

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

NOV 29 2017

Form C-141
Revised August 8, 2011

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: BP America Production Co.	Contact: Steve Moskal
Address: 200 Energy Court, Farmington, NM 87401	Telephone No.: 505-330-9179
Facility Name: Gallegos Canyon Unit 264	Facility Type: Natural gas well
Surface Owner: Fee	Mineral Owner: Fee
API No. 3004520656	

LOCATION OF RELEASE

Unit Letter E	Section 17	Township 28N	Range 12W	Feet from the 1,630	North/South Line North	Feet from the 1,150	East/West Line West	County: San Juan
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Latitude 36.66512° Longitude -108.14076°

NATURE OF RELEASE

Type of Release: Former earthen pit – condensate/produced water	Volume of Release: unknown	Volume Recovered: none
Source of Release: Former earthen pit	Date and Hour of Occurrence:	Date and Hour of Discovery: May 10, 2016
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom? Steve Moskal	Date and Hour:	
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.* Impacts were discovered beneath a below grade tank during closure sampling. Impacts may have been associated with tank integrity as a corrosion hole was identified during inspection of the tank. Laboratory results confirmed the release exceeded the BGT closure standard and the spill and release guidelines. Remedial excavation then followed with impacts determined to be off location beneath an adjacent ephemeral wash. The excavation was stopped per the landowner's request and two phases of soil boring investigations were used to determine the extents of the remaining impacts. The attached report details the results and finding of the most recent soil boring investigation.

Describe Area Affected and Cleanup Action Taken.* A total of 3,700 cubic yards of soil was excavated from the impact area. Approximately 2,531 cubic yards of soil was excavated and removed from the site for landfarm treatment. The excavation measured 75'x95'x18' maximum depth. A single portion of the excavation had remaining impacts along the SW wall at a depth of 15-16' which was on the edge of the well location and at the interface of an ephemeral wash. The area of remaining contaminants is off the pad disturbance area and required landowner approval for excavation. The excavation was backfilled per landowner approval. BP further delineated the area of remaining impacts beneath the ephemeral wash via a soil boring investigation. The investigation determined the extents of impacts both vertically and horizontally. BP believes these impacts to be historical and have very little impact to vegetation; no impact to groundwater; and absolutely no impact to surface water (depth of impacts at 16-22'). BP request no further action at the site pending OCD approval. The landowner has requested no further action and is pending confirmation of agreement via a concurrence letter awaiting to be signed. The landowner has provided a verbal agreement to sign the letter in the coming days. BP requests a 30 day extension to obtain the agreement signature from the landowner.

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: Steve Moskal	Approved by Environmental Specialist:	
Title: Field Environmental Coordinator	Approval Date: <u>12/16/2017</u>	Expiration Date:
E-mail Address: steven.moskal@bp.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: November 28, 2017	Phone: 505-330-9179	

* Attach Additional Sheets If Necessary

NMOCD Determines extent of historical impact does not threaten human health or environment. NES 1613445286 2



**BP America Production
Company**
200 Energy Court
Farmington, NM 87401
Phone: (505) 427-9953

November 29, 2017

Mr. Tommy Bolack
B Square Ranch, LLC
3901 Bloomfield Hwy
Farmington, NM 87401

OIL CONS. DIV DIST. 3

DEC 04 2017

Re: Gallegos Canyon Unit 264 Concurrence Letter
API: 3004520656
Section 17-T28N-R12W
San Juan County, NM

Mr. Bolack:

BP America Production Company ("BP") has performed various delineation and remediation activities related to the Gallegos Canyon Unit 264 well under the supervision of the New Mexico Oil Conservation Division (NMOCD). These activities have been on the well pad and within the drainage adjacent to the well pad. To date, 18 borings have been advanced with delineation complete in the wash and on the edge of pad. However, two of the borings still demonstrate contamination at 21-23' and 19-23' below the surface, respectively. The contamination is historical and degraded. Due to the depth of the contamination it there is not a significant threat to the vegetation or surface water. The impact to groundwater is unlikely as there is a confining shale layer at the 23-24' mark that our Geoprobe was not able to fully penetrate, demonstrating its high density and low permeability.

BP has proposed to the NMOCD that no further remediation or delineation work be performed in regards to the Gallegos Canyon Unit 264 well. Please indicate your concurrence by completing and signing the section below.

Thank you for your attention to this matter. Please contact me if you have any questions or concerns.

Sincerely,

Roland Mora
Surface Land Negotiator—BP

As owner of the Property, I, Tommy Bolack, Owner and Operations Manager of B Square Ranch, LLC, request no further delineation or remediation activity related to the Gallegos Canyon Unit 264 well. The New Mexico Oil Conservation District ("NMOCD") will be notified of my decision to forego any additional delineation and remediation work associated with this well.

Accepted and agreed to this 29th day of November, 2017

B Square Ranch, LLC

By:
Tommy Bolack, Owner and Operations Manager