NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

NOTICE OF VIOLATION (3-03-11)

September 25, 2003

30 045 31201

CERTIFIED MAIL
RETURN RECEIPT NO: 7002 2410 0006 6462 6411

Mr. Danny Japp
San Juan Area Operations Manager
ConocoPhillips Company
5525 Highway 64
Farmington, NM 87401

RE: Violation of Oil Conservation Division Rule 710.A. [19 NMAC 15.9.710A]

Dear Mr. Japp:

On Thursday August ~~22~~ 21, 2003, Oil Conservation Division (OCD) Deputy Inspector Bruce Martin, observed water spraying at the ConocoPhillips San Juan 31-7 Unit #224A, API # 30-045-31201, located in Unit Letter C, Section 21, Township 32 North, Range 07 West. Deputy Inspector Martin checked the source and found water spraying onto the location.

An OCD investigation found the following:

1) Dave Williams an employee for Aztec Excavation, under contract to Conocophillips, was spraying produced water from a pit onto and across the location. According to Mr. Williams, the spraying had been going on for three days.

2) Deputy Inspector Martin also observed water running onto the location from a severe leak in the pump discharge line flowing down the liner onto the location.

3) Deputy Inspector Martin estimated that at the time of his discovery, most of the sprayer output was blowing from the pit and onto the location and he directed the spraying operation be shut down.

4) The majority of the water was flowing down a pipeline depression to the west of the pit. The water was being absorbed by and penetrating into the disturbed soil of the pipeline trench.

5) Rule 710.A. states in part, "No person, including any transporter may dispose of produced water on the surface of the ground. . . in any manner which will constitute a hazard to fresh water supplies"

6) Disposition of produced water by over spraying, drift and pooling is a violation of Rule 710.A.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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

SEP 2003
RECEIVED
OIL CONS. DIV.
DIST. 3

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company	ConocoPhillips Company	Contact	Monica Olson
Address	5525 Hwy. 64, Farmington, NM 87401	Telephone No.	505-599-3458
Facility Name	San Juan 32-7 Unit #224A	Facility Type	Gas Well

API # 30-045-31201

Surface Owner FEE - Jack M. Mackey	Mineral Owner	Lease No. FEE

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	21	T32N	R7W	1245	North	1650	West	San Juan

NATURE OF RELEASE

Type of Release: Water	Volume of Release: 15 BBL	Volume Recovered: 10 BBL
Source of Release: Drift of evaporation process	Date and Hour of Occurrence: 8/21/03	Date and Hour of Discovery: 8/21/03 – 1500 hr
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Denny Foust – OCD – via phone	
By Whom? Tim Ritter	Date and Hour 8/22/03	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* During the evaporation process, water from the rig pit is sprayed in the air and back into the pit from pumps with an output of ~750 gpm. The pumps had been in operation for about 3 days. The wind began blowing, causing the water to drift out of the pit area and onto the location, which was already saturated with rainwater. There was also a badly leaking pipe joint on the discharge side of the pump, which was flowing down the wrong side of the pit liner. The spraying operation and associated work was shut down and water samples were analyzed w/ the following results: PIT – pH = 9.11 & TDS = 13,520 ppm; near METER RUN – pH = 8.81 & TDS = 7,250 ppm; POND – pH = 8.23 & TDS = 684 ppm. TPH results for all three sample points were non-detect.

Describe Area Affected and Cleanup Action Taken.* The area affected was 50' x 70' x 1" deep in soil. Because there were recent rains at this location, it was difficult to discern what was pit water and what was rain water, and therefore we feel our calculation for the spilled volume is generous. Please see the attached sheet for spill calculations. The volume of the release is estimated at 15 BBL spilled with 10 BBL recovered, leaving 5 BBL on location which soaked into the ground. The plan for remediation is to rake up any stained soil and mix with fresh soil to naturally remediate. All spilled soils remained on location. ConocoPhillips is also looking into different methods to empty our reserve pits (i.e. trucking rather than evaporating).

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: Monica D. Olson	OIL CONSERVATION DIVISION
Printed Name: Monica D. Olson	Approved by District Supervisor: For Record Denny Foust for Frank Chavez
Title: Safety, Health, Environmental, & Regulatory Technician	Approval Date: 9/30/03 Expiration Date:
Date: 9/10/03 Phone: 505-599-3458	Conditions of Approval: Attached ☐

* Attach Additional Sheets If Necessary

nDGF0327330931

Following is the calculation ConocoPhillips San Juan Operations utilizes when estimating the liquid spill volume associated with wet/stained/contaminated soil. This calculation does not include free standing liquid.

$$\text{Spill Volume (Barrels)} = \frac{\text{Length of spill (ft) x Width of spill (ft) x Depth of spill (ft) x 25\% soil porosity x 25\% soil absorption}}{\text{5.61 ft3 / barrell}}$$

Spill Length = 50'
Spill Width = 70'
Spill Depth = 1 inch = 0.083'

Spill Volume in soil = (50' x 70' x .083') x (0.25 x 0.25) / 5.61cuft/BBL = **3 BBL**

There was some free standing liquid on location = **2 BBL**

Most of the water spilled outside of the pit went back into the pit = **10 BBL**

So, a total of **15 BBL was spilled with 10 BBL recovered**.

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

CATION / ANION ANALYSIS

Client:	ConocoPhillips	Project #:	96052-026-030
Sample ID:	Pit	Date Reported:	08-26-03
Laboratory Number:	26389	Date Sampled:	08-22-03
Chain of Custody:	11263	Date Received:	08-22-03
Sample Matrix:	Water	Date Extracted:	N/A
Preservative:	Cool	Date Analyzed:	08-25-03
Condition:	Cool & Intact		

Parameter	Analytical Result	Units
pH	**9.11**	units
Total Dissolved Solids @ 180c	**13,520**	mg/L

Reference: U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.

Comments: **32 - 7 #224 A.**

Christine M Walters
Analyst

Review

5796 U.S. Highway 64 • Farmington, NM 87401 • Tel 505 • 632 • 0615 • Fax 505 • 632 • 1865

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

CATION / ANION ANALYSIS

Client:	ConocoPhillips	Project #:	96052-026-030
Sample ID:	Meter Run	Date Reported:	08-26-03
Laboratory Number:	26390	Date Sampled:	08-22-03
Chain of Custody:	11263	Date Received:	08-22-03
Sample Matrix:	Water	Date Extracted:	N/A
Preservative:	Cool	Date Analyzed:	08-25-03
Condition:	Cool & Intact		

Parameter	Analytical Result	Units
pH	**8.81**	units
Total Dissolved Solids @ 180c	**7,250**	mg/L

Reference: U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.

Comments: **32 - 7 #224 A.**

Christine M Walters
Analyst

Review

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ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

CATION / ANION ANALYSIS

Client:	ConocoPhillips	Project #:	96052-026-030
Sample ID:	Pond	Date Reported:	08-26-03
Laboratory Number:	26391	Date Sampled:	08-22-03
Chain of Custody:	11263	Date Received:	08-22-03
Sample Matrix:	Water	Date Extracted:	N/A
Preservative:	Cool	Date Analyzed:	08-25-03
Condition:	Cool & Intact		

Parameter	Analytical Result	Units
pH	**8.23**	units
Total Dissolved Solids @ 180c	**684**	mg/L

Reference: U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.

Comments: **32 - 7 #224 A.**

Christine M Walters
Analyst

Review

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ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Client:	ConocoPhillips	Project #:	96052-026-030
Sample ID:	Pit	Date Reported:	08-26-03
Laboratory Number:	26389	Date Sampled:	08-22-03
Chain of Custody No:	11263	Date Received:	08-22-03
Sample Matrix:	Water	Date Extracted:	08-25-03
Preservative:	Cool	Date Analyzed:	08-26-03
Condition:	Cool and Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/L)	Det. Limit (mg/L)
Gasoline Range (C5 - C10)	**ND**	**0.2**
Diesel Range (C10 - C28)	**ND**	**0.1**
Total Petroleum Hydrocarbons	**ND**	**0.2**

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **32 - 7 #224 A.**

Analyst

Review

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ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Client:	ConocoPhillips	Project #:	96052-026-030
Sample ID:	Meter Run	Date Reported:	08-26-03
Laboratory Number:	26390	Date Sampled:	08-22-03
Chain of Custody No:	11263	Date Received:	08-22-03
Sample Matrix:	Water	Date Extracted:	08-25-03
Preservative:	Cool	Date Analyzed:	08-26-03
Condition:	Cool and Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/L)	Det. Limit (mg/L)
Gasoline Range (C5 - C10)	**ND**	**0.2**
Diesel Range (C10 - C28)	**ND**	**0.1**
Total Petroleum Hydrocarbons	**ND**	**0.2**

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **32 - 7 #224 A.**

Analyst

Review

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ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA METHOD 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Client:	ConocoPhillips	Project #:	96052-026-030
Sample ID:	Pond	Date Reported:	08-26-03
Laboratory Number:	26391	Date Sampled:	08-22-03
Chain of Custody No:	11263	Date Received:	08-22-03
Sample Matrix:	Water	Date Extracted:	08-25-03
Preservative:	Cool	Date Analyzed:	08-26-03
Condition:	Cool and Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/L)	Det. Limit (mg/L)
Gasoline Range (C5 - C10)	**ND**	**0.2**
Diesel Range (C10 - C28)	**ND**	**0.1**
Total Petroleum Hydrocarbons	**ND**	**0.2**

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **32 - 7 #224 A.**

Analyst

Review

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ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

EPA Method 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Quality Assurance Report

Client:	QA/QC	Project #:	N/A
Sample ID:	08-26-TPH QA/QC	Date Reported:	08-26-03
Laboratory Number:	26389	Date Sampled:	N/A
Sample Matrix:	Methylene Chloride	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	08-26-03
Condition:	N/A	Analysis Requested:	TPH

	I-Cal Date	I-Cal RF:	C-Cal RF:	% Difference	Accept. Range
Gasoline Range C5 - C10	04-29-03	2.2249E-002	2.2227E-002	**0.10%**	**0 - 15%**
Diesel Range C10 - C28	04-29-03	2.1005E-002	2.0963E-002	**0.20%**	**0 - 15%**

Blank Conc. (mg/L)	Concentration	Detection Limit
Gasoline Range C5 - C10	**ND**	**0.2**
Diesel Range C10 - C28	**ND**	**0.1**
Total Petroleum Hydrocarbons	**ND**	**0.2**

Duplicate Conc. (mg/L)	Sample	Duplicate	% Difference	Accept. Range
Gasoline Range C5 - C10	**ND**	**ND**	**0.0%**	**0 - 30%**
Diesel Range C10 - C28	**ND**	**ND**	**0.0%**	**0 - 30%**

Spike Conc. (mg/L)	Sample	Spike Added	Spike Result	% Recovery	Accept. Range
Gasoline Range C5 - C10	**ND**	**250**	**250**	**100.0%**	**75 - 125%**
Diesel Range C10 - C28	**ND**	**250**	**250**	**100.0%**	**75 - 125%**

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **QA/QC for samples 26389 - 26391.**

Analyst

Review

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CHAIN OF CUSTODY RECORD

11263

Client / Project Name	Project Location	ANALYSIS / PARAMETERS
ConocoPhillips	32-7 # 224A	
Sampler: Tim Ritts	Client No. 96052-026-030	

Sample No./ Identification	Sample Date	Sample Time	Lab Number	Sample Matrix	No. of Containers	TPH	BTEX	TPH Extended				Remarks
Pit	8/22	11:00 AM	26389	H_2O	1	✓	✓	✓				
meters Run	8/22	11:30 AM	26390	H_2O	1	✓	✓	✓				
Pond	8/22	11:55 AM	26391	H_2O	1	✓	✓	✓				

Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
Tim Ritts	8/22/03	1510	Christine M Walters	8/22/03	15:10
Relinquished by: (Signature)			Received by: (Signature)		
Relinquished by: (Signature)			Received by: (Signature)		

Samples received in plastic bottles with head space

ENVIROTECH INC.

5796 U.S. Highway 64
Farmington, New Mexico 87401
(505) 632-0615

Sample Receipt	Y	N	N/A
Received Intact			
Cool - Ice/Blue Ice			

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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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

SEP 2003
OIL CONS. DIV.
DIST. 3

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	ConocoPhillips Company	Contact	Tim Ritter / Monica Olson
Address	5525 Hwy. 64, Farmington, NM 87401	Telephone No.	505-599-3468 / 505-599-3458
Facility Name	San Juan 32-7 Unit #224A	Facility Type	Gas Well API # 30-045-31201

Surface Owner FEE - Jack M. Mackey	Mineral Owner	Lease No. FEE

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	21	T32N	R7W	1245	North	1650	West	San Juan

NATURE OF RELEASE

Type of Release: Water	Volume of Release: 15 BBL	Volume Recovered: 10 BBL
Source of Release: Drift of evaporation process	Date and Hour of Occurrence: 8/21/03	Date and Hour of Discovery: 8/21/03 – 1500 hr
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Denny Foust – OCD – via phone	
By Whom? Tim Ritter	Date and Hour: 8/22/03	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

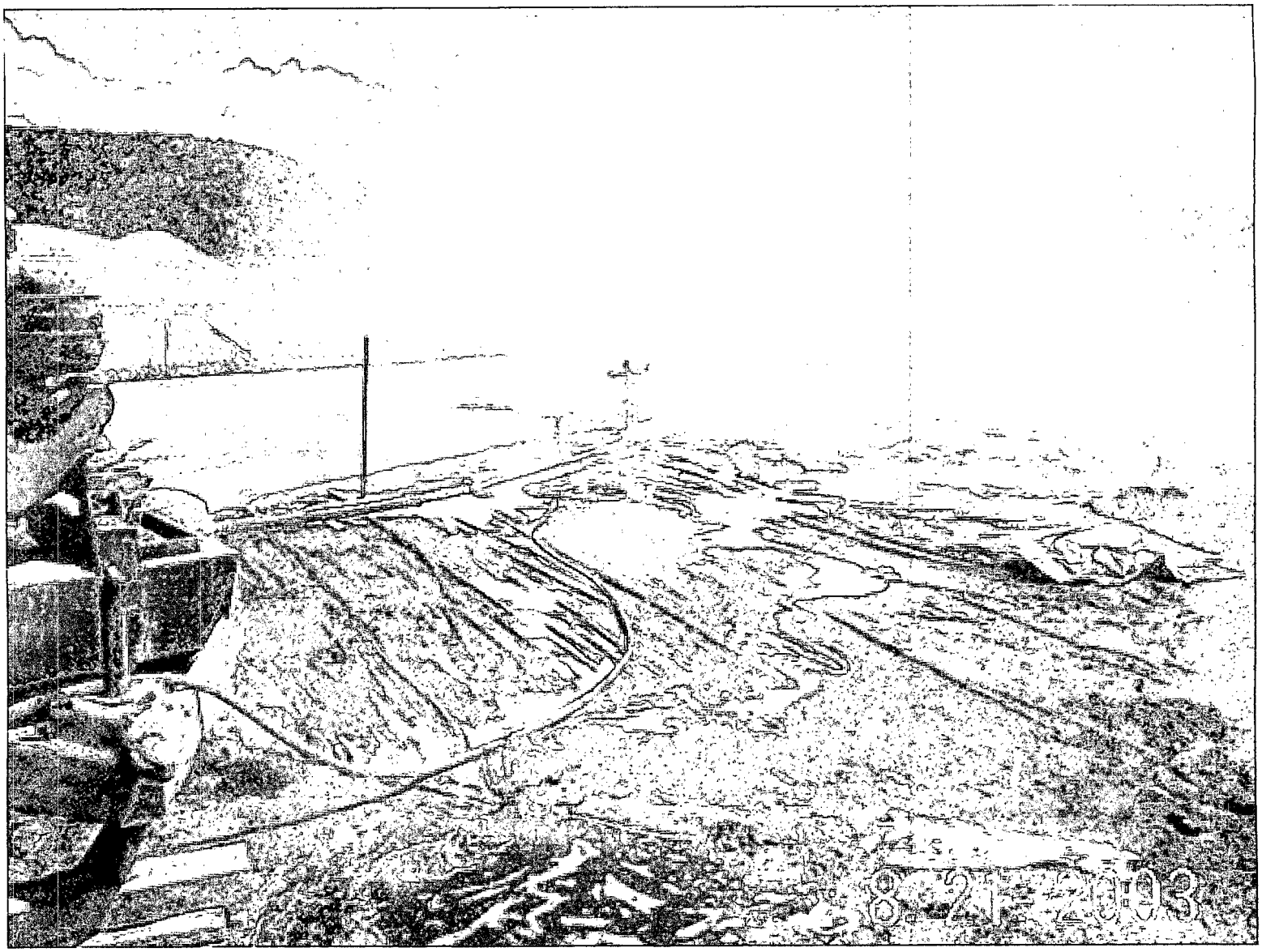
Describe Cause of Problem and Remedial Action Taken.* **During the evaporation process, water from the rig pit is sprayed in the air and back into the pit from pumps with an output of ~750 gpm. The pumps had been in operation for about 3 days. The wind began blowing, causing the water to drift out of the pit area and onto the location, which was already saturated with rainwater. There was also a badly leaking pipe joint on the discharge side of the pump, which was flowing down the wrong side of the pit liner. The spraying operation and associated work was shut down and water samples have been taken to Envirotech for analysis.**

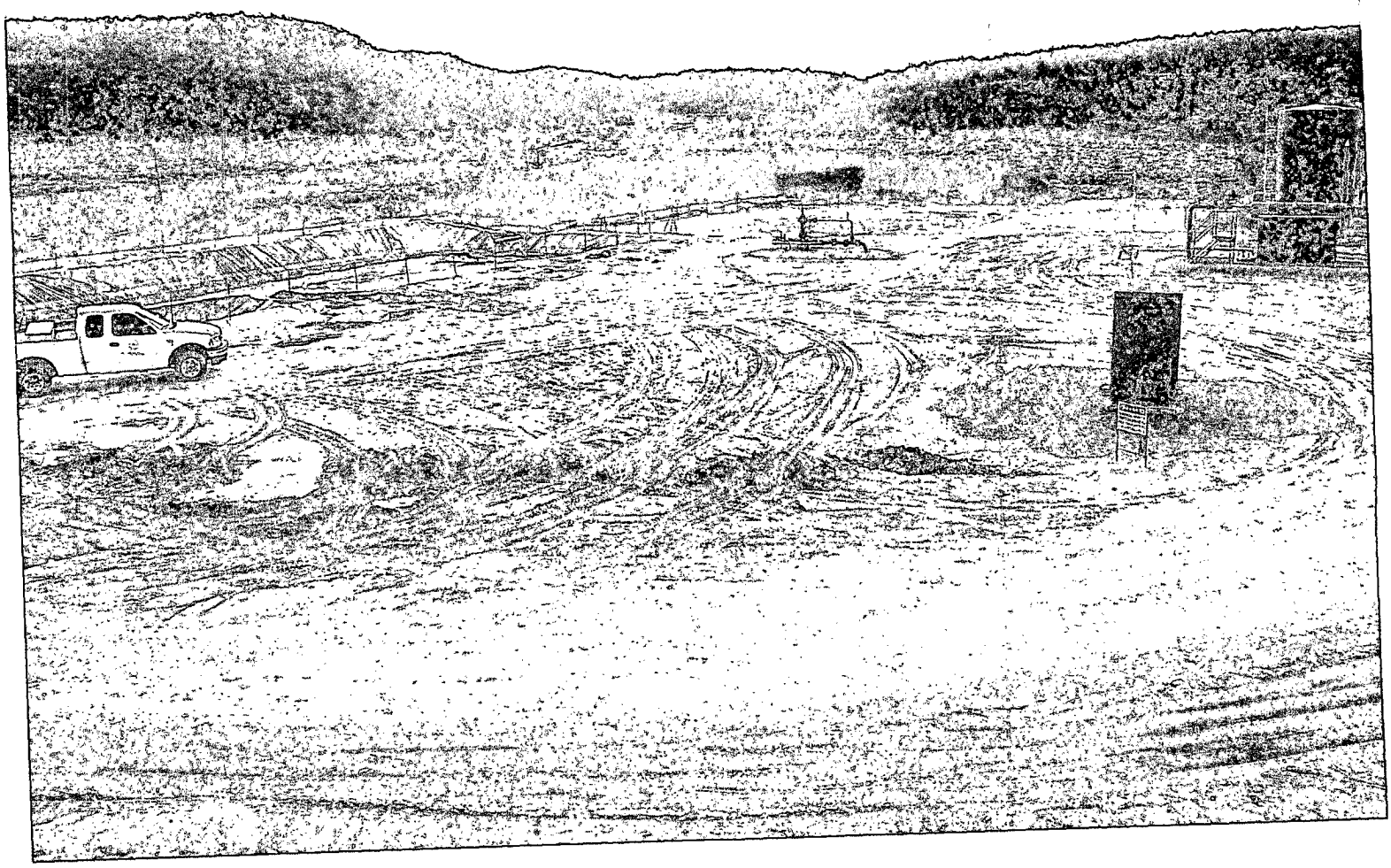
Describe Area Affected and Cleanup Action Taken.* **Due to recent rains, it was hard to determine what soils were impacted by the pit water versus what was standing on location from the rains. Water samples were taken from the pit and various pools of water on location to determine pH, TDS, and composition. Remediation, if necessary, will commence upon receiving analytical results of water.**

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: Monica D. Olson	OIL CONSERVATION DIVISION
Printed Name: Monica D. Olson	Approved by District Supervisor:
Title: Safety, Health, Environmental, & Regulatory Technician	Approval Date: / Expiration Date:
Date: 8/25/03 Phone: 505-599-3458	Conditions of Approval: / Attached ☐

* Attach Additional Sheets If Necessary


8-21-2003



Foust, Denny

From: Martin, William
Sent: Thursday, September 11, 2003 9:19 AM
To: Foust, Denny
Subject: Re:ConocoPhillips San Juan 32-7 #224A spill report

Since I was on location while the release was occurring and have photographic evidence, I have a different perspective of the volume released at the ConocoPhillips San Juan 32-7 #224A.The layout of the pit was in a north/south direction and the slope of the location away from the pit was in a westerly direction. The top of the berm was 1 to 2 feet higher than the elevation of the surrounding location. Water which reached the top of the berm was gravity flowing down off the plastic lining and running west approximately 50 feet where it was running down through cracks in the ground and further settling in the path of disturbed soil above a buried flow line. Water was not and could not flow back up over the berm from the location. I had been in the area all day long doing inspections and the wind did not suddenly begin blowing but there had been a westerly breeze consistently throughout the day. The roads and locations that I inspected in the same area all day long were all dry. The photographs show that the #224A location was dry except for the area where the overspray and leaking discharge line was spraying.

There were two separate sources, which contributed to the release onto the ground. The first and primary source was the overspray from the nozzles. The pump discharges at a rate of 750 gpm or 17.85 bbl/min. I observed the operation for approximately 10 minutes and noted that during that period, approximately 90% of the pump output was blowing back onto the area west of the berm onto the ground. Water had saturated and pooled in the approximately 50' X 70' area on the west side of the berm and was flowing down into the ground. I estimate that during the short time that I was there, that:

17.85 bbl/min X 90% X 10 min = 160 bbls X 10% efficiency = 16 bbl of water went onto the location. Multiply this over a 3 day period and it's quickly apparent that the ConocoPhillips estimate is grossly underestimated. The second source of contamination was from the leaking coupling on the discharge line. Assuming the very conservative estimate of 1 gpm from this leak during an 8 hr day, I calculate that:

1 gal/min X 60 min/hr X 8 hr/day X 3 days = 1440 gal or 34 bbls. Again, all of this water ran down the backside of the berm onto the location with no recovery.

Foust, Denny

From: Martin, William
Sent: Friday, August 22, 2003 8:12 AM
To: Chavez, Frank; Foust, Denny; Perrin, Charlie
Subject: Conoco/Phillips SJ 32-7 #224A Evaporation Project


DCP01408.JPG

DCP01402.JPG

DCP01403.JPG

DCP01404.JPG

DCP01405.JPG

DCP01407.JPG

DCP01401.JPG

DCP01409.JPG

On Thursday August 22, 2003, I observed water spraying at the Conoco/Phillips SJ 31-7 # 224A, API# 30-045-31201, located in Unit letter C, Section 21, Township 32 North, Range 7 West. Aztec Excavation which was contracted by the operator, was spraying water across the location in violation of Rule 710.A. According to the Aztec Excavation employee on site, Dave Williams, the pumps with an output of 750gpm had been in operation for 3 days. Mr. Williams stated that the majority of the water which was outside the pit was rain water. I observed that ~95% of the water spray was blowing back out of the pit and there was a badly leaking pipe joint on the discharge side of the pump which was flowing down the wrong side of the pit liner. I informed Mr. Williams that his operation was violating OCD rules and had to be shut down. He complied and stated that he would get his shovel and begin draining the water back inside the pit. The majority of the water was flowing down into the ground to the west of the pit and following a shallow marked pipeline. The slope of the ground would prohibit Mr. Williams from draining it back into the pit.

October 2, 2003

OCD-CONOCOPHILLIPS
SETTLEMENT CONFERENCE

ATTENDEES:

Danny Japp, ConocoPhillips
Virgil Chavez, ConocoPhillips
Robert Wirtanen, ConocoPhillips
Eric Fransen, ConocoPhillips
Frank Chavez, OCD
Bruce Martin, OCD
Denny Foust, OCD