

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

Form C-141
Revised April 3, 2017

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Elm Ridge Exploration CO LLC	Contact Amy Archuleta
Address PO BOX 156 Bloomfield, NM 87412	Telephone No. 505-632-3476 x 201
Facility Name Schmitz Fed 34-3	Facility Type Oil
Surface Owner BLM	Mineral Owner
API No. 30-039-24331	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	34	24N	01W	1800	South	1800	East	Rio Arriba

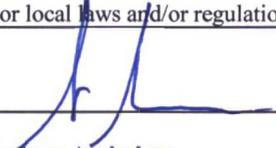
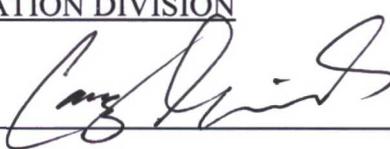
Latitude 36.26507 Longitude -106.92694 NAD83

NATURE OF RELEASE

Type of Release Stormwater / oil residual	Volume of Release 0 This was storm water.	Volume Recovered 185 bbls storm water
Source of Release Pit	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? Cory Smith contacted Amy Archuleta via Email on 5-8-17 stating the pit had run into the berm.	
By Whom?	Date and Hour 5-8-17 at 1:30pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	
If a Watercourse was Impacted, Describe Fully.*		
Describe Cause of Problem and Remedial Action Taken.* The 95 bbl BGT pit on location filled with storm water and the tank, that had no liquid in it, was floating inside the berm and tipped over allowing the residue of oil to mix with the storm water. There was no produced water in the pit. It only contained oily residue from years past. The water in the berm was caused by drainage issues on location. We sent a water truck to location and pumped out the storm water to empty the berm on 5-12-17.		
Describe Area Affected and Cleanup Action Taken.* The storm water stayed on location within the walls of the berm for the BGT. It is our intent to close this BGT and test the soil when the work is complete. We also plan to fix the storm water issues that currently exist on location.		

OIL CONS. DIV DIST. 3
MAY 22 2017

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: 	OIL CONSERVATION DIVISION	
Printed Name: Amy Archuleta	Approved by Environmental Specialist: 	
Title: Regulatory Supervisor	Approval Date: 6/5/17	Expiration Date:
E-mail Address: aarchuleta@elmridge.net	Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: 5-17-17 Phone: 505-632-3476 x201	Operator to Submit work	

* Attach Additional Sheets If Necessary

#NCS 1715657932

PLAN By 7/5/17 OR
Start Dig/Haul/BGT closure
By 7/17/17

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Smith, Cory, EMNRD

From: Smith, Cory, EMNRD
Sent: Monday, June 5, 2017 3:10 PM
To: 'Amy Archuleta'
Cc: Fields, Vanessa, EMNRD; Powell, Brandon, EMNRD; Bayliss, Randolph, EMNRD
Subject: RE: South Blanco Federal 22-5 Tank Battery Release and Schmitz Fed #34-3 BGT overflow
Attachments: C-141 Conditions Elm Ridge Schmitz Fed #34-4.pdf

Good afternoon Amy,

OCD has received Elm Ridges Exploration Initial C-141 for the Schmitz Fed 34-4 on May 22, 2017. After review the Initial C-141 has been approved with the following conditions of approval.

- If Elm Ridge chooses to further Delineate the release, a work plan must be submitted to the District III Officer no later than July 5, 2017. This plan must include detailed information on the delineation, proposed start dates, sampling methods etc. Please see that attached directive.
- If Elm Ridge chooses to delineate by means of excavation (Dig/Haul) remediation must commence no later than July 17, 2017.
 - o The release will be sampled for Total Petroleum Hydrocarbons (DRO-GRP-MRO/ORO), Benzene, Total BTEX, and Chlorides.
- Elm Ridge will provide at least 24 hours notification prior to the collection of any confirmation closure sample.
- An Approved C-144 registration for the Below Grade Tank was not located within the Well File, If Elm Ridge submitted one to Santa Fe in 2008 please request that the plan be approved via email from Mr. Randy Bayless Randolph.Bayliss@state.nm.us.
 - o If no plan was submitted to Santa Fe in 2008 and Elm Ridge intends to continue using the BGT in the same location or moving it to a new location, please submit a C-144 Below Grade Tank Registration to the Aztec District III Office prior to putting the tank back in use.
 - o If no plan was submitted to Santa Fe in 2008 and Elm Ridge no longer intends to use the BGT or intends to move the location of the BGT, please submit a C-144 Closure Plan to the Aztec District III Office prior to removing the tank.

In addition, when oil field waste comes in contact with storm water/rain water that water is then considered to be impacted and must be handled like a waste. If you have any additional questions please call me.

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

From: Amy Archuleta [mailto:aarchuleta@djrlc.com]
Sent: Thursday, May 18, 2017 3:58 PM

To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>

Subject: RE: South Blanco Federal 22-5 Tank Battery Release and Schmitz Fed #34-3 BGT overflow

Yes,

Here is a copy of what I am submitting.



Amy Archuleta

Phone: 505-632-3476 x 201

Cell: 505-320-6917

aarchuleta@djrlc.com

From: Smith, Cory, EMNRD [<mailto:Cory.Smith@state.nm.us>]

Sent: Thursday, May 18, 2017 3:57 PM

To: Amy Archuleta <aarchuleta@djrlc.com>

Subject: RE: South Blanco Federal 22-5 Tank Battery Release and Schmitz Fed #34-3 BGT overflow

Amy,

Thanks for the head up, Do we have an action plan going forward?

Cory Smith

Environmental Specialist

Oil Conservation Division

Energy, Minerals, & Natural Resources

1000 Rio Brazos, Aztec, NM 87410

(505)334-6178 ext 115

cory.smith@state.nm.us

From: Amy Archuleta [<mailto:aarchuleta@djrlc.com>]

Sent: Thursday, May 18, 2017 3:53 PM

To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>

Subject: RE: South Blanco Federal 22-5 Tank Battery Release and Schmitz Fed #34-3 BGT overflow

Cory,

I got hung up today. I will bring the C141 in the morning.

Have a good evening.

Thanks!



Amy Archuleta

Phone: 505-632-3476 x 201

Cell: 505-320-6917

aarchuleta@djrlc.com

From: Smith, Cory, EMNRD [<mailto:Cory.Smith@state.nm.us>]

Sent: Wednesday, May 17, 2017 7:49 AM

To: Amy Archuleta <aarchuleta@djrlc.com>

Subject: RE: South Blanco Federal 22-5 Tank Battery Release and Schmitz Fed #34-3 BGT overflow

Amy,

Thanks for the call, earlier in the week. The free standing liquids have been removed. IS there any need for excavation or is the plan to sample the base?

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

From: Amy Archuleta [<mailto:aarchuleta@djrlc.com>]

Sent: Friday, May 12, 2017 2:48 PM

To: Smith, Cory, EMNRD <Cory.Smith@state.nm.us>

Subject: Re: South Blanco Federal 22-5 Tank Battery Release and Schmitz Fed #34-3 BGT overflow

Hi Cory,

They emptied that water today. I will fill out the report Monday morning.

Have a good weekend.

Amy Archuleta
DJR Operating, LLC

On May 11, 2017, at 11:26 AM, Smith, Cory, EMNRD <Cory.Smith@state.nm.us> wrote:

Hello Amy,

Dianna said you would be the contact for the Below Grade tank at the Schmitz Fed #34-3.

Do you happen to have a status update on the release?

Thanks,

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

From: Smith, Cory, EMNRD

Sent: Monday, May 8, 2017 1:18 PM

To: Amy Archuleta (aarchuleta@elmridge.net) <aarchuleta@elmridge.net>; 'alain@elmridge.net' <alain@elmridge.net>

Subject: South Blanco Federal 22-5 Tank Battery Release and Schmitz Fed #34-3 BGT overflow

Amy/Allen,

On Friday May 5, I called in an active release to Elm Ridge at the South Blanco Federal Tank Battery Release, and I just wanted to get a status update on that particular release.

I also had another release that I found on Wednesday May 4, which slipped my mind when I had called in the other release. The Below Grade tank at the Schmitz Fed #34-3 appears to have over flown.

Both releases appear to be over 5BBL or 50mcf so please make sure to send in your C-141 within 15 days.

Cory Smith
Environmental Specialist
Oil Conservation Division
Energy, Minerals, & Natural Resources
1000 Rio Brazos, Aztec, NM 87410
(505)334-6178 ext 115
cory.smith@state.nm.us

Operator/Responsible Party,

The OCD has received the form C-141 you provided on 5/22/17 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number NCS1715651932 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 III office in Aztec on or before July 5, 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