE) | | | | |
| SOIL COLOR: DARK YELLOWISH ORANGE | | | | | | | | | | |
| COHESION (ALL OTHERS): NON COHESIVE / SLIGHTLY COHESIVE / COHESIVE / HIGHLY COHESIVE CONSISTENCY (NON COHESIVE SOILS): LOOSE / FIRM / DENSE / VERY DENSE DENSITY (COHESIVE CLAYS & SILTS): SOFT / FIRM / STIFF / VERY STIFF / HARD | | | | | | | | | | |
| MOISTURE: DRY SLIGHTLY MOIST MOIST / W | ECTED: YES NO EXP | | A CO | | | | | | | |
| SAMPLE TYPE: GRAB (COMPOSITE) - # OF PTS | | | | | | | | | | |
| DISCOLORATION/STAINING OBSERVED | YES/NO EXPLANATION | V- | | | | | | | | |
| ANY AREAS DISPLAYING WETNESS: YES / NO | EXPLANATION - | | | | | | | | | |
| | | | | FROM SOIL & BEDROCI | K BENEATH BGT. BEDROCK | (VERY | | | | |
| HARD, SLIGHTLY FRIABLE. NO EVID | ENCE OF ANY RELEASE I | FROM BGT OF | SERVED. | | | | | | | |
| EXCAVATION DIMENSIONS (if applicable |): NA ft. X | NA ft. | X NA | ft. cubic yards e | xcavated (if applicable): | NA | | | | |
| SITE SKETCH | WELL + | | PLOT PLAN | circle: attached OV | M CALIB. READ. = NA ppn | n RF = 0.52 | | | | |
| | HEAD T | | | ♠ ow | M CALIB. GAS = NA ppn | 111 - 0.02 | | | | |
| | | | | N III | E: NA am/pm DATE: | NA | | | | |
| | | | | | MISCELL. NOT | ES | | | | |
| | | | | | BGT - DW /DB TSB - Y | | | | | |
| | | | | | | | | | | |
| | | | BERM | _ | | | | | | |
| | 1 - | W.O.: N1125958 | | | | | | | | |
| | | PAYKEY: ZEGJ01RIGS | | | | | | | | |
| | - | | | | | | | | | |
| | | ~ | T.B. ~ 6' B.G. | | GOOGLE EARTH | | | | | |
| LID SLODE / | | | | | W.H. 36.650179 / 108.147572 | | | | | |
| TSB - TANK SIDEWALL BURIED | UP SLOPE | 1 | | | BGT 36.649997 / 108.147 | | | | | |
| DW/DB - DOUBLE WALL / DOUBLE B | OTTOM. | | | R NOT AVAILABLE. | | - 0 | | | | |
| NOTES: BGT = BELOW-GRADE TANK; E.D. = EXCAVAT T.B. = TANK BOTTOM; PBGTL = PREVIOUS BE | | | | | Magnetic declination: 1 | 0° E | | | | |
| TRAVEL NOTES: CALLOUT: | 11/05/10 - AFTER. | | ONSITE: 1 | 1/09/10 - AFTER. (SCH | HED.) | | | | | |

SITING AND HYDRO-GEOLOGICAL REPORT FOR GALLEGOS CANYON UNIT 036

SITING CRITERIA 19.15.17.10 NMAC

Depth to groundwater at the site is estimated to be greater than 100 feet. This estimation is based on data from Stone and others (1983), and depth to groundwater data obtained from water wells permitted by the New Mexico State Engineer's Office (OSE, Figure 1). Local topography and proximity to adjacent water features are also considered. A topographic map of the site is provided as Figure 2 and demonstrates that the below grade tank (BGT) is not within 300 feet of any continuously flowing watercourse or within 200 feet of any other significant watercourse, lakebed, sinkhole or playa lake as measured from the ordinary high water mark. Figure 3 demonstrates that the BGT is not within 300 feet of a permanent residence, school, hospital, institution or church. Figure 4 demonstrates, based on a search of the OSE database and USGS topographic maps, that there are no freshwater wells or springs within 1000 feet of the BGT. Figure 5 demonstrates that the BGT is not within a municipal boundary or a defined municipal freshwater well field. Figure 6 demonstrates that the BGT is not within 500 feet of a wetland. Figure 7 demonstrates that the BGT is not in an area overlying a subsurface mine. The BGT is not located in an unstable area. Figure 8 demonstrates that the BGT is not within the mapped FEMA 100-year floodplain.

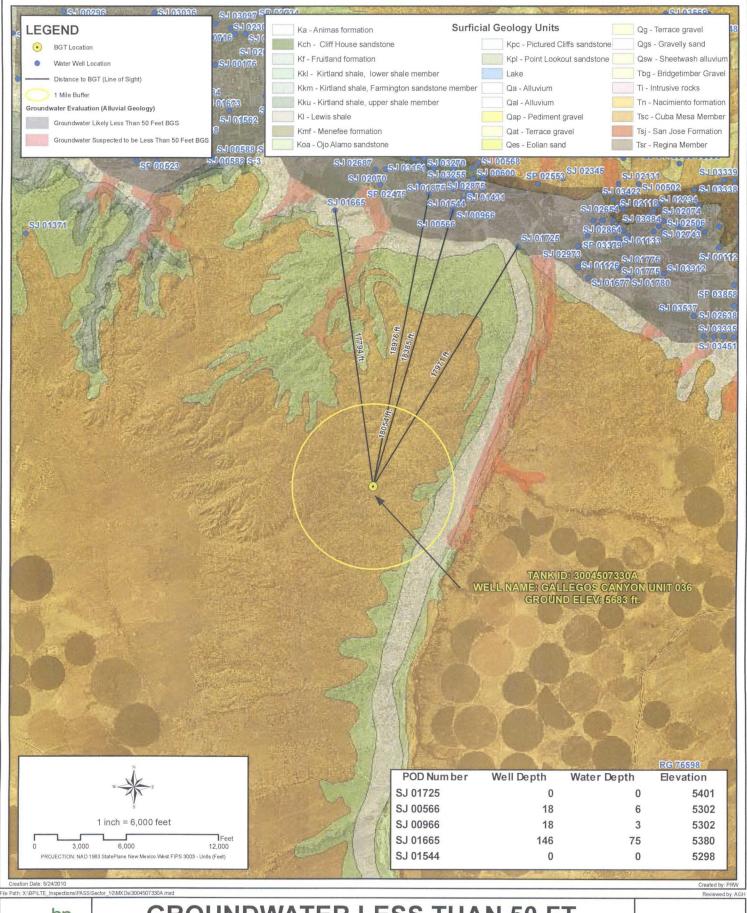
Local Geology and Hydrology

This particular site is located on a slope west of Gallegos Canyon. Broad shaley hills are interspersed with occasional sandstone outcrops, and systems of dry washes and their tributaries are common. The predominant geologic formation is the Nacimiento Formation of Tertiary age, which underlies surface soils and is often exposed. Deposits of Quaternary alluvial and eolian sands occur prominently near the surface of the area, especially near washes.

Regional Geology and Hydrology

The San Juan Basin is situated in the Navajo section of the Colorado Plateau and is characterized by broad open valleys, mesas, buttes and hogbacks. Away from major valleys and canyons topographic relief is generally low. Native vegetation is sparse and shrubby. Drainage is mainly by the San Juan River, the only permanent stream in the Navajo Section of the Colorado Plateau. The San Juan River is a tributary of the Colorado River. Major tributaries include the Animas, Chaco and La Plata Rivers. Flow of the San Juan River across the basin is regulated by the Navajo Dam, located about 30 miles northeast of Farmington, New Mexico. The climate is arid to semiarid with an average annual precipitation of 8 to 10 inches. Soils within the basin consist of weathered parent rock derived from predominantly physical means mostly from eolian depositional system with fluvial having a lesser impact.

Cretaceous and Tertiary sandstones, as well as Quaternary Alluvial deposits, serve as the primary aquifers in the San Juan Basin (Stone et al., 1983). In most of the proposed area, the Nacimiento Formation lies at the surface and grades into the Animas Formation to the west. The lower part of the Nacimiento Formation is composed of interbedded black, carbonaceous mudstones and





GROUNDWATER LESS THAN 50 FT.

WELL NAME: GALLEGOS CANYON UNIT 036
API NUMBER: 3004507330 TANK ID: 3004507330A
SECTION 19, TOWNSHIP 28.0N, RANGE 12W, P.M. NM23

FIGURE

1



