

From: Kuehling, Monica, EMNRD
Sent: Thursday, March 28, 2019 8:18 AM
To: Powell, Brandon, EMNRD; Vermersch, Amy H, EMNRD
Subject: FW: *Lan Ma's Oil & Gas*
Attachments: HartHGU117_PArept.pdf

Importance: High

From: Jean S. Bia <jeanbia@navajo-nsn.gov>
Sent: Wednesday, March 27, 2019 4:27 PM
To: Ron Yang <yang_rs@hotmail.com>
Cc: Kuehling, Monica, EMNRD <monica.kuehling@state.nm.us>; Y. Barney <ybarney@navajopublicwater.org>
Subject: [EXT] RE: *Lan Ma's Oil & Gas*
Importance: High

Good afternoon, Ron.

NNEPA UIC records show Lan Ma Horseshoe Gallup Unit #117 (formerly owned by Hart O&G) as plugged and abandoned. The P&A was started on 10/29/14 and completed on 10/30/14. The attached inspection report details this information.

It is the responsibility of the owner/operator to submit required documentation to the Bureau of Land Management (BLM) whenever there is a change in the operating status of any wells be they production or injection.

As the owner/operator of the Horseshoe Gallup lease, I am instructing Lan Ma to:

1. Submit the attached inspection report to the Bureau of Land Management (Farmington District) and have the status of #117 updated;
2. Forward the resulting sundry documenting the updated status of #117 to both NNEPA UIC and NM OCD.

NNEPA UIC requests that Lan Ma complete both tasks within 30 days of this email.

If you have questions regarding this process, please contact BLM. I believe their contact information is available online.

Sincerely,

Jean Bia | Senior Environmental Technician
Navajo Nation Environmental Protection Agency
Underground Injection Control Program
(505) 368-1031 phone

jeanbia@navajo-nsn.gov

From: Ron Yang <yang_rs@hotmail.com>
Sent: Wednesday, March 27, 2019 9:41 AM
To: Coffman, Joel <Coffman.Joel@epa.gov>
Cc: Jean S. Bia <jeanbia@navajo-nsn.gov>; Albright, David <Albright.David@epa.gov>
Subject: Re: *Lan Ma's Oil & Gas*

Hello Mr. Coffman,

I checked with BLM and it's still a active injection well on their GIS map. The last inspection was done in January 2018. Please check the below link in detail.

<https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/Data/WellDetails.aspx?api=30-045-10956&GISReferenceSource=ArcGISOnline>

I already asked our field guy to double check it.

Best regards,

Ron

From: Coffman, Joel <Coffman.Joel@epa.gov>
Sent: Wednesday, March 27, 2019 10:24 AM
To: Ron Yang
Cc: Jean Bia; Albright, David
Subject: RE: *Lan Ma's Oil & Gas*

I got a message from Navajo that the #117 well was P&A'd in 2014, can you verify this? Thanks, Joel Coffman

From: Ron Yang <yang_rs@hotmail.com>
Sent: Wednesday, March 27, 2019 7:53 AM
To: Coffman, Joel <Coffman.Joel@epa.gov>; Li Chen <lichenforrest@gmail.com>
Cc: Jean Bia <jeanbia@navajo-nsn.gov>; lerl_lee@hotmail.com
Subject: Re: *Lan Ma's Oil & Gas*

Good morning Mr. Coffman,

This is Ron Yang with Lan Ma's Oil & Gas LLC. Regarding to the #117 well, the well location is too close to other producing wells and not suitable to inject too much water into it. We shut in the injection well and might convert it back into a producing well later after approved by BLM and Navajo Nation Minerals.

Thank you and best regards,

Ron Yang
Vice President of Exploration & Production
832-858-8176

From: Coffman, Joel <Coffman.Joel@epa.gov>
Sent: Wednesday, March 27, 2019 9:13 AM
To: Li Chen
Cc: Jean Bia; lerl_lee@hotmail.com; Ron Yang
Subject: RE: *Lan Ma's Oil & Gas*

So the only well in question is the #117 well, shown as inactive. Will it be P&A'd?

From: Li Chen <lichenforrest@gmail.com>
Sent: Tuesday, March 26, 2019 3:34 PM
To: Coffman, Joel <Coffman.Joel@epa.gov>
Cc: Jean Bia <jeanbia@navajo-nsn.gov>; lerl_lee@hotmail.com; Yolanda Barney <ybarney@navajo-nsn.gov>; Ronnie Ben <ronnieben@navajo-nsn.gov>; Albright, David <Albright.David@epa.gov>; Campbell, Rich <Campbell.Rich@epa.gov>; Ron Yang <yang_rs@hotmail.com>
Subject: Re: *Lan Ma's Oil & Gas*

Hello Mr. Coffman,

Please see the attached document for the status of these 27 wells.
Please let me know if you have any questions.

All the Best,
Li Chen

On Tue, Mar 26, 2019 at 4:33 PM Coffman, Joel <Coffman.Joel@epa.gov> wrote:

Jean and/or Li Chen:

I am preparing the letter for termination of the old Trust Agreement with Hart Oil and Gas. One item I need you to run down for me is the following. On the attached Trust Agreement at the end is Appendix A (also shown below), which is a list of the wells that were covered by the old Trust Agreement. The New Trust Agreement and UIC Permit issued by NNEPA only lists the following:

"Navajo Nation EPA issued a permit dated September 27, 2018 to operate the UIC wells known as Horseshoe Gallup #132, #136, #143 as Class IIR enhanced recovery water injection wells."

What I need is an accounting of all the other wells listed on Appendix A from the original Trust Agreement. Are these wells still in existence or have they been plugged and abandoned? If the wells in Appendix A are still in existence and use, who is the owner/operator of those wells? Are they covered by some other permit issued by NNEPA and some other financial assurance documentation?

Please help clear this up so I can continue with the process of terminating the former Trust Agreement.

Thanks,

APPENDIX A

Facilities

The following injection wells in the Horseshoe Gallup, Chimney Rock Gallup, and Many Rocks Gallup field, all in Township 31 North, Range 17 West:

Well	Quarter	Section
101	NW	4
103	SW	4
108	NW	10
109	SW	10
114	SW	10
115	SE	9
117	NE	10
122	NE	9
123	NE	9
124	SE	4
125	SW	4
127	SE	4
128	NW	4
132	NW	3
133	NW	9
134	NW	9
136	NE	10
140	SE	9
143	SE	3
144	SE	10
203	SW	11
205	SE	11
215	NE	2
217	NE	12
218	NW	11
223	SW	1
302	NE	5

From: Li Chen <lichenforrest@gmail.com>
Sent: Monday, March 25, 2019 7:30 AM
To: Coffman, Joel <Coffman.Joel@epa.gov>

Cc: David Lan <davidlan@188.com>

Subject: Re: *Lan Ma's Oil & Gas* We Need a Copy of EPA Bond at Wells Fargo

Good Morning Mr. Coffman,

Hope you have a great weekend!

Do you have any updates on the progress of release the bond? Thank you.

All the Best,
Li Chen

U.S. ENVIRONMENTAL PROTECTION AGENCY

NOTICE OF INSPECTION

Address (EPA Regional Office) Region 9 Environmental Inspection Agency 75 Hawthorne Street (WTR-9) San Francisco, CA 94105	NAVAJO UIC P.O. BOX 1999 SHIPROCK, NM 87420-1999	Firm To Be Inspected Hart O+G c/o Marilyn Smelter Bankruptcy Trustee Horsehoe Village Park Circle Houston, TX 77024
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Date <u>Begin 10/29/14</u>	Notice of inspection is hereby given according to Section 1445(b) of the Safe Drinking Water Act (42 U.S.C. §300 f et seq.).
Hour <u>11:00 AM</u>	

Reason For Inspection P+A at Hart O+G #117 Horseshoe Gallup Field.
SWINE SEC 10-T31N R17W San Juan Co, NM.
 For the purpose of inspecting records, files, papers, processes, controls and facilities, and obtaining samples to determine whether the person subject to an applicable underground injection control program has acted or is acting in compliance with the Safe Drinking Water Act and any applicable permit or rule.

ApI No. 30-045-10756; Lease No. 14-20-403-2034
Plug #1 (Bottom Plug) - Pumped down 10 bbls fresh H₂O - flowed back black H₂O. Pumped 200 sy class "B" neat cement. Displaced w/ 2 bbls H₂O. SDOH, tag TOC w/wireline in AM tomorrow.
10/29/14

10/30/14: TOC @ 195' → 10:15 - 10:40
Perforate 100' below surface w/ 6 holes → 12:55 PM
Weld on wellhead for circulation → 1:00 - 3:20 PM
Establish circulation with 3 1/2 bbls of H₂O → 3:00
Pump 26 sy of class B cement. 15.6 lbs density
1/2 1.18 vial → 3:30 PM
Install P&A marker

Section 1445(b) of the SDWA (42 U.S.C. §300 j-4 (b) is quoted on the reverse of this form.

Receipt of this Notice of Inspection is hereby acknowledged.

Firm Representative <u>Jarben Maym</u>	Date <u>10/30/14</u>	Inspector <u>Larry Lee</u>
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USEPA - Region IX (White)

NEPA-GPCP (Yellow)

Operator (Pink)