

From: Groves, Amber
To: [Yu, Olivia, EMNRD](#); [Taylor Pride](#); [Matt Pride](#)
Cc: [Billings, Bradford, EMNRD](#)
Subject: RE: Response to letter dated August 28, 2017
Date: Tuesday, November 14, 2017 4:53:49 PM
Attachments: image001.png
image003.png

Good Afternoon,

As it has been more than 30 days since the last correspondence and as the delineation plan was due in April 2017, I am needing an update on if the site delineation has been scheduled at this time? Please refer to the below excerpt from SLO's oil and gas rules NMAC 19.2.100.66.

(4) Spills: (a) All new spills shall be treated and cleaned up immediately. All surface affected by such spills and leaks shall be reclaimed. Reclamation of the area involved shall be implemented in consultation with the state land office. (b) All spills shall be reported in accordance with the regulations of the oil conservation division.

Please advise as to the status of delineation as Pride is not currently in compliance with NMSLO. Non-compliance with NMSLO's oil and gas rules could affect your lease.

Thank you,

Amber Groves

Remediation Specialist
Field Operations Division
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From: Yu, Olivia, EMNRD [mailto:Olivia.Yu@state.nm.us]
Sent: Monday, September 25, 2017 2:51 PM
To: Taylor Pride <taylorp@pride-energy.com>; Matt Pride <mattp@pride-energy.com>

Cc: Billings, Bradford, EMNRD <Bradford.Billings@state.nm.us>; Groves, Amber <agroves@slo.state.nm.us>

Subject: Response to letter dated August 28, 2017

Dear Mr. Pride:

NMOCD-Hobbs received your letter on September 2, 2017. To address your questions regarding release characterization and remediation of the impacted areas for 1RP-4624 and 1RP-4625:

1. The Responsible Operator is required to address all environmental concerns on lease, regardless of the time of release.
2. NMOCD has records of site visits on June 12, 2007; July 14, 2011; October 3, 2011; and October 11, 2011. These visits occurred after Pride Energy became the Responsible Operator. Photo documentation from field inspectors on these dates demonstrated residual evidence of a release of reportable volume.
3. A produced water release was referred to the State Land Office. The C-141s submitted by Pride Energy for the wellhead and tank battery did not separate the release volume into crude oil and produced water. Hence, there is no verification that the 95 bbls released at the tank battery was comprised primarily of oil. However, production records indicate that there were 17 bbls crude oil and 331 bbls of produced water generated for the month of January 2017, when the release occurred. While the oil production volume was similar in 2016, the volume of produced water recorded was equivalent to over 1/3 of the total volume of produced water generated in 2016.
4. Photo documentation from January 26, 2017 depicted vegetation demonstrated signs of produced water impact, not oil.
5. In the reviewed initial C-141 for the wellhead (1RP-4624), Pride Energy stated that the historic release will be addressed and remediated to NMSLO and NMOCD standards. In this regard, both NMOCD and NMSLO require complete delineation and remediation. Please discuss directly with NMSLO regarding particular needs, such as revegetation.
6. On July 5, 2017, NMSLO and NMOCD were on location with SESI to assess likely locations for delineation. The reviewed initial C-141 for the tank battery (1RP-4625) indicated the fences will be constructed around the tank battery and pumping unit for livestock welfare. Photo documentation demonstrates fences were not in working order.
7. In certain circumstances, soil bores are necessary to complete vertical delineation for a release, regardless whether a playa is affected. As a playa has been impacted and is considered part of the release area for 1RP-4625, representative soil sample locations are required. Preliminary laboratory analyses indicate deeper soil sampling is necessary.
8. Unless Pride Energy can share information with NMOCD that we may not be aware of, NMOCD does not see the relevance of drilling pit discussion in relation to 1RP-4624 and 1RP-4625. NMOCD is more than willing to discuss drilling pit questions with Pride Energy outside the context of these two 1RPs.

Olivia Yu
Environmental Specialist
NMOCD, District I

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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.

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