

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 April 3, 2017

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

X Initial Report Final Report

Name of Company Vanguard Operating LLC	Contact John Terry
Address 4001 Penbrook Suite 201 Odessa, TX 79762	Telephone No. 575-631-6933
Facility Name Christmas 28 Battery	Facility Type Battery

Surface Owner Private	Mineral Owner Private	API No.
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	28	22S	37E					Lea

Latitude 32.365456 Longitude -103.170988

NATURE OF RELEASE

Type of Release Oil on top of rain water	Volume of Release 11	Volume Recovered 10
Source of Release Automatic valve on gas purchaser line closed causing the Heater Treater to pop off and spray oil..	Date and Hour of Occurrence 7-9-2018 10:00 am	Date and Hour of Discovery 7-9-2018 1:00 pm
Was Immediate Notice Given? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? NMOCD inspector on site while checking surface casing pressures on wells	
By Whom?	Date and Hour 7-09-2018 1:00 pm	
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.*

RECEIVED
By *CHernandez* at 8:23 am, Jul 24, 2018

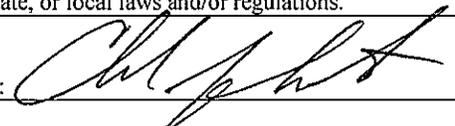
Describe Cause of Problem and Remedial Action Taken.*

The automatic valve on the gas purchaser line closed causing the Heater Treater to pressure up and pop off through the relief valve. Oil sprayed an area inside of the lined containment and in front of the tank battery just outside of the containment. The oil sprayed on top of rainwater from previous rain.

Describe Area Affected and Cleanup Action Taken.*

A vacuum truck removed 10 bbls of standing fluid and hauled to disposal. The soil outside of containment was blended in place with new caliche.

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: 	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Chuck Johnston	Approved by Environmental Specialist: <i>cat</i>	
Title EHS Specialist	Approval Date: 7/24/2018	Expiration Date:
E-mail Address: cjohnston@vnrenergy.com	Conditions of Approval:	Attached <input checked="" type="checkbox"/>
Date: 07/19/2018 Phone: 432-202-4771	See attached directive	

* Attach Additional Sheets If Necessary

1RP-5132

fTO1505756122

nCH1820533323

pCH1820533947

Operator/Responsible Party,

The OCD has received the form C-141 you provided on 7/23/2018 regarding an unauthorized release. The information contained on that form has been entered into our incident database and remediation case number 1RP-5132 has been assigned. **Please refer to this case number in all future correspondence.**

It is the Division's obligation under both the Oil & Gas Act and Water Quality Act to provide for the protection of public health and the environment. Our regulations (19.15.29.11 NMAC) state the following,

The responsible person shall complete division-approved corrective action for releases that endanger public health or the environment. The responsible person shall address releases in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with 19.15.30 NMAC. [emphasis added]

Release characterization is the first phase of corrective action unless the release is ongoing or is of limited volume and all impacts can be immediately addressed. Proper and cost-effective remediation typically cannot occur without adequate characterization of the impacts of any release. Furthermore, the Division has the ability to impose reasonable conditions upon the efforts it oversees. **As such, the Division is requiring a workplan for the characterization of impacts associated with this release be submitted to the OCD District 1 office in Hobbs on or before 8/24/2018. If and when the release characterization workplan is approved, there will be an associated deadline for submittal of the resultant investigation report. Modest extensions of time to these deadlines may be granted, but only with acceptable justification.**

The goals of a characterization effort are: 1) determination of the lateral and vertical extents along with the magnitude of soil contamination. 2) determine if groundwater or surface waters have been impacted. 3) If groundwater or surface waters have been impacted, what are the extents and magnitude of that impact. 4) The characterization of any other adverse impacts that may have occurred (examples: impacts on vegetation, impacts on wildlife, air quality, loss of use of property, etc.). To meet these goals as quickly as possible, the following items must, at a minimum, be addressed in the release characterization workplan and subsequent reporting:

- Horizontal delineation of soil impacts in each of the four cardinal compass directions. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. This is not an exclusive list of potential contaminants. Analyzed parameters should be modified based on the nature of the released substance(s). Soil sampling must be both within the impacted area and beyond.
- Vertical delineation of soil impacts. Adsorbed soil contamination must be characterized for the following constituents using the associated laboratory methods: benzene, toluene, ethylbenzene, and total xylenes by either Method 8260 or 8021, total petroleum hydrocarbons by Method 8015 extended range (GRO+DRO+MRO; C₆ thru C₃₆), and for chloride by Method 300. As above, this is not an exclusive list of potential contaminants and can be modified. Vertical characterization samples should be taken at depth intervals no greater than five feet apart. Lithologic description of encountered soils must also be provided. At least ten vertical feet of soils with contaminant concentrations at or below these values must be demonstrated as existing above the water table.
- Nominal detection limits for field and laboratory analyses must be provided.
- Composite sampling is not generally allowed.
- Field screening and assessment techniques are acceptable (headspace, titration, EC [include algorithm for validation purposes], EM, etc.), but the sampling and assay procedures must be clearly defined. Copies of field notes are highly desirable. A statistically significant set of split samples must be submitted for confirmatory laboratory analysis, including the laterally farthest and vertically deepest sets of soil samples. Make sure there are at least two soil samples submitted

for laboratory analysis from each borehole or test pit (highest observed contamination and deepest depth investigated). Copies of the actual laboratory results must be provided including chain of custody documentation.

- Probable depth to shallowest protectable groundwater and lateral distance to nearest surface water. If there is an estimate of groundwater depth, the information used to arrive at that estimate must be provided. If there is a reasonable assumption that the depth to protectable water is 50 feet or less, the responsible party should anticipate the need for at least one groundwater monitoring well to be installed in the area of likely maximum contamination.

- If groundwater contamination is encountered, an additional investigation workplan may be required to determine the extents of that contamination. Groundwater and/or surface water samples, if any, must be analyzed by a competent laboratory for volatile organic hydrocarbons (typically Method 8260 full list), total dissolved solids, pH, major anions and cations including chloride and sulfate, dissolved iron, and dissolved manganese. The investigation workplan must provide the groundwater sampling method(s) and sample handling protocols. To the fullest extent possible, aqueous analyses must be undertaken using nominal method detection limits. As with the soil analyses, copies of the actual laboratory results must be provided including chain of custody documentation.

- Accurately scaled and well-drafted site maps must be provided providing the location of borings, test pits, monitoring wells, potentially impacted areas, and significant surface features including roads and site infrastructure that might limit either the release characterization or remedial efforts. Field sketches may be included in subsequent reporting, but should not be considered stand-alone documentation of the site's layout. Digital photographic documentation of the location and fieldwork is recommended, especially if unusual circumstances are encountered.

Nothing herein should be interpreted to preclude emergency response actions or to imply immediate remediation by removal cannot proceed as warranted. Nonetheless, characterization of impacts and confirmation of the effectiveness of remedial efforts must still be provided to the OCD before any release incident will be closed.

Jim Griswold

OCD Environmental Bureau Chief
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
505-476-3465
jim.griswold@state.nm.us

From: [Hernandez, Christina, EMNRD](mailto:Hernandez.Christina.EMNRD)
To: "cjohnston@vnreenergy.com"
Cc: [Yu, Olivia, EMNRD](mailto:Yu.Olivia.EMNRD)
Subject: RE: Major release at Christmas 28 Battery; Section 28- 22S-37E
Date: Tuesday, July 24, 2018 10:05:00 AM
Attachments: [image001.png](#)

Dear Mr. Johnston:

Please note NMOCD is aware that the release occurred at the Christmas 28 Tank Battery. The API well was added for tracking and recordkeeping purposes.

The 1RP for this incident is

5132	7/24/2018	A	Vanguard	Christmas 28 Battery	30-025-38078	22S-37E-28E	7/9/2018
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Please remember to include this 1RP identifier to all communications. Also, please be advised that a release characterization/delineation workplan as detailed in the attachment must be approved by NMOCD BEFORE any remediation work.

Thanks,
Christina Hernandez
EMNRD-OCD
Environmental Specialist
1625 N. French Drive
Hobbs, NM 88240
575-393-6161 x111
Christina.Hernandez@state.nm.us

OCD approval does not relieve the operator of liability should their operations fail to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

From: Yu, Olivia, EMNRD
Sent: Tuesday, July 24, 2018 7:37 AM
To: Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us>
Subject: FW: Major release at Christmas 28 Battery; Section 28- 22S-37E

From: Chuck Johnston <cjohnston@vnreenergy.com>
Sent: Monday, July 23, 2018 12:04 PM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Subject: RE: Major release at Christmas 28 Battery; Section 28- 22S-37E

Olivia, please find attached the C-141 for the Christmas 28 battery as well as two pictures of the site after removing the standing fluid and blending in caliche on the site. The oil sprayed on top of rain water that was in the lined dike and in front of the tanks. The vacuum truck removed an estimated 10 bbls of rain water and oil mixture.

Let me know if you need anything else,

Chuck Johnston
EHS / Operations Specialist
432-202-4771 Cell
432-248-8154 Office



From: Yu, Olivia, EMNRD [<mailto:Olivia.Yu@state.nm.us>]
Sent: Monday, July 23, 2018 8:35 AM
To: Chuck Johnston
Subject: RE: Major release at Christmas 28 Battery; Section 28- 22S-37E

EXTERNAL - This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.

Good morning Mr. Johnston:

Please be advised that the initial C-141 for the aforementioned release is due at the end of business today, July 23, 2018.

Thanks,
Olivia

From: Chuck Johnston <cjohnston@vnrenergy.com>
Sent: Wednesday, July 11, 2018 10:13 AM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Subject: RE: Major release at Christmas 28 Battery; Section 28- 22S-37E

Thanks Olivia, I was able to reach him and got the information I needed.

Chuck Johnston
EHS / Operations Specialist
432-202-4771 Cell
432-248-8154 Office



From: Yu, Olivia, EMNRD [<mailto:Olivia.Yu@state.nm.us>]
Sent: Wednesday, July 11, 2018 11:12 AM
To: Chuck Johnston
Subject: Re: Major release at Christmas 28 Battery; Section 28- 22S-37E

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Sorry! 575 area code

Sent from my iPhone

On Jul 11, 2018, at 09:35, Chuck Johnston <cjohnston@vnrenergy.com> wrote:

Thanks Olivia, my phone tells me the number is not correct? Can you or Gary verify the number for me or give me a call on my cell phone?

Chuck Johnston
EHS / Operations Specialist

432-202-4771 Cell
432-248-8154 Office

<image003.png>

From: Yu, Olivia, EMNRD [<mailto:Olivia.Yu@state.nm.us>]
Sent: Wednesday, July 11, 2018 10:03 AM
To: Chuck Johnston
Cc: Robinson, Gary, EMNRD
Subject: Re: Major release at Christmas 28 Battery; Section 28- 22S-37E

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Good morning Chuck:

Pardon the delayed response. On my way to NMOCD Santa Fe office.

The inspector is Gary Robinson. 530-399-3220. Will call you later when I am in the office.

Thanks for your prompt response to this release,
Olivia

Sent from my iPhone

On Jul 10, 2018, at 10:50, Chuck Johnston <cjohnston@vnrenergy.com> wrote:

Thanks Olivia, can you tell me who the inspector was and if I can call him/her direct? I am receiving conflicting information from our foreman so I need to get accurate info on the pictures. Thanks again,

Chuck Johnston
EHS / Operations Specialist
432-202-4771 Cell
432-248-8154 Office

On Jul 10, 2018, at 11:44 AM, Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> wrote:

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Good morning Chuck:

I'm in a whole day meeting. Will ask the inspector.

Olivia

Sent from my iPhone

On Jul 9, 2018, at 19:45, Chuck Johnston <cjohnston@vnrenergy.com> wrote:

Olivia, I left a phone message late this afternoon. Can you confirm the time of the photos and if that is the inspectors pickup? Can you tell me if the vacuum truck or crew on location elaborated on the cause?

Thanks for your help,

Chuck Johnston
EHS / Operations Specialist
432-202-4771 Cell

432-248-8154 Office

On Jul 9, 2018, at 5:06 PM, Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> wrote:

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Mr. Johnston:

Thank you. I will forward you some initial photos from my phone.

Olivia

From: Chuck Johnston <cjohnston@vnrenergy.com>
Sent: Monday, July 9, 2018 3:56 PM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Cc: Hernandez, Christina, EMNRD <Christina.Hernandez@state.nm.us>
Subject: Re: Major release at Christmas 28 Battery; Section 28-22S-37E

Just spoke to foreman and he is in route. Pumper just called him.

Chuck Johnston
EHS / Operations Specialist
432-202-4771 Cell
432-248-8154 Office

On Jul 9, 2018, at 4:47 PM, Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> wrote:

EXTERNAL - This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.

Mr. Johnston:

A NMOCD inspector discovered a major release at the Christmas 28 Battery around 1 pm today, July 9, 2018. There appears to be standing fluids in the lined facility as well as on the location.

If you are not already aware, please check the facility and conduct immediate corrective actions, such as vacuuming of standing fluids and removal of heavily impacted soil. Any stockpiled, contaminated soil must be on plastic liner and bermed to prevent further migration with possible upcoming rainstorms.

Thanks,

Olivia Yu
Environmental Specialist
NMOCD, District I

Olivia.yu@state.nm.us

575-393-6161 x113

OCD approval does not relieve the operator of liability should their operations fail to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

VANGUARD OPERATING LLC
IN CASE OF EMERGENCY, CALL (432) 438-3872
CHRISTMAS 28 BATTERY
UNIT E, SEC. 28-22S-37E
LEA COUNTY, NEW MEXICO

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IN







PRODUCED WATER
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