From: Garret Johnson
To: Yu, Olivia, EMNRD

Cc: Hernandez, Christina, EMNRD; Griswold, Jim, EMNRD

Subject: RE: [EXT] Re: natural gas release associated to pipeline to J K Rector #5 (30-025-04860)

Date: Friday, October 26, 2018 10:38:15 AM

Attachments: image001.png

Ms. Yu,

In regards to the release of the J K Rector #5:

The calculated release volume is 35 MCF. Historical production of this lease is approximately 5 mcfd. It is known that the release was first discovered on 9/28/2018. However, the responsible party (Forty Acres Energy) discovered the release on 10/5/2018. Given the historical production (5 mcfd) and the duration of the known release (7days), it is found to be a release of 35 mcf.

The damaged flowline is a 2-3/8" steel line that feeds directly into a DCP sales point. The sales point has a line pressure of ~28 psi.

I will follow up with the soil sample analysis and will request to have obtain the geo-referenced photos of the site.

Thank you,

Garret Johnson | Engineer

forty acres energy

11777B Katy Freeway, Suite 305 | Houston, TX 77079

O <u>832.706.0056</u>

C 918.697.8311

E garret@faenergyus.com

From: Yu, Olivia, EMNRD <Olivia.Yu@state.nm.us>
Sent: Wednesday, October 17, 2018 5:30 PM
To: Garret Johnson <garret@faenergyus.com>

Cc: Hernandez, Christina, EMNRD < Christina. Hernandez@state.nm.us>; Griswold, Jim, EMNRD < Jim. Griswold@state.nm.us>

Subject: RE: [EXT] Re: natural gas release associated to pipeline to J K Rector #5 (30-025-04860)

Mr. Johnson:

Thank you for the submittal of the initial C-141 on time. Please note that the associated well is J K Rector #5, not #2 as written. Also, as mentioned during the meeting yesterday:

Please be advised that

- 1. The initial portion of the C-141 form does not include the calculations to determine the release volume. Please submit measurements in volume estimation; such as pipeline dimensions, pressure, meter readings, etc.
- 2. Dated, geo-referenced photo documentation for verification that the initial response activities have been employed to contain the release is requested.

The 1RP for this incident is

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Please remember to include this 1RP identifier to all communications. Revised NMAC 19.15.29 was effective on August 14, 2018. Delineate and remediate per regulation. Mind the timelines for submittal of requisite information.

Please be advised that NMOCD recommends a completed site characterization/delineation report be reviewed or approved by NMOCD BEFORE any significant remediation work towards closure.

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: Garret Johnson <garret@faenergyus.com>
Sent: Tuesday, October 16, 2018 9:31 AM
To: Yu, Olivia, EMNRD <<u>Olivia.Yu@state.nm.us</u>>

Cc: Hernandez, Christina, EMNRD < Christina. Hernandez@state.nm.us >; Griswold, Jim, EMNRD < Jim.Griswold@state.nm.us >

Subject: [EXT] Re: natural gas release associated to pipeline to J K Rector #5 (30-025-04860)

Good morning Ms. Yu,

The form has been prepared and will be dropped off to the OCD this afternoon.

Thank you, Garret Johnson

Sent from my iPhone

On Oct 16, 2018, at 8:40 AM, Yu, Olivia, EMNRD < Olivia. Yu@state.nm.us > wrote:

Good morning Mr. Johnson:

Please provide a status update to the below unauthorized release. Please be advised that the C-141 form is due tomorrow, October 17, 2018.

Thanks, Olivia

From: Yu, Olivia, EMNRD

Sent: Thursday, October 4, 2018 4:52 PM **To:** 'Garret Johnson' <<u>garret@faenergyus.com</u>>

Cc: Hernandez, Christina, EMNRD < Christina. Hernandez@state.nm.us >; Griswold, Jim, EMNRD

<<u>Jim.Griswold@state.nm.us</u>>

Subject: natural gas release associated to pipeline to J K Rector #5 (30-025-04860)

Mr. Johnson:

At approximately 2:30 pm MST on October 3, 2018, NMOCD was notified of an unaddressed natural gas and liquid release from Mr. Craig Alexander, a representative of Crossfire, a pipeline company working in the vicinity of Section 31-Township 21S- Range 36E. Mr. Alexander has attempted to contact the Responsible Party of the aforementioned release since last Thursday, September 27, 2018.

NMOCD visited the location of the reported natural gas and liquids release this morning at 11 am MST. The steel pipeline was walked in both directions of the release point. The pipeline, which was the source of the gaseous emission and potentially liquids, was attributed to the well JK Rector #5 (30-025-04860). Please be advised that once the lease has been transferred to new ownership, the well sign must reflect the change accordingly within 90 days.

While the source of the release has been stopped, due to the duration of the release period, the unauthorized release is probably of reportable quantity. Please submit the initial portion of the C-141 form documenting the probable cause of the release along with any relevant documentation as needed.

Thanks,

Olivia Yu

Environmental Specialist NMOCD, District I Olivia.yu@state.nm.us 575-393-6161 x113

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