

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

☒ Initial Report ☒ Final Report

Name of Company	Key Energy Services, LLC	Contact	Ken Houston
Address	1301 McKinney St., Suite 1800, Houston, TX 77010	Telephone No.	713-757-5512
Facility Name	Atha SWD	Facility Type	SWD

Surface Owner	Federal	Mineral Owner	Federal	API No.	30-025-08816
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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
D	6	22S	36E	660'	North Line	990'	West Line	Lea

Latitude 32.4263039 N Longitude -103.3093185 W NAD83

NATURE OF RELEASE

Type of Release	Produced water	Volume of Release	200 bbl.	Volume Recovered	200 bbl
Source of Release	Transfer Pump	Date and Hour of Occurrence	12/01/2017 - 8am	Date and Hour of Discovery	12/01/2017 - 8am
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Mark Whitaker		
By Whom?	Blake Dinwiddie	Date and Hour	12/01/2017 - 7:30 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.*

N/A

APPROVED

By Olivia Yu at 11:04 am, Jan 05, 2018



Describe Cause of Problem and Remedial Action Taken.*

While performing morning inspections, a Key SWD attendant discovered standing water inside of the lined tank battery containment and the transfer pump was running. It was determined that the transfer pump switch had been turned from auto to run, which prevented the transfer pump alarms from signaling and prevented automatic shut off of the transfer pump. Upon discovery, the transfer pump was immediately shut down. It is estimated that approximately 200 bbls of produced water was released into the lined tank battery containment.

Describe Area Affected and Cleanup Action Taken.*

A utility pump was used to remove the accumulated produced water from the secondary containment and transferred back into the saltwater disposal system. Additionally, the lined secondary containment will be rinsed with hot freshwater and rig soap to removal any additional residue remaining on the containment walls and floor from the release.

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: 	OIL CONSERVATION DIVISION		
Printed Name: Ken Houston	Approved by Environmental Specialist: 		
Title: VP HSE	Approval Date: 1/5/2018	Expiration Date: xx/xx/xxxx	
E-mail Address: khouston@keyenergy.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 12-8-2017	Phone: 713-757-5512		

* Attach Additional Sheets If Necessary

nOY1800533693

Graham, Rick

From: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Sent: Friday, January 05, 2018 11:08 AM
To: Graham, Rick
Cc: Ellis, Kimberly; Dinwiddie, Blake
Subject: RE: Reportable release at Atha SWD
Attachments: reviewed_Key_2017-12-8 Atha C-141.pdf

Dear Mr. Graham:

Thank you for your patience. The liner integrity statement and photos are accepted for the release on December 1, 2017. Please see the attachment for your records and submit a final C-141 to close the incident.

Are there dated photos for the release from July 19, 2017?

Olivia

From: Dinwiddie, Blake [mailto:bdinwiddie@keyenergy.com]
Sent: Wednesday, December 20, 2017 4:02 PM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Cc: Whitaker, Mark A, EMNRD <MarkA.Whitaker@state.nm.us>; Graham, Rick <rgraham01@keyenergy.com>; Ellis, Kimberly <kellis@keyenergy.com>
Subject: FW: Reportable release at Atha SWD

Ms. Yu;

As requested, attached are recent photographs of the lined tank battery containment following removal of produced water that resulted from the December 1, 2017 reportable spill. The photographs demonstrate the condition of the liner as it relates to the containment floor, sidewalls, and corners. No visible rips, tears, perforations, or any other damage is present to the liner that would allow potential leakage of fluids from the tank battery containment. Additionally, Key personnel did not observe any visible leakage outside of the lined containment during the July 19, 2017 or December 1, 2017 reportable spills.

Please let us know if you require any additional information concerning liner integrity. As indicated in my previous email, Rick Graham will be your point of contact moving forward.

Thanks

Blake Dinwiddie | Key Energy Services
Environmental Project Manager/Interim Environmental Director
1301 McKinney Street, Suite 1800, Houston, Texas 77010
o: 713.757.5491 | m: 281.384.8589 | bdinwiddie@keyenergy.com

From: Dinwiddie, Blake
Sent: Friday, December 08, 2017 3:19 PM
To: 'Yu, Olivia, EMNRD' <Olivia.Yu@state.nm.us>
Cc: Whitaker, Mark A, EMNRD <MarkA.Whitaker@state.nm.us>; Graham, Rick <rgraham01@keyenergy.com>; Austin Weyant <austin.veyant@soudermiller.com>; Ellis, Kimberly <kellis@keyenergy.com>
Subject: RE: Reportable release at Atha SWD