

From: Yu, Olivia, EMNRD
To: "Kerry Egan"; Griswold, Jim, EMNRD
Cc: Heather Patterson; Ruben Molina
Subject: RE: 1RP-5002: Lucid Energy Delaware: Rojo Toro Final C141
Date: Thursday, April 26, 2018 7:18:00 AM
Attachments: approved_1RP5002_20180403_Rojo Toro_C141 (Final).pdf

Good morning Mr. Egan:

Thank you for the photo documentation and prompt addressal of this release.

The available information indicates **OPERATOR** has met the requirements of 19.15.29 NMAC and no further corrective action is required. NMOCD considers **1RP-5002** closed. This determination by the Oil Conservation Division does not relieve Operator of responsibility should future information indicate a threat to ground water, surface water, human health, or the environment. Furthermore, it does not relieve Operator of responsibility for compliance with any federal, state, or local laws and/or regulations.

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.

From: Kerry Egan <KEgan@lucid-energy.com>
Sent: Wednesday, April 25, 2018 3:21 PM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>
Cc: Heather Patterson <heather.patterson@soudermiller.com>; Ruben Molina <RMolina@lucid-energy.com>
Subject: RE: 1RP-5002: Lucid Energy Delaware: Rojo Toro Final C141

Ms. Yu,

We were able to collect the photos of the ROW at the Rojo Toro release site as requested. I've attached a couple here. The first is a picture of the ROW at the point the release occurred. As you'll see it was backfilled after repairs were completed. The following picture shows the pasture directly to the north of the release point.

Please let me know if you have any questions, or need any additional information to complete the closure of this location.

Respectfully,
Kerry Egan
Environmental Compliance Coordinator



201 S. 4th Street
Artesia, NM Office: (575) 810-6021 | Cell: (575) 513-8988
KEgan@lucid-energy.com | www.lucid-energy.com

***Please note the updated email address and numbers.*

From: Yu, Olivia, EMNRD [<mailto:Olivia.Yu@state.nm.us>]
Sent: Wednesday, April 18, 2018 7:31 AM
To: Kerry Egan <KEgan@lucid-energy.com>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>

Cc: Heather Patterson <heather.patterson@soudermiller.com>; Ruben Molina <RMolina@lucid-energy.com>
Subject: RE: 1RP-5002: Lucid Energy Delaware: Rojo Toro Final C141

Good morning Mr. Egan:

Acknowledged.

Thanks,
Olivia

From: Kerry Egan <KEgan@lucid-energy.com>
Sent: Wednesday, April 18, 2018 7:17 AM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>
Cc: Heather Patterson <heather.patterson@soudermiller.com>; Ruben Molina <RMolina@lucid-energy.com>
Subject: RE: 1RP-5002: Lucid Energy Delaware: Rojo Toro Final C141

Good morning Ms. Yu,

As presented in the closure report we did sample the affected areas, none of which showed Cl- levels above 150 ppm, much less 600 ppm. As such no disposal of soils has occurred, or is planned at this time. I believe the site is no longer an active construction site. The repairs were made to the line as soon as practicable, and the line was covered in order to conduct the hydrotest again, which was done successfully. I will have to collect photos of the filled site and pipeline ROW and send those to you, which I will do as soon as I can.

Thank you for your assistance. Please let me know if there are any additional questions.

Thanks,
Kerry Egan
Environmental Compliance Coordinator



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Kegan@lucid-energy.com | www.lucid-energy.com

***Please note the updated email address and numbers.*

From: Yu, Olivia, EMNRD [<mailto:Olivia.Yu@state.nm.us>]
Sent: Tuesday, April 17, 2018 4:02 PM
To: Kerry Egan <KEgan@lucid-energy.com>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>
Cc: Heather Patterson <heather.patterson@soudermiller.com>; Ruben Molina <RMolina@lucid-energy.com>
Subject: RE: 1RP-5002: Lucid Energy Delaware: Rojo Toro Final C141
Importance: High

Mr. Egan:

Thank you for your prompt response. NMOCD presumes that the washed out soil, affected with freshwater greater than 600 mg/kg, has been properly tested and disposed. Correct assumption?

Is this an active construction site? In other words, will the affected area, represented by 1RP-5002, be backfilled before proceeding to continue laying down pipeline? If so, NMOCD will grant closure to 1RP-5002 and the final C-141 will be signed after photo documentation of the backfilled area.

Thanks,
Olivia

From: Kerry Egan <KEgan@lucid-energy.com>
Sent: Tuesday, April 17, 2018 2:06 PM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>
Cc: Heather Patterson <heather.patterson@soudermiller.com>; Ruben Molina <RMolina@lucid-energy.com>
Subject: RE: 1RP-5002: Lucid Energy Delaware: Rojo Toro Final C141

Good morning,

To clarify the release point was not quite at 7' bgs, it was closer to 5' bgs. The pipe was sitting on the bottom of the trench at approximately 7' bgs, but it was a 24" pipe that ruptured on the top. We always ensure that our pipelines are covered by 48" of soil, and in the cases of large pipes like this we often bury it a little deeper. We collected the sample data from below the trench floor once the section that had failed was cut out. Attached is a picture of the release point as requested. This section of pipe was replaced. This picture is taken from the north looking south. You can see by the tear in the pipe that all of the water was directed northward, which washed the soil out.

Please let me know if you need anything else.

Respectfully,
Kerry Egan
Environmental Compliance Coordinator



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***Please note the updated email address and numbers.*

From: Yu, Olivia, EMNRD [<mailto:Olivia.Yu@state.nm.us>]
Sent: Tuesday, April 17, 2018 8:33 AM
To: Kerry Egan <KEgan@lucid-energy.com>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>
Cc: Heather Patterson <heather.patterson@soudermiller.com>; Ruben Molina <RMolina@lucid-energy.com>
Subject: RE: 1RP-5002: Lucid Energy Delaware: Rojo Toro Final C141

Good morning Mr. Egan:

Thank you for your responses to 1RP-5002. To be clear, the release point was 7 ft. bgs? NMOCD requests photo documentation of the release location.

Thanks,
Olivia

From: Kerry Egan <KEgan@lucid-energy.com>
Sent: Wednesday, April 11, 2018 12:35 PM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>
Cc: Heather Patterson <heather.patterson@soudermiller.com>; Ruben Molina <RMolina@lucid-energy.com>
Subject: RE: 1RP-5002: Lucid Energy Delaware: Rojo Toro Final C141

Ms. Yu,

I apologize for the delay.

Regarding your questions please see my responses in blue.

- As the pipeline is for gas, NMED regulations do not apply.
 - I may need a further explanation as to why exactly the NMED regulations are not applicable in this case. As the line was of new construction, and had never transported hydrocarbons or produced water, it was at this point acting as a fresh water line, not yet a gas line. As such, we do believe that the limits set by the NMED for discharges, are

applicable. As the fresh water released was under the requirements (i.e. <4000 ppm TDS), we would not have been obliged to obtain a discharge permit from the NMED. Additionally, since this hydrotest water was not intended to be discharged to the ground, we wouldn't have applied for the applicable NMOC permit prior to conducting the test either.

- Are there data for depths above 7 ft. bgs for the release point?
 - There is no data for the soil directly above the release point. During the hydrotest the water was pressured up to 1300psi before the line ruptured. This pressure and the volume of water that was released, washed out all of the soil surrounding the pipe. Most of the soil washed out to the north, where we collected sample L1. Once the pressure bled off, the contractor excavated some of the mud that ended up settling around the pipe, in order to assess the damage. This mud was also placed on the north side of the line, with the washed out material.
- Do you know what the chloride concentration was in your freshwater?
 - The water sampling from the source showed the water to have a chloride concentration of 866 ppm.

Please let me know if you have any additional question regarding this matter.

Respectfully,

Kerry Egan

Environmental Compliance Coordinator



201 S. 4th Street

Artesia, NM Office: (575) 810-6021 | Cell: (575) 513-8988

Kegan@lucid-energy.com | www.lucid-energy.com

***Please note the updated email address and numbers.*

From: Yu, Olivia, EMNRD [<mailto:Olivia.Yu@state.nm.us>]

Sent: Friday, April 06, 2018 2:49 PM

To: Kerry Egan <KEgan@lucid-energy.com>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>

Cc: Heather Patterson <heather.patterson@soudermiller.com>; Ruben Molina <RMolina@lucid-energy.com>

Subject: RE: 1RP-5002: Lucid Energy Delaware: Rojo Toro Final C141

Mr. Egan:

Several comments regarding the closure report for 1RP-5002:

- As the pipeline is for gas, NMED regulations do not apply.
- Are there data for depths above 7 ft. bgs for the release point?
- Do you know what the chloride concentration was in your freshwater?

Thanks,

Olivia

From: Kerry Egan <KEgan@lucid-energy.com>

Sent: Tuesday, April 3, 2018 8:25 AM

To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>

Cc: Heather Patterson <heather.patterson@soudermiller.com>; Ruben Molina <RMolina@lucid-energy.com>

Subject: 1RP-5002: Lucid Energy Delaware: Rojo Toro Final C141

Ms. Yu,

Good morning. We have received our laboratory results for the soil samples collected at this release (1RP-5002). The results show negligible effects as a result of the fresh water release, and all constituents are well below the RRLs. As such Lucid is not proposing any remediation work, and is requesting final closure of 1RP-5002. Please review the attached final C141 and report.

Please let us know if there are any questions.

Respectfully,
Kerry Egan
Environmental Compliance Coordinator



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Kegan@lucid-energy.com | www.lucid-energy.com

***Please note the updated email address and numbers.*

From: Yu, Olivia, EMNRD [<mailto:Olivia.Yu@state.nm.us>]
Sent: Wednesday, March 28, 2018 1:36 PM
To: Kerry Egan <KEgan@lucid-energy.com>
Cc: Heather Patterson <heather.patterson@soudermiller.com>; Ruben Molina <RMolina@lucid-energy.com>
Subject: RE: Lucid Energy Delaware: Rojo Toro Initial C141

Dear Mr. Egan:

Thanks for the below summary.

The 1RP for this incident is

5002	3/28/2018	A	Lucid Energy	Rojo Toro ROW pipeline		24S-34E-150	3/23/2018
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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,

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.

From: Kerry Egan <KEgan@lucid-energy.com>
Sent: Tuesday, March 27, 2018 11:05 AM
To: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Cc: Heather Patterson <heather.patterson@soudermiller.com>; Ruben Molina <RMolina@lucid-energy.com>
Subject: Lucid Energy Delaware: Rojo Toro Initial C141

Olivia,

After our phone call I just wanted to follow up and submit this initial C-141 for the Rojo Toro pipeline. As discussed, the release was due to the failure of a pipeline during hydrotesting. The failure resulted in the release of >8,000 bbls of fresh water. After speaking with Jim Griswold on 3/23/18, who instructed us to handle the reporting as if this were any other release, I left the voicemail for you on the afternoon of 3/23/18.

We have collected confirmation samples at the location to verify that there were no negative impacts due to the release of this water. We will provide this sample data when it becomes available. There is no remediation work planned at this time.

Please let me know if you have any questions on this.

Respectfully,

Kerry Egan

Environmental Compliance Coordinator



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***Please note the updated email address and numbers.*