Ms. Elrod:

Thank you for the release volume justification. However, at a minimum, NMOCD would need dimensions (Length X Width X Depth) and estimated porosity for depth of infiltration for calculations of the release volume. If there is other data from meter readings, waste manifests, etc., please provide.

Please be advised that

- 1. Per 19.15.29.13 NMAC, regulations of corresponding agencies supersede NMOCD's. NMOCD databases indicate State surface and minerals ownership. Please remember to include NMSLO in all communications and report submittals.
- 2. Dated, geo-referenced photo documentation for verification that the initial response activities have been employed to contain the release is requested.
- 3. Christina Hernandez is the other Environmental Specialist in NMOCD Hobbs's office. Please remember to include her in all correspondence.

The 1RP for this incident is

					30-025-	21S-34E-	
5260	11/7/2018	А	Chisholm	Outland South 2H & 3H	44157	14C	10/21/2018

Please remember to include this 1RP identifier to all communications. Delineate and remediate per regulation. Mind the timelines for submittal of requisite information.

Please be advised that NMOCD recommends a completed site characterization/delineation report be reviewed or approved by NMOCD BEFORE any significant remediation work towards closure.

Thanks,

Olivia Yu Environmental Specialist NMOCD, District I <u>Olivia.yu@state.nm.us</u> 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.

From: Jennifer Elrod <jelrod@chisholmenergy.com> Sent: Tuesday, November 6, 2018 2:29 PM To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us> Cc: Tim Green <tgreen@chisholmenergy.com> Subject: [EXT] RE: Outland South 2H & 3H Spill

## Ms. Yu,

Attached is the C-141 for the Outland Spill. I apologize on the timing. I also did not get an answer yet on how the number of bbls spilled was calculated, but I will get that answer to you as soon as I get it. Please know that I am working diligently with our field representatives to give me accurate information in a timely manner so we can comply with all new regulations. Tim Green will be Chisholm's contact for clean up purposes. They just finished the Frac Job on this location and will begin drill out tomorrow.

Thank you, Jennifer Elrod Sent: Monday, November 5, 2018 1:37 PM To: Jennifer Elrod <<u>jelrod@chisholmenergy.com</u>> Subject: RE: Outland South 2H & 3H Spill

Ms. Elrod:

Noted. Safe travels.

Thanks, Olivia

From: Jennifer Elrod <jelrod@chisholmenergy.com> Sent: Monday, November 5, 2018 12:16 PM To: Yu, Olivia, EMNRD <<u>Olivia,Yu@state.nm.us</u>> Subject: [EXT] Re: Outland South 2H & 3H Spill

It has not been sent in yet. We did a water sample and I was waiting for results. I am currently out of the office on an airplane but I will get it to you first thing in the morning. I apologize for not getting it in

Sent from my iPhone

On Nov 5, 2018, at 1:03 PM, Yu, Olivia, EMNRD <<u>Olivia.Yu@state.nm.us</u>> wrote:

Ms. Elrod:

Was the initial portion of the C-141 form submitted for the below release? Please be advised that the initial C-141 is due today, November 5, 2018. If already sent in, pardon for the oversight and please resubmit electronically.

Thanks, Olivia

From: Jennifer Elrod <<u>jelrod@chisholmenergy.com</u>> Sent: Tuesday, October 23, 2018 8:21 AM To: Yu, Olivia, EMNRD <<u>Olivia.Yu@state.nm.us</u>> Subject: [EXT] RE: Outland South 2H & 3H Spill

I have reminded the field guys that notification mush be given immediately.

From: Yu, Olivia, EMNRD <<u>Olivia.Yu@state.nm.us</u>>
Sent: Tuesday, October 23, 2018 9:14 AM
To: Jennifer Elrod <<u>jelrod@chisholmenergy.com</u>>
Cc: Sharp, Karen, EMNRD <<u>Karen.Sharp@state.nm.us</u>>; Hernandez, Christina, EMNRD
<<u>Christina.Hernandez@state.nm.us</u>>
Subject: RE: Outland South 2H & 3H Spill

Good morning Ms. Elrod:

Please be advised that any releases 25 bbls or more (combination of all fluids or gas, see 19.15.29.7 for other specifics) is considered a major release and therefore, per 19.15.29 NMAC necessitates immediate notification of NMOCD Environmental Bureau Chief.

Also, please direct any environmental issues, including notification of unauthorized releases, to Environmental Specialists, which for District 1 are Christina Hernandez and I.

Thanks, Olivia

## Subject: FW: Outland South 2H & 3H Spill

## See below

From: Jennifer Elrod <<u>jelrod@chisholmenergy.com</u>>
Sent: Monday, October 22, 2018 8:04 AM
To: Sharp, Karen, EMNRD <<u>Karen.Sharp@state.nm.us</u>>; Brown, Maxey G, EMNRD <<u>MaxeyG.Brown@state.nm.us</u>>
Subject: [EXT] FW: Outland South 2H & 3H Spill

Attached Below are details of a spill that occurred on our Outland 14-23 State Com location. I will get the C-141 filed asap.

From: Joel Hall
Sent: Sunday, October 21, 2018 8:55 PM
To: Jennifer Elrod <<u>jelrod@chisholmenergy.com</u>>; Brad Grandstaff <<u>bgrandstaff@chisholmenergy.com</u>>
Subject: Outland South 2H & 3H Spill

Here are the details of the spill at the Outland South 2H & 3H location that occurred at approximately at 2 am on 10-21-18.

A 20-30 barrel spill was found while filling frac tanks with recycled water. An open valve on the back of a tank was open which allowed water to escape from the tank. The open valve was shut. A vacuum truck was called to location and was able to pick up approximately 10 barrels of the water. The area affected by the spill was scraped up and cleaned up with a skid steer. No water ran off the pad.

Joel Hall Completion Superintendent 817-953-3117 (Office) 325-226-4245 (Cell)

Chisholm Energy Holdings, LLC <image001.png> 801 Cherry St Suite 1200 Unit 20 Fort Worth TX, 76102

From:	Jennifer Elrod
То:	Yu, Olivia, EMNRD
Subject:	[EXT] FW: Outland South 2H & 3H Spill
Date:	Tuesday, November 6, 2018 2:45:52 PM

Here is how they determined the volume that was spilled.

From: Joel Hall
Sent: Tuesday, November 6, 2018 3:44 PM
To: Jennifer Elrod <jelrod@chisholmenergy.com>
Subject: RE: Outland South 2H & 3H Spill

The consultant on location stepped off the dimensions of the spill then estimated the volume.

From: Jennifer Elrod
Sent: Tuesday, November 06, 2018 2:17 PM
To: Joel Hall <<u>jhall@chisholmenergy.com</u>>
Subject: RE: Outland South 2H & 3H Spill
How did you determine the amount of liquid spilled???

We have to have "specific justification" for the forms we file

From: Joel Hall
Sent: Monday, October 22, 2018 11:01 AM
To: Jennifer Elrod <jelrod@chisholmenergy.com>
Subject: Re: Outland South 2H & 3H Spill

Ok thanks, Jennifer.

Joel Hall Completion Superintendent <u>817-953-3117</u> (Office) <u>325-226-4245</u> (Cell)

Chisholm Energy Holdings, LLC

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801 Cherry St Suite 1200 Unit 20 Fort Worth TX, 76102

On Oct 22, 2018, at 10:00 AM, Jennifer Elrod <<u>jelrod@chisholmenergy.com</u>> wrote:

Any amount is reportable to OCD. Major release is over 25 bbls Minor is 5bbls-25 bbls The major vs. minor release determines what all paperwork I have to file, but we have to notify them by phone or email on all spills.

From: Joel Hall
Sent: Monday, October 22, 2018 10:57 AM
To: Jennifer Elrod <jelrod@chisholmenergy.com>
Subject: RE: Outland South 2H & 3H Spill

What is the spill amount that would make it a reportable to the OCD?

From: Jennifer Elrod
Sent: Monday, October 22, 2018 8:06 AM
To: Joel Hall <<u>jhall@chisholmenergy.com</u>>
Subject: RE: Outland South 2H & 3H Spill

Ok...thanks! In the future, if there is a spill the district office needs to be notified ASAP. I sent them your email just now, so we're good on this one.

From: Joel Hall
Sent: Monday, October 22, 2018 9:02 AM
To: Jennifer Elrod <jelrod@chisholmenergy.com>
Subject: Re: Outland South 2H & 3H Spill

No I didn't.

Joel Hall Completion Superintendent <u>817-953-3117</u> (Office) <u>325-226-4245</u> (Cell)

Chisholm Energy Holdings, LLC

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801 Cherry St Suite 1200 Unit 20 Fort Worth TX, 76102

On Oct 22, 2018, at 4:34 AM, Jennifer Elrod <<u>jelrod@chisholmenergy.com</u>> wrote:

Did you notify the OCD?

Sent from my iPhone

On Oct 21, 2018, at 8:55 PM, Joel Hall <<u>jhall@chisholmenergy.com</u>> wrote:

Here are the details of the spill at the Outland South 2H & 3H location that occurred at approximately at 2 am on 10-21-18.

A 20-30 barrel spill was found while filling frac tanks with recycled water. An open valve on the back of a tank was open which allowed water to escape from the tank. The open valve was shut. A vacuum truck was called to location and was able to pick up approximately 10 barrels of the water. The area affected by the spill was scraped up and cleaned up with a skid steer. No water ran off the pad.

Joel Hall Completion Superintendent 817-953-3117 (Office) 325-226-4245 (Cell)

Chisholm Energy Holdings, LLC <image001.png> 801 Cherry St Suite 1200 Unit 20 Fort Worth TX, 76102