

From: Mann, Ryan
To: "kalpers@aecnm.com"; "rhillman@aecnm.com"
Cc: [Yu, Olivia, EMNRD](#)
Subject: West Pearl Queen Unit Remediation
Date: Thursday, May 3, 2018 10:14:58 AM

Good morning Mr. Alpers and Mr. Hillman,

I see that Armstrong Energy Corp recently applied for a right of entry permit, RE-3768, to perform work at the West Pearl Queen Unit. Additionally, a C-141 will need to be completed and submitted to NMOCD. This is to document notification of the release and corrective action. I have included Olivia Yu, she will be your NMOCD contact. We will both need to be included in all further communications regarding this location. Please let me know if you have any questions.

Thanks

Ryan Mann
Remediation Specialist
Field Operation Division
(575) 392-3697
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New Mexico State Land Office
2827 N. Dal Paso Suite 117
Hobbs, NM 88240

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From: [Brown, Maxey G, EMNRD](#)
To: [Yu, Olivia, EMNRD](#); [Griswold, Jim, EMNRD](#)
Subject: FW: West Pearl Queen Unit Facility Remediation
Date: Tuesday, April 3, 2018 3:33:01 PM

FYI,
MAxey

From: Ron Hillman <rhillman@aecnm.com>
Sent: Tuesday, April 3, 2018 10:27 AM
To: Ryan Mann <rmann@slo.state.nm.us>; Mark Naranjo <mnaranjo@slo.state.nm.us>
Cc: Robert G. Armstrong <rga@armstrongenergycorp.com>; Brown, Maxey G, EMNRD <MaxeyG.Brown@state.nm.us>
Subject: West Pearl Queen Unit Facility Remediation

Gentlemen:

Chevron U.S.A. Inc. informed Armstrong Energy Corporation (“AEC”) that your office has made demand for remediation of a facility, including emergency pit, used in connection with the subject Unit and located on State of New Mexico lease E-5886 covering Section 32, T19S-R35E. Under an assignment from Chevron to AEC dated May 1, 1987, Chevron has claimed that AEC has a contractual obligation to indemnify it regarding this demand. While neither admitting or denying that the indemnity obligation is valid, AEC believes the remediation should be funded through the OCD administered oil and gas remediation fund. We would like to meet with you, either in person or by conference call, to discuss a path forward. We respectfully request that you provide AEC with some dates and times when you could be available.

We look forward to your response, and please feel free to include anyone who may be beneficial.

Best regards,
Ron

Ronald D. Hillman

Vice President & General Counsel
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