Venegas, Victoria, EMNRD

From: Dhugal Hanton <vertexresourcegroupusa@gmail.com>

Sent: Thursday, March 12, 2020 4:14 PM

To: Venegas, Victoria, EMNRD; KWade@blm.gov

Cc: msanjari@marathonoil.com; icastro@marathonoil.com; Hamlet, Robert, EMNRD;

Bratcher, Mike, EMNRD; Jamos@blm.gov

Subject: [EXT] Fwd: FW: NRM1935242300 TAYLOR DEEP 12 FEDERAL #009 @ 30-015-39764

Attachments: RE_ FW_ _External_ BLM Spill email.msg

Victoria and Kelsey,

I would like some additional information regarding the closure rejection for incident # NRM1935242300 Taylor Deep 12 Federal #009 @ 30-015-39764. See email below.

I will acknowledge that TPH levels at sample point SS 19-17 at the farthest edge of the overspray area do fall outside of restoration requirements for releases onto undisturbed land. It was my decision to continue with the request for closure regardless of the five mg/kg over the limit lab result because I was not sure if it would matter. Vertex will work to conduct additional remediation at that location, as needed.

However, I would like to discuss sample points SS 19-06 and SS 19-11. From previous discussions with BLM (Mr. Jim Amos), it was my understanding that there is an area of buffer around each wellpad that is considered pre-disturbed, as it was likely affected during initial wellpad development. I imagined, at the time, this buffer is intended to eliminate excessive overdigging where a spill on-pad just barely leaves the pad into the adjacent area that was previously disturbed and is no longer virgin soil/pasture. Additionally, an area in such close proximity is likely to be disturbed during future wellpad reclamation and site restoration activities.

Based on my conversation with Mr. Amos, I understood this buffer to be approximately 50 feet wide. This was the logic that I used when I determined to request closure and reclamation deferral for SS 19-06 and SS 19-11. Those sample locations appear to be within the buffer and thus suitable to meet the reclamation/restoration deferral that is allowed to on-pad areas, so long as all contaminants of concern fall within the requisite closure requirements, which for this location is <2,500 mg/kg TPH.

At the time this release occurred and was reported, I did reach out to BLM and Ms. Wade to double-check my understanding of this issue and the response that I received appeared to confirm the idea of a buffer (see attached email communication).

I apologize if I misconstrued the intent of the buffer and closure regulations and will be happy to meet whatever remediation standards you determine appropriate; however, I would appreciate some clarification on this issue in order to avoid future closure request denials.

If you would like to discuss this issue in person, I am happy to stop by either of your offices. Otherwise, I look forward to receiving your response via phone call or email.

Thank you for your patience in this matter, Natalie Gordon

Natalie Gordon

Project Manager

Vertex Resource Group Ltd. 213 S. Mesa Street Carlsbad, NM 88220

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From: Sanjari, Melodie (MRO) <msanjari@marathonoil.com>

Sent: Thursday, March 5, 2020 12:52 PM **To:** Natalie Gordon < ngordon@vertex.ca>

Subject: FW: NRM1935242300 TAYLOR DEEP 12 FEDERAL #009 @ 30-015-39764

Natalie – please see BLM's response below. I know I sent out NMOCD's reply to you yesterday – have you gotten a chance to look at it?

Melodie Sanjari

Environmental Professional

Marathon Oil Company - Permian Asset

Cell - (575) 988-8753

4111 S. Tidwell Road

Carlsbad, NM 88220

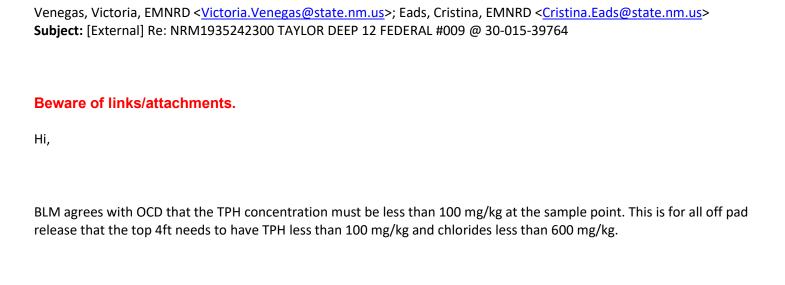


From: Wade, Kelsey L < kwade@blm.gov > On Behalf Of CFO_Spill, BLM_NM

Sent: Thursday, March 5, 2020 12:50 PM

To: Castro, Isaac (MRO) < (mRO) < msanjari@marathonoil.com">(mRO) < msanjari@marathonoil.com>

Cc: Bratcher, Mike, EMNRD < mike.bratcher@state.nm.us>; Hamlet, Robert, EMNRD < Robert.Hamlet@state.nm.us>;



From: Venegas, Victoria, EMNRD < Victoria. Venegas@state.nm.us>

Sent: Tuesday, March 3, 2020 6:43 PM

To: Castro, Isaac (MRO) < <u>icastro@marathonoil.com</u>>; Hamlet, Robert, EMNRD < <u>Robert.Hamlet@state.nm.us</u>>; Eads,

Cristina, EMNRD < Cristina. Eads@state.nm.us>; Bratcher, Mike, EMNRD < mike.bratcher@state.nm.us>

Cc: Sanjari, Melodie (MRO) <msanjari@marathonoil.com>; CFO Spill, BLM NM <BLM NM CFO Spill@blm.gov>

Subject: [EXTERNAL] NRM1935242300 TAYLOR DEEP 12 FEDERAL #009 @ 30-015-39764

NRM1935242300 TAYLOR DEEP 12 FEDERAL #009 @ 30-015-39764

Mr. Castro,

Kelsey

The OCD has denied the submitted Closure Report C-141 for incident # **NRM1935242300** TAYLOR DEEP 12 FEDERAL #009 @ 30-015-39764 for the following reasons:

- All off pad areas must contain a minimum of 4 feet non-waste containing uncontaminated, earthen material with TPH concentration less than 100 mg/kg. Sample points SS19-06, SS19-11 and SS19-17 are above the limit.
- The OCD can't approve a deferral for a spill off pad in the pasture. Rule NMAC 19.15.29.12.C.2: If contamination is located in areas immediately under or around production equipment such as production tanks, wellheads and pipelines where remediation could cause a major facility deconstruction, the remediation, restoration and reclamation may be deferred with division written approval until the equipment is removed during other operations, or when the well or facility is plugged or abandoned, whichever comes first.
- More remediation efforts are required for this site.

The Denied C-141 can be found in the online image file. Please review and make the required correction prior to resubmitting through the fee portal.
Thank you,
Victoria Venegas
State of New Mexico
Energy, Minerals, and Natural Resources
Oil Conservation Division
811 S. First St., Artesia NM 88210
(575) 748-1283
<u>Victoria.Venegas@state.nm.us</u>
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 groundwater, 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, or local laws and/or regulations.
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