

Bratcher, Mike, EMNRD

From: Dade, Randy, EMNRD
Sent: Wednesday, April 13, 2011 11:32 AM
To: Bratcher, Mike, EMNRD
Subject: FW: Final Memorandum to File Kodiak Oilfield Service, LLC - FY10
Attachments: Final Memorandum to File Kodiak Oilfield Service, LLC - FY11.pdf

From: Coffman, Mark, NMENV
Sent: Thursday, April 07, 2011 11:31 AM
To: Sanchez, Daniel J., EMNRD; Chavez, Carl J, EMNRD; Macquesten, Gail, EMNRD; Dade, Randy, EMNRD
Cc: Martin, Sandra, NMENV
Subject: Final Memorandum to File Kodiak Oilfield Service, LLC - FY10

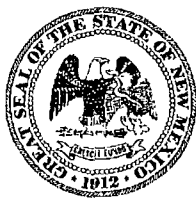
Good morning all,

This is our closeout document for this file. It's been a long haul with these guys (pardon the pun, Ha!).

Thanks for all your assistance on this matter.

Please don't hesitate to contact us if we can be of any further assistance.

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DAVE MARTIN
Secretary

RAJ SOLOMON, P.E.
Deputy Secretary

MEMORANDUM

To: Kodiak Oilfield Service, LLC (Kodiak) File, HWB, NMED

From: Mark Coffman, Lead Hazardous Waste Inspector, HWB, NMED *MMC*

Cc: Daniel Sanchez, Compliance Officer, OCD, NMEMNRD

Date: April 7, 2011

Subject: Unverifiable Property Remediation

On Tuesday April 6, 2010, the NMED responded to ENTS # 4427 complaint alleging illegal disposal of hazardous wastes onto the land at location.

Upon contact with Kodiak, the NMED conducted a multimedia Compliance Evaluation Inspection accompanied by Randy Dade of the NM Oil Conservation Division (OCD) of the Energy, Minerals & Natural Resources Dept. Inspectors photographed and documented that used oils, used oil filters, used oil/petroleum contaminated soils (PCS), spent vehicle batteries, and construction & demolition (C & D) debris abandoned/dumped into and around a pit area on the property. Inspectors also noted apparent significant produced water leakage onto the soil from one of Kodiak's trucks parked on the property at the time of the inspection. The NMED subsequently discovered that Kodiak is not properly licensed to conduct produced water hauling.

Kodiak was cited by the NMED for failure to respond to releases of used oils to the environment in the Notice of Violation (NOV) dated June 8, 2010. The NMED recommended Kodiak recycle the spent vehicle batteries, used oil and filters, and referred the matter of the C & D debris to the NMED's Solid Waste Bureau for possible further investigation. Additionally, the NMED referred the conduct of business without a proper license and the suspected produced water release to the land to the OCD.

The NMED also subsequently mailed the required Notice To Comply (NTC) dated July 1, 2010 following Kodiak's lack of response to, and requiring compliance with, the NOV within the specified time period.

In order to comply with the NMED violation, Kodiak was required to produce proper documentation indicating the final disposition of the used oils, used oil filters, PCS and spent vehicle batteries. Simultaneously, the OCD required remediation of the produced water contaminated soils (PWCS). At the time of this memorandum, Kodiak submitted documentation of alleged proper disposal of the PWCS to the OCD and the OCD, in turn supplied copies to the NMED, however, the OCD informed the NMED that improper sampling techniques were used. The NMED has also never received any disposal or recycling papers for any of the other above referenced wastes.

The NMED again visited the property on Monday, November 3, 2010 and noted that there was visual evidence of all used oils, used oil filters, used oil PCS, spent vehicle batteries, and a significant amount of alleged PWCS having been removed from the property. While the property appears to have been properly and completely remediated, Kodiak has failed to submit the required proof of recycling or disposal for all of its remediated wastes removed from the property. Therefore, the NMED is closing the investigation as unverifiable. Kodiak will not be issued an RTC (Return to Compliance) letter until this proof of proper recycling or disposal and remediation is presented.

NMED Library file #: 3810