Venegas, Victoria, EMNRD

From: Liz Klein < lklein@3bearllc.com>
Sent: Tuesday, March 24, 2020 3:53 PM

To: Hamlet, Robert, EMNRD

Cc: Bratcher, Mike, EMNRD; Venegas, Victoria, EMNRD; Eads, Cristina, EMNRD

Subject: [EXT] RE: Closure-Deferral Denied - 3 Bear - Dark Canyon (Carlsbad 960 SWD) (Incident

#NAB1929160071) (2RP-5675)

Attachments: Dark Canyon SWD #001 Confirmatory Sample Locations_REVISED2.pdf

Hi Robert,

We received the below closure denial on March 23, 2020, and would like to provide some clarification for you and request reconsideration of the closure denial. In your explanation, this was referred to as a closure-deferral request; however, we did not ask for deferral but rather straight closure.

The release that occurred in October 2019 occurred entirely on the active 3 Bear site, with the majority of the release in containment and only a portion of it released outside of containment on the compacted site pad and access way. The aerial photo in the report map was not as current as the photo below. The photo below shows that this access-way is not an off-site or lease road, but rather an essential part of the site and associated production/SWD complex. No liquids went off-site or into undisturbed pasture.

Following the fire and release, the associated tanks and equipment within the containment were removed entirely and the area remediated to closure levels prior to the facility being rebuilt. The release was remediated to below the stated closure criteria levels outlined in Table 1 of 19.15.29.12 NMAC, as demonstrated by the confirmatory sample data shown in Table 4, Attachment 5 of the closure report submitted and the associated laboratory reports. Because all of the release was on the active pad, it is my understanding that we would not be required to implement restoration and reclamation activities at this time.

Please let me know if this helps clarify the extent of the spill or if you need additional information.

Thank you for your understanding in this matter.

Liz Klein

3Bear Energy, LLC 303-882-4404 (C) <u>lklein@3bearllc.com</u> 1512 Larimer Street, Suite 540 Denver, CO 80202





From: Hamlet, Robert, EMNRD [mailto:Robert.Hamlet@state.nm.us]

Sent: Monday, March 23, 2020 4:26 PM **To:** Liz Klein < lklein@3bearllc.com>

Cc: Bratcher, Mike, EMNRD <mike.bratcher@state.nm.us>; Venegas, Victoria, EMNRD <Victoria.Venegas@state.nm.us>;

Eads, Cristina, EMNRD < Cristina. Eads@state.nm.us>

Subject: Closure-Deferral Denied - 3 Bear - Dark Canyon (Carlsbad 960 SWD) (Incident #NAB1929160071) (2RP-5675)

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Elizabeth,

We have received your closure-deferral report and final C-141 for <u>Incident #NAB1929160071</u> Dark Canyon (Carlsbad 960 SWD), thank you. This closure-deferral is denied.

 Please include a C-141 Remediation Plan Page 5 on any future Deferral Request. The OCD cannot approve closure on a release until after the deferred sample points have been cleaned up and the contaminants removed.

- Based on the location of the release, underneath a tank battery and on an active well pad, deferral of soil sample locations: BS19-02, BS19-11, BS19-12, BS19-15, BS19-18, BS19-19, BS19-24, BS19-28, BS19-29, and BS19-37 is approved.
- Soil sample locations BS19-38, BS19-39, BS19-40, and BS19-41 are either on the service road or in the pasture. Both of these locations are considered to be in the pasture/off-pad and need to be delineated to 600 mg/kg for Chlorides and 100 mg/kg for TPH. All off-pad areas must contain a minimum of 4 feet non-waste containing uncontaminated, earthen material.
- Please, complete the delineation/excavation on the 4 soil sample locations in the pasture/off-pad and upload the updated deferral request including signed/dated C-141 Page 5 to the Payment Portal upon completion.

Please let me know if you have any further questions.

Thank you,

Robert J Hamlet
State of New Mexico
Energy, Minerals, and Natural Resources
Oil Conservation Division
811 S. First St., Artesia NM 88210
(575) 748-1283
Robert.Hamlet@state.nm.us