

From: [Yu, Olivia, EMNRD](#)
To: [Pat Merritt](#); [Price, Henryetta](#)
Cc: stucker@blm.gov
Subject: RE: Chestnut - R&B Federal #1- API 30-025-02449
Date: Thursday, May 3, 2018 10:09:00 AM
Attachments: 1RP5039.pdf

Dear Mr. Merritt:

The 1RP for this incident is

5039	5/3/2018	A	Chestnut Petroleum	R&B Federal #1	30-025-02449	20S-34E-220	late Jan 2017
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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.

Please note the GPS coordinates for the flowline release, which probably occurred in late January 2017. Aerial imagery from Google Earth, dated February 1, 2017, captured the release and a NMOCD inspector was informed and took photos during a site visit on February 3, 2017. Photo documentation to assist in evaluation of impacted area is uploaded online to the above 1RP identifier.

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: Pat Merritt <pmerritt@traton.org>
Sent: Wednesday, May 2, 2018 2:15 PM
To: Price, Henryetta <hprice@blm.gov>
Cc: stucker@blm.gov; Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Subject: Chestnut - R&B Federal #1- API 30-025-02449

Please find attached a copy of the C-141 report and the Notice of Incident of Noncompliance for the spill on the R&B Fed No. 1. I know this report is insufficient but it is all the information I can provide on this leak at this time.

Do the originals go to BLM or State or both?



Patrick W. Merritt

1415 N. Loop W., Suite 1250 | Houston, TX 77008
M 713.299.7558
p 281.540.0028 | f 713-520-7005

www.TRATON.org

From: Price, Henryetta <hprice@blm.gov>
Sent: Tuesday, May 1, 2018 3:23 PM
To: Pat Merritt <pmerritt@traton.org>
Cc: stucker@blm.gov; Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Subject: Re: Reportable release at R&B Federal #1- API 30-025-02449

C141 should be submitted to both agencies no later than 05 May 18.

Henryetta Price

Environmental Protection Specialist
Bureau Of Land Management

[Hprice@blm.gov](mailto:hprice@blm.gov)

Phone 575-234-5951

Cell 575-706-2780

Fax 575-234-5927

*** Lesser Prairie Chicken (LPC) timing stipulations are in effect 1 Mar- 15 June annually.

*** Tis the season for African Rue. Please do a 360 scan around your well locations and lease roads.

The **BLM acceptance/approval does not** relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to groundwater, surface water, human health or the environment or if the location fails to reclaim properly. In such an event that the location does not revegetate, or future issues with contaminants are encountered, the operator will be asked to address the issues until the contaminant issues are fully mitigated and the location is successfully reclaimed. In addition, BLM approval does not relieve the operator of responsibility for compliance with any other federal, state or local laws/regulations.

Confidentiality Warning: This message along with any attachments are intended only for use of the individual or entity to which it is addressed and may contain information that is privileged or confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately.

On Tue, May 1, 2018 at 2:18 PM, Price, Henryetta <hprice@blm.gov> wrote:

Good Afternoon Pat,

Can you give me an update on the above location? My Certified mail receipt shows that the Incidents of Non Compliance (INC) was received on 4/25/18. Abatement date for the INC is 4/12/18. The Initial Written Order requested a submission of the NMOCD form C141 to NMOCD AND BLM with in 10 Days of receipt of the notice. Although the abatement date shows 4/12/18, the 10 day request needs to be met.

Also, understand that Chestnut Petroleum has been assessed for failure to comply with the first Written Order. Failure to comply with the recently issued INC will result in additional penalties and assessments from the date the INC was issued.

If you have any questions or issues, please do not hesitate to reply to this email so that we are all on the same page.

Henryetta Price

Environmental Protection Specialist
Bureau Of Land Management

[Hprice@blm.gov](mailto:hprice@blm.gov)

Phone 575-234-5951

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<input checked="" type="checkbox"/> Certified Mail - Return Receipt Requested 7017268000071068193
<input type="checkbox"/> Hand Delivered Received by

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification
IID
Lease NMLC061144
CA
Unit
PA

Bureau of Land Management Office HOBBS INSPECTION OFFICE				Operator CHESTNUT PETROLEUM INC			
Address 414 WEST TAYLOR HOBBS NM 88240				Address 2201 NORTH CENTRAL EXPRESSWAY SUITE 240 RICHARDSON TX 75080			
Telephone 575.393.3612				Attention			
Inspector PRICE				Attn Addr			
Site Name R & B FEDERAL	Well/Facility/FMP 01	1/4 1/4 Section SWSE 22	Township 20S	Range 34E	Meridian NMP	County LEA	State NM
Site Name	Well/Facility/FMP	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
04/17/2018	08:47	43 CFR 3162.1(a), 43 CFR 3162.5-1(c), NTL 3A	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
05/25/2018	5-2-18	\$250.00	43 CFR 3163.1(a)(2)

Remarks

This Incidents of Non Compliance (INC) is issued for failure to comply with previously issued INC number 18HP064I.

Comply with INC 18HP064I.

(Remarks continued on following page(s).)

When violation is corrected, sign this notice and return to above address.

Company Representative Title Contract Operator Signature Patricia W. Hewitt Date 5-2-18
Company Comments C-141 FILED BY E-MAIL 5-2-18

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer Michael D. [Signature] Date 4/17/18 Time 9:00

FOR OFFICE USE ONLY

Number 51	Date	Assessment \$250.00	Penalty	Termination
Type of Inspection SV				