Kyle Norman

From: Smalts, Raymond A < Raymond.A.Smalts@p66.com>

Sent: Friday, May 10, 2024 4:52 PM **To:** Michael Bratcher; Mike Bratcher

Cook, John W; Case, Nicholas L; Daly, Stacey; Kyle Norman; Brett Dennis; Spicer, Wayne D; Villalobos, Micheal; Millican, Scot A

Subject: Notice of Release - BE-17 Loop Pipeline Leak

Importance: High

Mr. Bratcher,

This afternoon, I was notified of a spill that occurred at **32.7579**, **-104.3050** in Eddy County involving the BE-17 Loop pipeline. The estimated leak volume has the potential to exceed 25 bbls and trigger a major event. A third-party contractor is on site to assess the event. Additional details will be provided with the C-141 submittal. The discovery date and time for this event is 05/10/2024 at ~11:56.

Therefore:

In an abundance of caution and to meet potentially applicable reporting deadlines, DCP is submitting this initial report based on the information currently available and DCP's understanding of the facts at this time; however, DCP's investigation and assessment is ongoing. DCP therefore reserves the right to supplement and revise the information in this initial report if and as new information becomes available. DCP also reserves the right to raise any arguments, facts, or defenses regarding this incident, including that this incident is not a "major release" as defined by 19.15.29.7(A) NMAC.

Thanks...



Ray Smalts
Sr. Environmental Engineer
Permian, SENM Asset

O: (575) 234-6405 | M: (575) 231-2611 Artesia Natural Gas Plant | 1925 Illinois Camp Rd | Artesia, NM 88210 Email: Raymond.A.Smalts@p66.com Website: www.phillips66.com



Barrels Released Calculation

| Source Area Square Footage | 400 | х | Height (ft) | 4.50000 | = 66.66667 feet ³ |
|-----------------------------|-------|---|-------------|---------------|------------------------------|
| 27 | | | | | - |
| 66.666667 x 0.1781 | | = | 11.87 | barrels relea | ased |
| Release Area Square Footage | 5,000 | х | Height (ft) | 0.50000 | = 92.59259 feet ³ |
| 27 | | | | | - |
| 92.592593 x 0.1781 | | = | 16.49 | barrels relea | ased |
| | Total | = | 28.36 | barrels relea | ased |

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II

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1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

QUESTIONS

Action 347312

QUESTIONS

| | Operator: | OGRID: |
|---|---------------------------|---|
| ı | DCP OPERATING COMPANY, LP | 36785 |
| | 6900 E. Layton Ave | Action Number: |
| ı | Denver, CO 80237 | 347312 |
| | | Action Type: |
| | | [C-141] Initial C-141 (C-141-v-Initial) |

QUESTIONS

| Prerequisites | |
|------------------|-----------------------------------|
| Incident ID (n#) | nAPP2413433429 |
| Incident Name | NAPP2413433429 BE-17 PIPELINE @ 0 |
| Incident Type | Produced Water Release |
| Incident Status | Initial C-141 Received |

| Location of Release Source | | |
|--|----------------|--|
| Please answer all the questions in this group. | | |
| Site Name | BE-17 Pipeline | |
| Date Release Discovered | 05/10/2024 | |
| Surface Owner | Federal | |

| Incident Details | | |
|--|------------------------|--|
| Please answer all the questions in this group. | | |
| Incident Type | Produced Water Release | |
| Did this release result in a fire or is the result of a fire | No | |
| Did this release result in any injuries | No | |
| Has this release reached or does it have a reasonable probability of reaching a watercourse | No | |
| Has this release endangered or does it have a reasonable probability of endangering public health | No | |
| Has this release substantially damaged or will it substantially damage property or the environment | No | |
| Is this release of a volume that is or may with reasonable probability be detrimental to fresh water | No | |

| Nature and Volume of Release | | | |
|--|--|--|--|
| Material(s) released, please answer all that apply below. Any calculations or specific justifications for the volumes provided should be attached to the follow-up C-141 submission. | | | |
| Crude Oil Released (bbls) Details | Not answered. | | |
| Produced Water Released (bbls) Details | Cause: Corrosion Pipeline (Any) Produced Water Released: 28 BBL Recovered: 0 BBL Lost: 28 BBL. | | |
| Is the concentration of chloride in the produced water >10,000 mg/l | Yes | | |
| Condensate Released (bbls) Details | Not answered. | | |
| Natural Gas Vented (Mcf) Details | Not answered. | | |
| Natural Gas Flared (Mcf) Details | Not answered. | | |
| Other Released Details | Not answered. | | |
| Are there additional details for the questions above (i.e. any answer containing Other, Specify, Unknown, and/or Fire, or any negative lost amounts) | Not answered. | | |

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe NM 87505

QUESTIONS, Page 2

Action 347312

| 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462 | 11 e, NW 07 303 |
|--|--|
| QUESTI | IONS (continued) |
| Operator: DCP OPERATING COMPANY, LP 6900 E. Layton Ave Denver, CO 80237 | OGRID: |
| QUESTIONS | [0] |
| Nature and Volume of Release (continued) | |
| Is this a gas only submission (i.e. only significant Mcf values reported) | No, according to supplied volumes this does not appear to be a "gas only" report. |
| Was this a major release as defined by Subsection A of 19.15.29.7 NMAC | Yes |
| Reasons why this would be considered a submission for a notification of a major release | From paragraph A. "Major release" determine using: (1) an unauthorized release of a volume, excluding gases, of 25 barrels or more. |
| With the implementation of the 19.15.27 NMAC (05/25/2021), venting and/or flaring of natural gas (i.e. | e. gas only) are to be submitted on the C-129 form. |
| Initial Response The responsible party must undertake the following actions immediately unless they could create a s | safety hazard that would result in injury |
| The source of the release has been stopped | True |
| The impacted area has been secured to protect human health and the environment | True |
| Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices | True |
| All free liquids and recoverable materials have been removed and managed appropriately | True |
| If all the actions described above have not been undertaken, explain why | Notified NMOCD Mike Bratcher via email May 10th. |
| | iation immediately after discovery of a release. If remediation has begun, please prepare and attach a narrative of ted or if the release occurred within a lined containment area (see Subparagraph (a) of Paragraph (5) of evaluation in the follow-up C-141 submission. |
| to report and/or file certain release notifications and perform corrective actions for release the OCD does not relieve the operator of liability should their operations have failed to | knowledge and understand that pursuant to OCD rules and regulations all operators are required asses which may endanger public health or the environment. The acceptance of a C-141 report by adequately investigate and remediate contamination that pose a threat to groundwater, surface t does not relieve the operator of responsibility for compliance with any other federal, state, or |
| I hereby agree and sign off to the above statement | Name: Ray Smalts Title: Sr Environmental Eng/Spec |

Email: RASmalts@DCPMidstream.com

Date: 05/24/2024

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QUESTIONS, Page 3

Action 347312

QUESTIONS (continued)

| Operator: | OGRID: |
|---------------------------|---|
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QUESTIONS

| Site Characterization | | |
|---|--------------------------------------|--|
| Please answer all the questions in this group (only required when seeking remediation plan approval and beyond). This information must be provided to the appropriate district office no later than 90 days after the release discovery date. | | |
| What is the shallowest depth to groundwater beneath the area affected by the release in feet below ground surface (ft bgs) | Less than or equal 25 (ft.) | |
| What method was used to determine the depth to ground water | U.S. Geological Survey | |
| Did this release impact groundwater or surface water | No | |
| What is the minimum distance, between the closest lateral extents of the release ar | nd the following surface areas: | |
| A continuously flowing watercourse or any other significant watercourse | Between ½ and 1 (mi.) | |
| Any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark) | Between ½ and 1 (mi.) | |
| An occupied permanent residence, school, hospital, institution, or church | Greater than 5 (mi.) | |
| A spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes | Greater than 5 (mi.) | |
| Any other fresh water well or spring | Greater than 5 (mi.) | |
| Incorporated municipal boundaries or a defined municipal fresh water well field | Greater than 5 (mi.) | |
| A wetland | Between ½ and 1 (mi.) | |
| A subsurface mine | Greater than 5 (mi.) | |
| An (non-karst) unstable area | Zero feet, overlying, or within area | |
| Categorize the risk of this well / site being in a karst geology | High | |
| A 100-year floodplain | Greater than 5 (mi.) | |
| Did the release impact areas not on an exploration, development, production, or storage site | No | |

| Remediation Plan | | |
|--|----|--|
| Please answer all the questions that apply or are indicated. This information must be provided to the appropriate district office no later than 90 days after the release discovery date. | | |
| Requesting a remediation plan approval with this submission | No | |
| The OCD recognizes that proposed remediation measures may have to be minimally adjusted in accordance with the physical realities encountered during remediation. If the responsible party has any need to significantly deviate from the remediation plan proposed, then it should consult with the division to determine if another remediation plan submission is required. | | |

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CONDITIONS

Action 347312

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CONDITIONS

| Created By | | Condition Date |
|------------|------|-------------------|
| scwells | None | 5/28/2024 |