

July 24, 2020

SMA #5E29133, BG28

NMOCD District 1 1625 N. French Drive Hobbs, New Mexico 88240

RE: LINER INSPECTION REPORT SALADO DRAW 6 FEDERAL #1H (NRM2018253989)

To Whom it May Concern:

Souder, Miller & Associates (SMA) is pleased to submit this letter report on behalf of Devon Energy Production Company (Devon Energy) summarizing the liner inspection that occurred due to the Salado Draw 6 Federal #1H Tank Battery release. The site is located in Unit Letter M Section 6, Township 26S, Range 34E (N32.065401/W-103.514801) Lea County, New Mexico, on Federal land.

Site Characterization

On June 28,2020, an overnight a storm caused the power to fail which caused the water transfer pump not to operate. It was also found that a check valve in the water transfer pump was bad, which caused fluid to flow back into the tanks and the tanks to overflow. All released fluid stayed inside the lined secondary containment, resulting in the release of 650 bbls of produced water inside the lined secondary containment of the tank battery. Initial response activities were conducted by the operator and included source elimination and site stabilization, which recovered approximately 650 bbls of produced water. The tanks and containment were then pressure washed and the residual fluids recovered.

Based upon New Mexico Office of the State Engineer (NMOSE) and United States Geological Survey (USGS) well data, depth to groundwater in the area is estimated to be between 148 and 170 feet below grade surface (bgs). There are no water sources within ½-mile of the location, according to the NMOSE and USGS water well databases (https://gis.ose.state.nm.us/gisapps/ose_pod_locations/; accessed July 16, 2020; Appendix C). The nearest significant watercourse is an unnamed playa located approximately 2,824 feed to the southwest.

Based on the information presented herein, the applicable NMOCD Closure Criteria for this site is for a groundwater depth of >100 feet bgs.

Liner Integrity

At the request of Devon Energy, SMA conducted a liner integrity inspection per the requirements of 19.15.29.11.A(5)(a) NMAC. NMOCD was notified on July 14, 2020 that the liner inspection was to occur. After a thorough visual inspection of the liner within the tank battery containment, the liner appeared to be intact and had the ability to contain the leak in question. The tank from which the release occurred was identified, and SMA verified that the release did not occur outside of the lined containment. A photo log and field notes of the inspection is included in Appendix A.

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SMA recommends no further action for this release.

Souder, Miller and Associates appreciates the opportunity to provide environmental services to you. If you have any questions or comments concerning this report, please feel free to call Lynn A. Acosta at 505-516-7469.

Sincerely, Souder, Miller & Associates

Shauna Chubbuck

Lynn A. Acosta Staff Geoscientist

Shawna Chubbuck Senior Scientist

Figures

Figure 1: Site Map Figure 1A: NMOSE Depth to Groundwater Figure 1B: Potentiometric Surface Map Figure 2: Surface Water Protection Map

Appendices

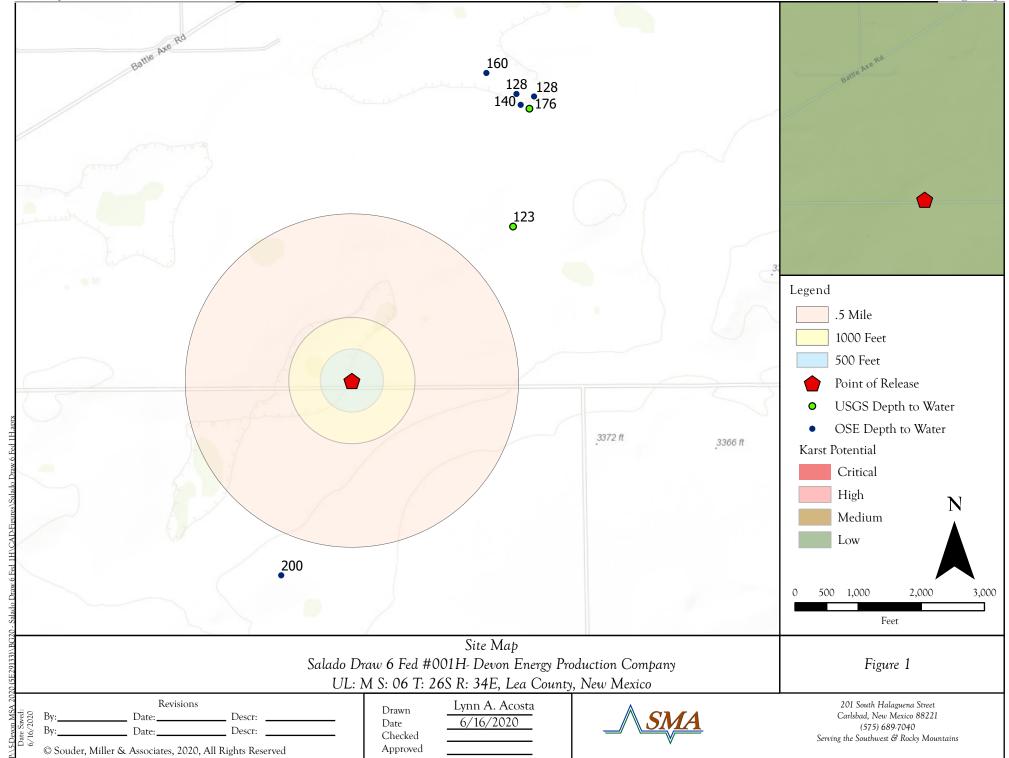
Appendix A: Photo Log & Field Notes Appendix B: C141 Appendix C: Water Well Data

Devon Energy Production Company Salado Draw 6 Federal #1H (NRM2018253989)

FIGURES

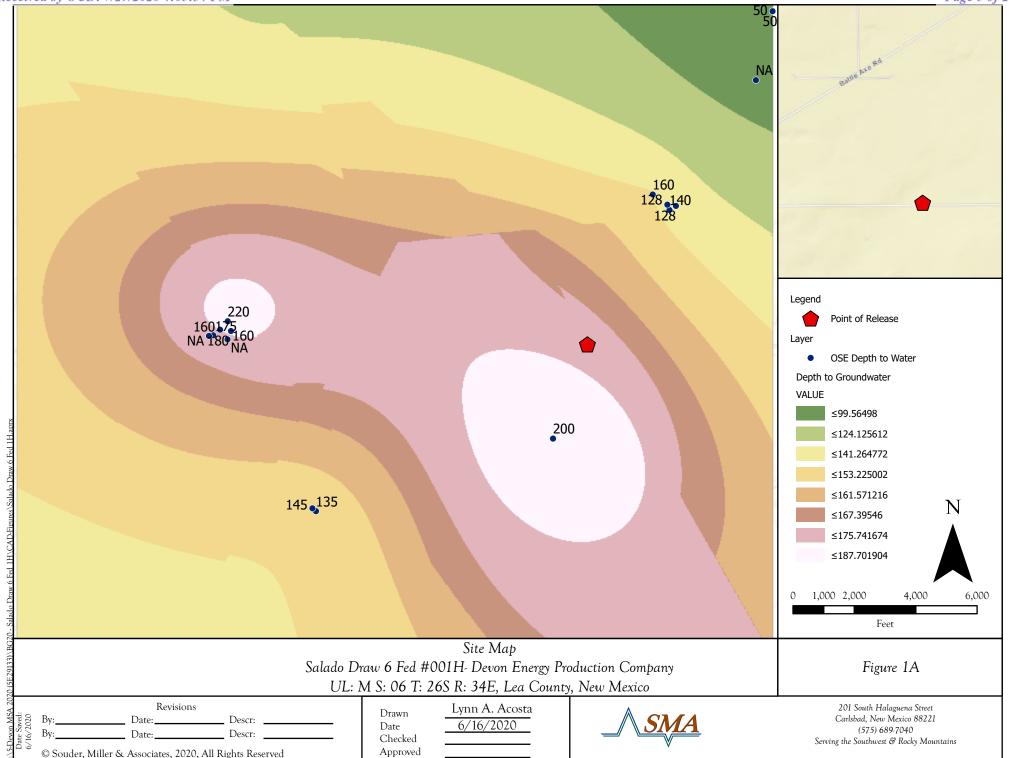
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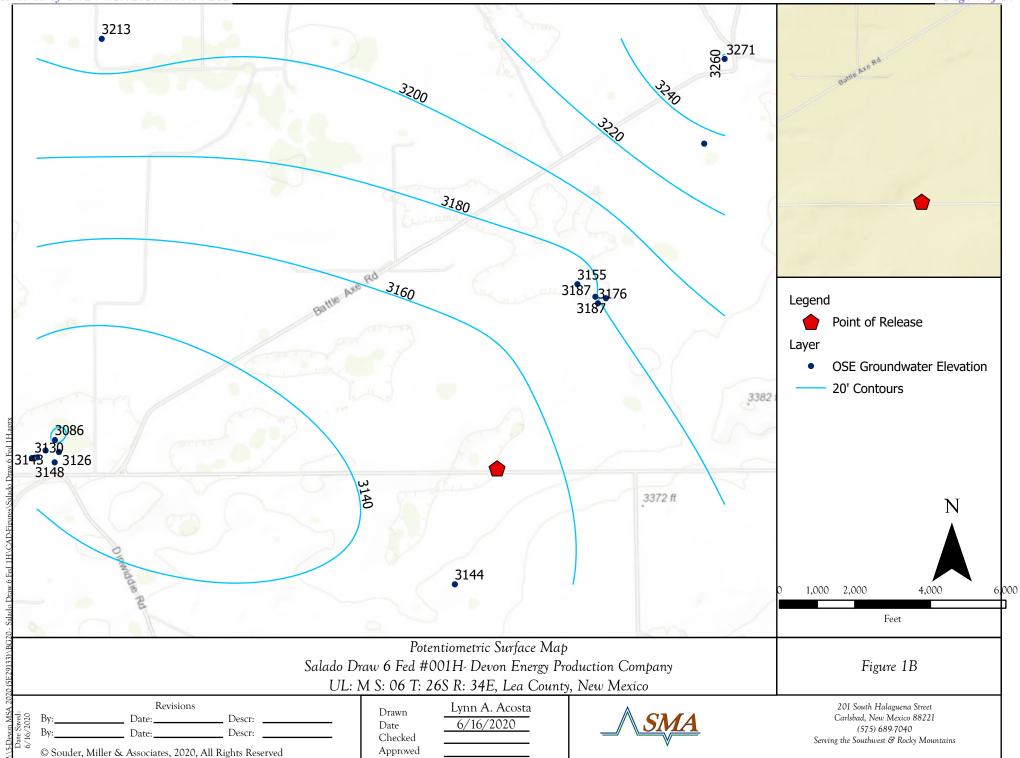


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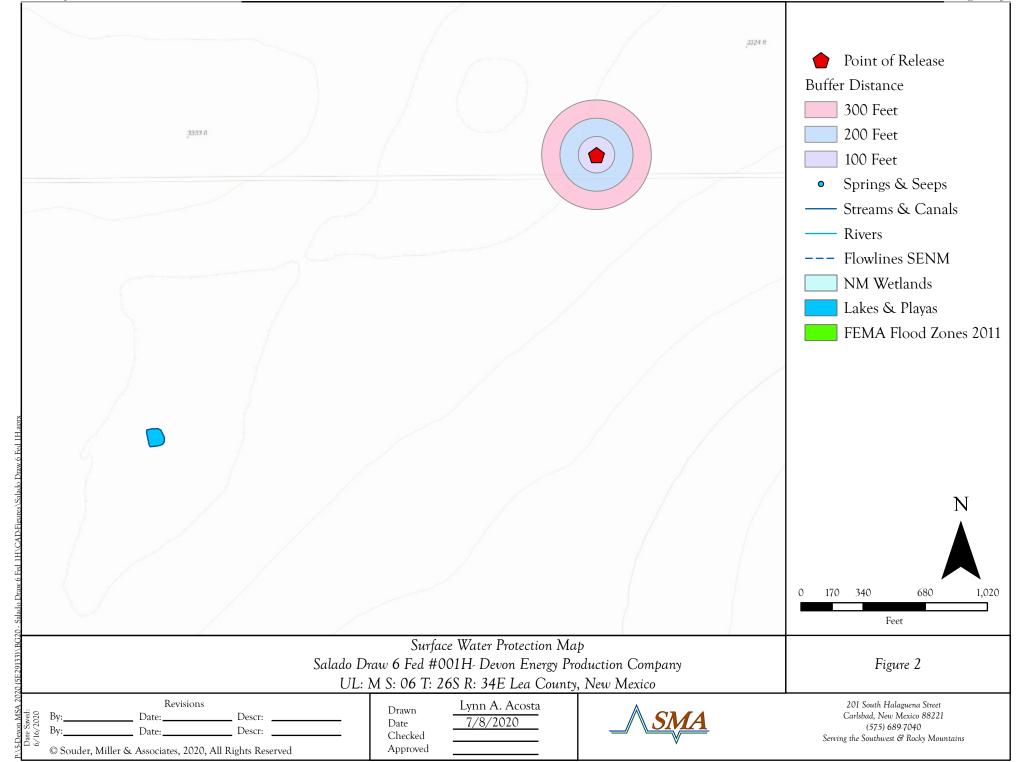
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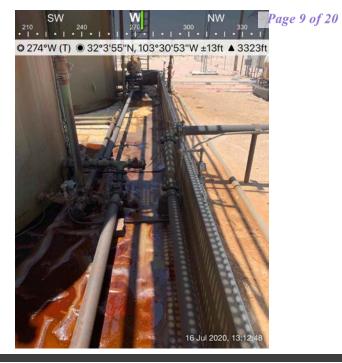
> Appendix A PHOTO LOG & FIELD NOTES

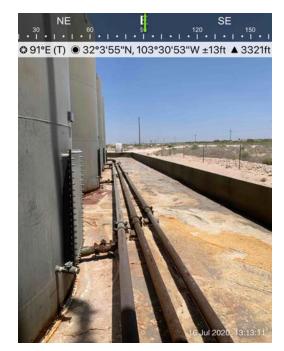






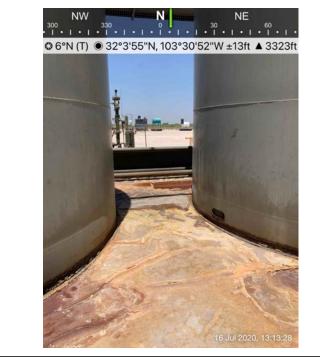


















Souder, Miller & Associates Liner Inspection Form	SMA
Project Name: Salado Inspection Date: 7/16/2020	
Client Name:	
Client Representative(s):	
SMA Inspector(s): Alicic A. Lopez/Schartier O.	
Project Location: Latitude: 32.065401 Lon NRM20182553989	
Inspection Parameters as Outlined in 19.15.29.11.A(5) NMAC	
PRIOR TO INSPECTION: Two (2) Business Day Notification of Inspection to Appropriate Division Office Date of Notice: <u>7/14/20</u>	(Y/N):
Material Covering Liner Removed by Client	(Y/N):
Affected Areas Exposed by Client	(Y/N): _/
INSPECTION: Liner Thoroughly Inspected for Damage	(Y/N):
All Damaged Areas Observed Marked in White Paint on Liner Photos and Field Notes Detailing Failures Attached to This Form	
To Be Completed by Client Representative: Can Responsible Party Demonstrate: Liner Integrity Was Maintained (per SMA Inspection) Release Was Contained to Lined Containment Area	(Y/N): <u>Y</u> (Y/N): <u>Y</u>
Liner Was Able to Contain the Leak	(Y/N): <u> </u>
If YES : Certify on Form C-141 That Liner Remains Intact	
If NO to Any of Above: Responsible Party Must Delineate Horizontal & Vertical Extent Depending on Release: See Table 1 19.15.29.12 NMAC See Subparagraph (e) Paragraph (5) of Subsection A 19.15.29.1	1 NMAC

Additional Comments:

SMA INSPECTOR SIGNATURE

0 Date:

CLIENT REPRESENTATIVE

100 Date: 7/19 20

Devon Energy Production Company Salado Draw 6 Federal #1H (NRM2018253989)

> APPENDIX B C141

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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 Department**

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

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Revised August 24, 2018 Submit to appropriate OCD District office

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Incident ID	NRM2018253989
District RP	
Facility ID	
Application ID	

Release Notification

Responsible Party

Responsible Party Devon Energy Production Company	OGRID ₆₁₃₇
Contact Name Amanda T. Davis	Contact Telephone 575-748-0176
Contact email amanda.davis@dvn.com	Incident # (assigned by OCD)
Contact mailing address 6488 Seven Rivers HWY	

Location of Release Source

Latitude _32.065401

(NAD 83 in decimal degrees to 5 decimal places)

Site Name Salado Draw 6 Federal #1H	Site Type Oil
Date Release Discovered 6/28/2020	API# (if applicable) 30-025-41293

Unit Letter	Section	Township	Range	County
М	6	26S	34E	Lea

Surface Owner: State Federal Tribal Private (Name: _

Nature and Volume of Release

Material(s) Released (Select all that apply and attach calculations or specific justification for the volumes provided below)			
Crude Oil	Volume Released (bbls)	Volume Recovered (bbls)	
Produced Water	Volume Released (bbls) 650	Volume Recovered (bbls) 650	
	Is the concentration of total dissolved solids (TDS) in the produced water >10,000 mg/l?	Yes No	
Condensate	Volume Released (bbls)	Volume Recovered (bbls)	
🗌 Natural Gas	Volume Released (Mcf)	Volume Recovered (Mcf)	
Other (describe)	Volume/Weight Released (provide units)	Volume/Weight Recovered (provide units)	
Cause of Release Overnight a storm caused the power to fail which caused the water transfer pump not to operate. It was also found that a check valve in the water transfer pump was bad, which caused fluid to flow back into the tanks and the tanks to overflow. All released fluid stayed inside the lined secondary containment, and all fluid was recovered. GPS coordinates above are of the release source, GPS coordinates of the specific well are 32.06570, -103.51470.			

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Oil Conservation Division

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District RP	
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Application ID	

Was this a major release as defined by 19.15.29.7(A) NMAC?	If YES, for what reason(s) does the responsible party consider this a major release? This release was more than 25 bbls.		
If YES, was immediate notice given to the OCD? By whom? To whom? When and by what means (phone, email, etc)?			
An email was sent by Tom Bynum on 6/28/20 @ 8:22 p.m. to Lea County Spills, BLM Spills, R. Mann, and B. Boone.			

Initial Response

The responsible party must undertake the following actions immediately unless they could create a safety hazard that would result in injury

The source of the release has been stopped.

The impacted area has been secured to protect human health and the environment.

Released materials have been contained via the use of berms or dikes, absorbent pads, or other containment devices.

All free liquids and recoverable materials have been removed and managed appropriately.

If all the actions described above have <u>not</u> been undertaken, explain why:

Per 19.15.29.8 B. (4) NMAC the responsible party may commence remediation immediately after discovery of a release. If remediation has begun, please attach a narrative of actions to date. If remedial efforts have been successfully completed or if the release occurred within a lined containment area (see 19.15.29.11(A)(5)(a) NMAC), please attach all information needed for closure evaluation.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD 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 OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD 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.

Printed Name: Kendra DeHoyos	Title: EHS Associate
Signature: <u>Kendra DeHoyos</u>	Date:
email: kendra.dehoyos@dvn.com	Telephone: 575-748-3371
OCD Only	
Received by: Ramona Marcus	Date: <u>6/30/2020</u>

Received by OCD: 7/29/2020 4:05:34 PM Form C-141 State of New Mexico

Oil Conservation Division

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Site Assessment/Characterization

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?	<u>148-170</u> (ft bgs)
Did this release impact groundwater or surface water?	🗌 Yes 🗹 No
Are the lateral extents of the release within 300 feet of a continuously flowing watercourse or any other significant watercourse?	🗌 Yes 🗹 No
Are the lateral extents of the release within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark)?	🗌 Yes 🔽 No
Are the lateral extents of the release within 300 feet of an occupied permanent residence, school, hospital, institution, or church?	🗌 Yes 🗹 No
Are the lateral extents of the release within 500 horizontal feet of a spring or a private domestic fresh water well used by less than five households for domestic or stock watering purposes?	🗌 Yes 🗹 No
Are the lateral extents of the release within 1000 feet of any other fresh water well or spring?	🗌 Yes 🗹 No
Are the lateral extents of the release within incorporated municipal boundaries or within a defined municipal fresh water well field?	🗌 Yes 🗹 No
Are the lateral extents of the release within 300 feet of a wetland?	🗌 Yes 🗹 No
Are the lateral extents of the release overlying a subsurface mine?	🗌 Yes 🗹 No
Are the lateral extents of the release overlying an unstable area such as karst geology?	🗌 Yes 🗹 No
Are the lateral extents of the release within a 100-year floodplain?	🗌 Yes 🗹 No
Did the release impact areas not on an exploration, development, production, or storage site?	🗌 Yes 🙀 No

Attach a comprehensive report (electronic submittals in .pdf format are preferred) demonstrating the lateral and vertical extents of soil contamination associated with the release have been determined. Refer to 19.15.29.11 NMAC for specifics.

Characterization Report Checklist: Each of the following items must be included in the report.

- Scaled site map showing impacted area, surface features, subsurface features, delineation points, and monitoring wells. \checkmark Field data
- Data table of soil contaminant concentration data
- \checkmark Depth to water determination
- Determination of water sources and significant watercourses within ½-mile of the lateral extents of the release
- Boring or excavation logs
- Photographs including date and GIS information
- Topographic/Aerial maps
 - Laboratory data including chain of custody

If the site characterization report does not include completed efforts at remediation of the release, the report must include a proposed remediation plan. That plan must include the estimated volume of material to be remediated, the proposed remediation technique, proposed sampling plan and methods, anticipated timelines for beginning and completing the remediation. The closure criteria for a release are contained in Table 1 of 19.15.29.12 NMAC, however, use of the table is modified by site- and release-specific parameters.

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Page 4	Oil Conservation I	J1V1S10n	District RP				
			Facility ID				
			Application ID				
regulations all operators are n public health or the environm failed to adequately investiga addition, OCD acceptance of and/or regulations. Printed Name:Lu Signature:Lup	mation given above is true and com- required to report and/or file certain nent. The acceptance of a C-141 rep the and remediate contamination tha a C-141 report does not relieve the npe Carrasco	release notifications and perform port by the OCD does not relieve t it pose a threat to groundwater, sur operator of responsibility for corr Title:EHS Profe Date:7/29/20	corrective actions for rele he operator of liability sho face water, human health pliance with any other feo ssional	ases which may endanger ould their operations have or the environment. In deral, state, or local laws			
Lupe.Callasco@							

Incident ID	NRM2018253989
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Facility ID	
Application ID	

Closure

The responsible party must attach information demonstrating they have complied with all applicable closure requirements and any conditions or directives of the OCD. This demonstration should be in the form of a comprehensive report (electronic submittals in .pdf format are preferred) including a scaled site map, sampling diagrams, relevant field notes, photographs of any excavation prior to backfilling, laboratory data including chain of custody documents of final sampling, and a narrative of the remedial activities. Refer to 19.15.29.12 NMAC.

 A scaled site and sampling diagram as described in 19.15.29.11 NMAC Photographs of the remediated site prior to backfill or photos of the liner integrity if applicable (Note: appropriate OCD District offic must be notified 2 days prior to liner inspection) Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling) Description of remediation activities
must be notified 2 days prior to liner inspection) Laboratory analyses of final sampling (Note: appropriate ODC District office must be notified 2 days prior to final sampling)
Description of remediation activities
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to OCD rule 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 OCD does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to groundwater, surface water, human health or the environment. In addition, OCD 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. The responsible party acknowledges they must substantially restore, reclaim, and re-vegetate the impacted surface area to the conditions that existed prior to the release or their final land use in accordance with 19.15.29.13 NMAC including notification to the OCD when reclamation and re-vegetation are complete.
Signature: <u>Lupe Carrasco</u> Date: <u>7/29/20</u>
•
email:Lupe.Carrasco@dvn.com Telephone:575-748-0165
OCD Only
Received by: Date:
Closure approval by the OCD does not relieve the responsible party of liability should their operations have failed to adequately investigate a remediate contamination that poses a threat to groundwater, surface water, human health, or the environment nor does not relieve the responsible party of compliance with any other federal, state, or local laws and/or regulations.
Closure Approved by: Date:
Printed Name: Title:

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Spills In Lined Contain	ment
Measurements Of Standi	ng Fluid
Length(Ft)	135
Width(Ft)	30
Depth(in.)	15
Total Capacity without tank	
displacements (bbls)	901.67
No. of 500 bbl Tanks In	
Standing Fluid	6
No. of Other Tanks In	
Standing Fluid	
OD Of Other Tanks In Standing Fluid(feet)	
Total Volume of standing fluid accounting for tank displacement.	649.74

Devon Energy Production Company Salado Draw 6 Federal #1H (NRM2018253989)

APPENDIX C WATER WELL DATA

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(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right	(R=POD been rep O=orpha C=the fil	blaced, aned,							IW 2=1	NE 3=SW 4	I=SE)					
file.)	closed)		largest)						(N	(NAD83 UTM in meters)			(In feet)			
POD Number C 02295	Code	POD Sub- basin CUB	County	64		4 9		Tws 26S		X 639865	Y 3547624		DistanceDep 1074	othWellDep 250		/ater olumn 50
C 02292 POD1		CUB	LE	4	1	2	06	26S	34E	640992	3549987		1561	200	140	60
<u>C 03441 POD1</u>		С	LE	4	1	2	06	26S	34E	640971	3550039	E	1596	250		
												Aver	age Depth to W	ater:	170 fee	ət
													Minimum De	pth:	140 fee	ət
													Maximum De	oth:	200 fee	ət
Record Count:3																
UTMNAD83 Radiu	us Search ((in mete	rs):													
Easting (X): 640183 No		North	rthing (Y): 3548651							Radius: 1600						
The data is furnished by th concerning the accuracy, of												t the	OSE/ISC make n	o warranties, o	expressed or in	mplied,
7/8/20 8:58 AM			<u> </u>	-									WATER COL WATER	_UMN/ AVEF	AGE DEPTH	1 TO