

Bratcher, Mike, EMNRD

From: Bratcher, Mike, EMNRD
Sent: Wednesday, January 15, 2014 12:49 PM
To: 'orea@crystalriveroil.com'; David Adkins (dadkins@talonlpe.com); Kimberly M. Wilson (kwilson@talonlpe.com)
Cc: Sanchez, Daniel J., EMNRD; Dade, Randy, EMNRD
Subject: KC Resources Jones D Battery

Reference: KC Resources, Inc. * Jones D 001 (Battery) * 30-015-00192 * H-13-18s-26e * Eddy County, New Mexico

NMOCD Tracking number: 2RP-2143 * Date of release: Discovered by OCD 8/29/2013

Mr. Rea,

The New Mexico Oil Conservation Division (OCD) is in receipt of a remediation proposal for the above referenced release of produced fluid. The proposal was prepared and submitted to OCD, on behalf of KC Resources, by Talon, LPE. The proposal is approved with the following conditions and/or stipulations:

- Notify OCD 48 hours prior to commencement of remedial activities.
- Due to the relatively shallow depth ground water may be encountered at this site, target delineation and remediation goal for chloride content will be 250 mg/kg.
- If ground water is encountered at any time during the investigation and remediation process, work at the site is to cease and OCD notified immediately.
- Representative confirmation samples will be required to be obtained from sidewalls and bottoms of all excavations. Analytical data from these samples are to be provided to OCD for review prior to backfill.
- A closure report and Form C-141 is to be submitted to OCD upon satisfactory completion of the project, as stated in the proposal.

It is very likely that the remedial process will require removal of the fiberglass water tank. Due to the sensitive nature of the area, and the history of releases from the water tank, OCD would suggest that KC Resources utilize this event to construct a lined, bermed containment area to facilitate placement of the water tank. In the event of any future releases from this tank, while reporting requirements would remain in effect, a secondary containment structure would greatly reduce, or eliminate, costs associated with contaminated soil removal, and, reduce the potential for impact to shallow ground water resources at this site.

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.

If you have any questions or concerns, and for notification, please contact me.

Mike Bratcher
NMOCD District 2
811 S. First Street
Artesia, NM 88210
O: 575-748-1283 X108

C: 575-626-0857
F: 575-748-9720

Bratcher, Mike, EMNRD

From: Microsoft Outlook
To: Dade, Randy, EMNRD
Sent: Wednesday, January 15, 2014 12:49 PM
Subject: Delivered: KC Resources Jones D Battery

Your message has been delivered to the following recipients:

Dade, Randy, EMNRD (Randy.Dade@state.nm.us)

Subject: KC Resources Jones D Battery

Bratcher, Mike, EMNRD

From: Microsoft Outlook
To: Sanchez, Daniel J., EMNRD
Sent: Wednesday, January 15, 2014 12:49 PM
Subject: Delivered: KC Resources Jones D Battery

Your message has been delivered to the following recipients:

Sanchez, Daniel J., EMNRD (daniel.sanchez@state.nm.us)

Subject: KC Resources Jones D Battery

Bratcher, Mike, EMNRD

From: Microsoft Outlook
To: orea@crystalriveroil.com; David Adkins (dadkins@talonlpe.com); Kimberly M. Wilson (kwilson@talonlpe.com)
Sent: Wednesday, January 15, 2014 12:49 PM
Subject: Relayed: KC Resources Jones D Battery

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

orea@crystalriveroil.com (orea@crystalriveroil.com)

David Adkins (dadkins@talonlpe.com) (dadkins@talonlpe.com)

Kimberly M. Wilson (kwilson@talonlpe.com) (kwilson@talonlpe.com)

Subject: KC Resources Jones D Battery