

NM1 - ____ 10 B ____

**Financial
Assurance
Review Notice**

May 20, 2022

Jones, Brad A., EMNRD

From: Jones, Brad A., EMNRD
Sent: Friday, May 20, 2022 3:17 PM
To: Marcella Marquez (marcella@industrialecosystems.com)
Subject: NM1-10-B JFJ Landfarm LLC Financial Assurance Review
Attachments: 2022 0520 NM1-10-B JFJ Landfarm LLC Financial Assurance Review for Adequacy signed.pdf

Marcella,

Please see the attached. OCD has completed its review of the JFJ Landfarm LLC's financial assurance for adequacy for the JFJ Landfarm under permit NM1-10-B. If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Brad Jones

Brad A. Jones • Environmental Scientist Specialist - Advanced
Environmental Bureau
EMNRD - Oil Conservation Division
1220 S. Saint Francis Drive | Santa Fe, New Mexico 87505
(505) 469-7486 | brad.a.jones@state.nm.us
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State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval
Director, Oil Conservation Division



May 20, 2022

Ms. Marcella Marquez
JFJ Landfarm, LLC
Industrial Ecosystems Inc.
P.O. Box 1202
Flora Vista, New Mexico 87415
marcella@industrialecosystems.com

RE: Financial Assurance Review for Adequacy
JFJ Landfarm, LLC – OGRID 374111
JFJ Landfarm – Permit NM1-10-B
Location: NW/4 SE/4 of Section 2, Township 29 North, Range 12 West, NMPM,
San Juan County, New Mexico

Ms. Marquez:

The Oil Conservation Division (OCD) has completed its review of JFJ Landfarm, LLC's (JFJ) financial assurance for adequacy required of 19.15.36.11.G NMAC and has determined that the \$25,000.00 in financial assurance established with OCD is not adequate to cover the reasonable and probable cost of the commercial surface waste management facility's closure and post closure operations for the JFJ Landfarm under permit NM1-10-B. OCD was unable to locate any written justification for the proposed \$25,000.00 within the administrative record.

In accordance with the transitional provision 19.15.36.20.A NMAC, "Existing surface waste management facilities *shall comply with the financial assurance, operational, monitoring, waste acceptance and closure and post closure requirements provided in 19.15.36 NMAC*, except as otherwise specifically provided in the applicable permit or order, or in a specific waiver, exception, or agreement that the division has granted in writing to the particular surface waste management facility."

Pursuant to 19.15.36.11.G NMAC, OCD is providing notice to JFJ that it has determined there is no basis or justification provided in the administrative record to demonstrate and support that the \$25,000.00 in financial assurance established with OCD is adequate to cover the reasonable and probable cost of the commercial surface waste management facility's closure and post closure operations for the JFJ Landfarm under permit NM1-10-B. In a recent permit application submitted to OCD for a new 38 acre surface waste management facility landfarm, the applicant demonstrated their financial assurance to be greater than \$300,000.00 to complete closure and post-closure at their proposed landfarm facility. OCD's acceptance of the \$25,000.00 in financial assurance predates the effective date (2/14/07) of 19.15.36 NMAC and the development of the specific operational and closure/post-closure requirements

JFJ Landfarm LLC
NM1-10-B
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for landfarms. OCD is requesting JFJ to submit an updated cost estimate for the closure and post-closure of the 66.14 acre surface waste management facility landfarm under permit NM1-10-B. Please submit a closure and post-closure care plan based upon the transitional provisions of 19.15.36.20 NMAC, the required vadose zone and treatment zone sampling specified in the existing permit NM1-10-B and in 19.15.36.15 NMAC, the Closure conditions of permit NM1-10-B, and the appropriate closure and post-closure requirements specified in 19.15.36.18 NMAC, including a responsible third party contractor's cost estimate, sufficient to implement the plan and close the surface waste management facility in a manner that will protect fresh water, public health and the environment for OCD's review and consideration of approval.

In accordance with 19.15.36.11.G NMAC, "Upon determination, after notice to the operator and an opportunity for a hearing, that the financial assurance is not adequate to cover the reasonable and probable cost of a commercial facility's closure and post closure operations, the division may require the operator to furnish additional financial assurance sufficient to cover such reasonable and probable cost."

If there are any questions, please do not hesitate to contact me at (505) 469-7486 or brad.a.jones@state.nm.us.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Brad A. Jones', with a stylized flourish at the end.

Brad A. Jones
Environmental Specialist

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
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District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 109118

CONDITIONS

Operator: JFJ LANDFARM LLC 49 Road 3150 Aztec, NM 87410	OGRID: 374111
	Action Number: 109118
	Action Type: [C-137] Non-Fee SWMF Submittal (SWMF NON-FEE SUBMITTAL)

CONDITIONS

Created By	Condition	Condition Date
bjones	None	5/20/2022