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921 North Bivins  
Amarillo, Texas 79107  
Phone 806.467.0607  
Fax 806.467.0622

ARTESIA  
408 West Texas Ave.  
Artesia, New Mexico 88210  
Phone 575.746.8768  
Fax 575.748.8905

HOBBS  
318 East Taylor Street  
Hobbs, New Mexico 88241  
Phone 505.393.4261  
Fax 505.393.4658

MIDLAND  
2901 State Highway 349  
Midland, Texas 79706  
Phone 432.522.2133  
Fax 432.522.2180

OKLAHOMA CITY  
7700 North Hudson Ave  
Suite 10  
Oklahoma City, Oklahoma 73116  
Phone 405.486.7030  
Fax 806.467.0622

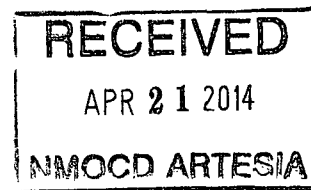
SAN ANTONIO  
13111 Lookout Way  
San Antonio, TX 78233  
Phone 210.265.8025  
Fax 210.568.2191

ENVIRONMENTAL CONSULTING  
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GENERAL CONTRACTING

Toll Free: 866.742.0742  
www.talonlpe.com

April 9, 2014

Mr. Mike Bratcher  
**NMOCD District 2**  
811 S. 1<sup>st</sup> Street  
Artesia, NM 88210



2 RP-2268

Subject: **Remediation and Closure Report**  
Oxy USA WTP Limited Partnership  
Smith Federal No. 3  
API # 30-015-31342

Dear Mr. Bratcher,

Oxy USA WTP Limited Partnership (Oxy) has contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the referenced Smith Federal No. 3 release. The results of our soil assessment, completed remediation activities and closure request are submitted herein.

#### **Incident Date**

January 10, 2014

#### **Background Information**

The Smith Federal No. 3 is located approximately forty (40) miles southwest of Artesia, New Mexico. The legal location for the site is Section 11, Township 22 South and Range 23 East in Eddy County, New Mexico. More specifically the latitude and longitude for the release are 32.408431 North and -104.565277 West. A site plan is presented in Appendix I.

According to the soil survey provided by the United States Department of Agriculture National Resources Conservation Services, the soil in this area is made up of Reagan loam with 0 to 1 percent slopes. Per the New Mexico Bureau of Geology and Mineral Resources, the local surface and shallow geology, Quaternary Age sedimentary deposits, is comprised of alluvial fans and eolian deposits which include alluvium and loamy soils underlain by hard caliches. Drainage courses in this area are normally dry. The New Mexico State Engineer web site indicates the nearest ground water data to be in S8-T22S-R23E. The ground water in Section 8 is reported to be a depth of 628' below ground surface (bgs). See Appendix II for the referenced groundwater data.

The ranking for this site is 0 based on the as following:

Depth to ground water	>100'
Wellhead Protection Area	>1000'
Distance to surface water body	>1000'

## **Incident Description**

On January 10, 2014 a 4-inch steel flow line was found to be leaking due to corrosion causing a release of 12 barrels of produced water. A vac truck was immediately called to the location and recovered 3 barrels. The flow line was isolated, drained of all fluids, replaced and returned to service. The spill area measures approximately 120-feet long by 15 to 20-feet wide in areas.

## **Remedial Actions Taken**

In March, 2014 Talon personnel mobilized to the site to begin excavation of the impacted area in accordance with the New Mexico Oil Conservation Division (NMOCD) approved work plan.

The impacted soil from this release in the vicinity of sample location S-1 was excavated with a backhoe to a depth of 1.5-feet deep. The impacted soil in the vicinity of sample locations S-2 and S-3 were scraped with a backhoe to a depth of 0.5-feet deep. The impacted soil was transported to a NMOCD approved solid waste disposal facility.

The excavated area was backfilled back to grade using new material transported from a local borrow pit and was contoured to match the surrounding location. The area was seeded on April 2, 2014 using BLM Falcon seed mix. The seeding label is attached.


## **Closure**


On behalf of Oxy USA WTP Limited Partnership, we respectfully request that no further actions be required and that closure with respect to this release be granted.

If we can provide additional information or be of further assistance please contact our office at 575.746.8768.

Respectfully submitted,

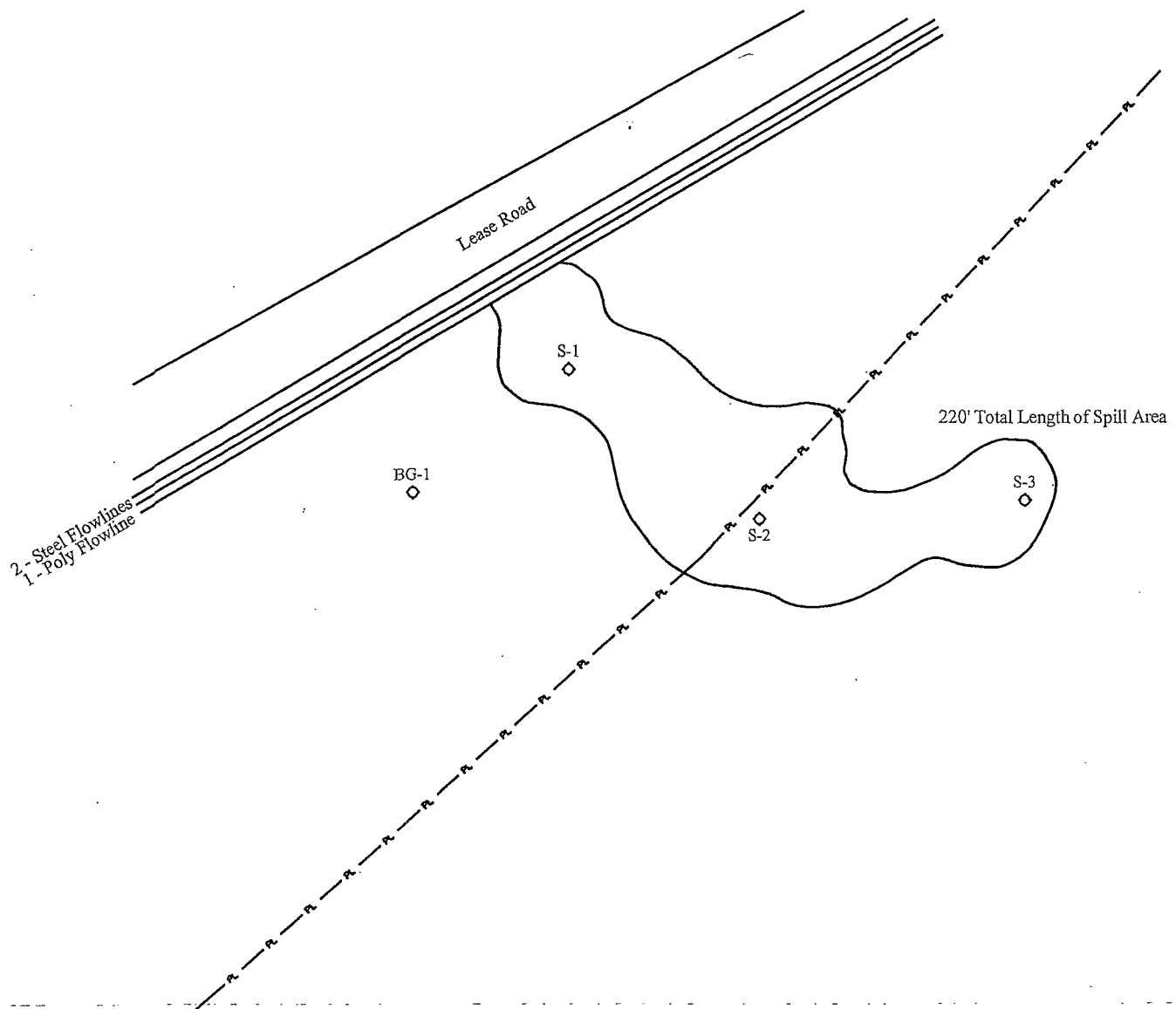
TALON/LPE

  
Kimberly M. Wilson  
Project Manager

  
David J. Adkins  
District Manager

## **APPENDIX I**

### **SITE MAP**



NTS  
Scale in Feet

Legend	
◆	- Sample Location
- - -	- Pipeline



Date: 01/28/2014

Scale: NTS

Drawn By: TJS

Smith Fed #3  
Oxy - NM - North  
Eddy County, New Mexico  
Figure 1 - Site Plan

**APPENDIX II**  
**GROUNDWATER DATA**



# New Mexico Office of the State Engineer

## Water Column/Average Depth to Water

(A CLW##### in the  
POD suffix indicates the  
POD has been replaced  
& no longer serves a  
water right file.)

(R=POD has  
been replaced,  
O=orphaned,  
C=the file is  
closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)  
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
C 02406	C	ED		3	08	22S	24E			544703	3585071*	4558	155		
RA 05242		ED		1	1	2	08	22S	23E	535603	3586131*	4630	648	628	20

Average Depth to Water: 628 feet

Minimum Depth: 628 feet

Maximum Depth: 628 feet

Record Count: 2

UTMNAD83 Radius Search (in meters):

Easting (X): 540230

Northing (Y): 3585950

Radius: 5000

\*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

## **SEEDING LABEL**

Curtis & Curtis Seed  
 4200 N. Prince  
 Clovis, NM 88101  
 Phone: 505-762-4759

4-2-14

Talon Drilling LE  
 2.5 Acre Falcon M  
 2 - 1 Acre Bag @ 26.32 Bulk Pounds  
 1 - 0.5 Acre Bag @ 13.18 Bulk Pounds  
 Job: Oxy North Inlet Bag #13  
 30-015-28068 Unit #13  
 H-2 21-23

Lot# M-11194

Item	Origin	Purity	Germ	Dormant	Germ	Dormant	Test
Duffelgrass	Texas	15.63%	97.00%	0.00%	97.00%	0.00%	11/100
Teroka	Texas	4.52%	80.00%	4.00%	84.00%	0.00%	2/5
Blue Grama	Texas	21.34%	89.00%	2.00%	89.00%	0.00%	12/1
Alma	Canada	25.66%	73.00%	1.00%	74.00%	0.00%	09/12
Prairie Junegrass	New Mexico	25.32%	90.00%	0.00%	90.00%	0.00%	07/12
VNS	Oregon						
Sideoats Grama							
Vaughn							
Annual Ryegrass							
Gulf							

Other Crop: 00.19%  
 Weed Seed: 00.36%  
 Inert Matter: 06.93%

There Is 3 Bags For This Mix  
 This Bag Weighs 13.18 Bulk Pounds  
 Use This Bag For 0.5 Acres

Total Bulk Pounds: 66

OXY Smith Fed #3



**FINAL C-141**

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

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: <b>OXY USA Limited Partnership</b>	Contact: <b>Chris Jones</b>
Address: <b>102 S. Main St. Carlsbad, NM 88220</b>	Telephone No.: <b>575-628-4121</b>
Facility Name: <b>Smith Federal #3</b>	Facility Type: <b>Gas Well</b>

Surface Owner: <b>BLM</b>	Mineral Owner: <b>Federal</b>	API No.: <b>30-015-31342</b>
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#### LOCATION OF RELEASE

Unit Letter <b>H</b>	Section <b>11</b>	Township <b>22S</b>	Range <b>23E</b>	Feet from the <b>1514'</b>	North/South Line <b>North</b>	Feet from the <b>870'</b>	East/West Line <b>East</b>	County <b>Eddy</b>
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Latitude **32.408431 N** Longitude **-104.565277 W**

#### NATURE OF RELEASE

Type of Release: <b>Produced Water</b>	Volume of Release: <b>12 bbls</b>	Volume Recovered: <b>3 bbls</b>
Source of Release: <b>4" Steel Flow Line</b>	Date and Hour of Occurrence <b>1/10/14</b>	Date and Hour of Discovery <b>1/10/14</b>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <b>Mike Bratcher of NMOCD &amp; Jim Amos &amp; Jennifer Van Curen @ BLM</b>	
By Whom? <b>Chris Jones</b>	Date and Hour: <b>1/14/2014 8:34 am</b>	
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.\* A 4 inch steel flow line was found to be leaking causing 12 barrels of produced water to be released. The line was shut-in and repaired. A vacuum truck was called to the location and recovered 3 barrels of produced water. The affected area is approximately 120' X 20'.

Describe Area Affected and Cleanup Action Taken.\* Talon/LPE was contracted for the correction of the release. The impacted soil from this release in the vicinity of sample location S-1 was excavated with a backhoe to a depth of 1.5-feet deep. The impacted soil in the vicinity of sample locations S-2 and S-3 were scraped with a backhoe to a depth of 0.5-feet deep. The impacted soil was transported to a Lea Land, LLC an approved NMOCD disposal facility. The excavated area was backfilled back to grade using new material transported from a local borrow pit and was contoured to match the surrounding location. The area was seeded on April 2, 2014 using BLM Falcon seed mix.

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:

Printed Name: **Chris Jones**

Title: **HES Specialist**

E-mail Address: **Christopher.Jones@oxy.com**

Date: **4/7/2014**

Phone: **575-628-4121**

Approved by Environmental Specialist:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

\* Attach Additional Sheets If Necessary