

WALSH ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting Lease Management Contract Pumping

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March 21, 2023

New Mexico Oil Conservation Division (NMOCD) Attn: Brad Jones, Environmental Specialist 1220 South St. Francis Drive Santa Fe, New Mexico 87505

RE: ADDENDUM TO LETTER DECEMBER 19, 2022

T-N-T Environmental, Inc (OGRID 22099) Permit NM1-008 (Evaporation Ponds and Landfarm) Location: SE/4 of Section 7 and SW/4 of Section 8 (3 evaporation ponds) and the SW/4 SE/4 and SE/4 NW/4 of Section 5 and NE/4 NW/4 of 8 (Landfarm), Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico

Dear Mr. Jones:

Walsh Engineering & Production Corp. (Walsh) on behalf of T-N-T Environmental, Inc (T-N-T) would like to revise the dates (in bold) on the outstanding issues regarding the compliance and operations of the ponds and landform cells under surface waste management facility Permit NM1-008 letter dated July 15, 2022.

As of date, TNT has been registered through OCD Permitting and set up the Operator Administrator account and password.

OCD Permitting Registration

TNT has not initiated the facility operator registration process with OCD through OCD Permitting.

The closure and post closure plan are in the working process and expected to be filed no later than June 30, 2023.

Closure and Post Closure Plan

TNT to submit a closure and post closure plan including:

- updated third-party contractor's cost estimate to complete the closure and post-closure of the surface waste management facility land farm area,
- 3 evaporation ponds,
- associated infrastructure for the landfarm area and ponds,
- and all surface waste management facility operations

As of 11/17/2022, the survey has been completed. Walsh is currently working on the closure and post closure plan to submit with the survey.

Unresolved Landfarm Area Issues

OCD was unable to locate any demonstrations, drawings, surveys, and/or written request in the 1992 permit application for OCD to consider a 120-acre landfarm.

TNT to submit a professional survey of the landfarm area/footprint in its entirety, including the permitted areas under Permit NM1-008, unpermitted areas, and all associated infrastructure. The survey should be included as part of the requested closure and post closure plan submittal to support the financial assurance estimate.

The background sampling plan is in process and expected to be filed to NMCOD by March 31, 2023.

Vadose Zone Assessment

OCD is unsure of what background values are being used for the vadose zone results comparison to determine if a release has occurred, a background demonstration has not been submitted to OCD, letter dated July 2, 2015.

TNT submit a facility background sampling based upon the requirements of 19.51.36.15BNMAC, Submit as a standalone separate submittal through OCD permitting "Non-Fee SWMF Submittal" for OCD's consideration of approval to either update the existing background data and establish facility background values and PQL's or to start over and collect new samples to establish background values and PQLs to complete the vadose zone assessments.

The removal of chloride is expected to be completed by April 28, 2023.

High Chloride Treatment Zone

OCD has not received any documentation from TNT demonstrating that the high chloride treatment zone soils have been removed and/or if any vadose zone sampling was performed from the area in which the high chloride treatment zone soils were removed to determine if a release occurred.

Submit required information to demonstrate compliance to OCD's October 1, 2013, approval letter.

T-N-T members are determined to close Pond 2.

Unsolved Ponds Issue

Liquids were detected in leak detection sumps of Evaporation Ponds 1 and 3 and liquids were discovered in monitoring well abutting Evaporation Pond 2.

Provide confirmation that Evaporation Pond 2 has been repaired prior to being placed back into operation and an update of the status for all evaporation ponds permitted under NM1-008. If there are any unpermitted evaporation ponds, include the status of those ponds as well.

There were no vadose or treatment zone testing after the last sample taken on 6/22/2016. The monitoring reports of vadose zone and/or treatment zone will be submitted by 4/30/2023.

Monitoring Results

OCD has not received any landfarm vadose zone and/or treatment zone monitoring reports or evaporation pond leak detection and/or monitoring well monitoring reports since 2016.

Submit vadose zone and/or treatment zone monitoring reports and the evaporation pond leak detection and/or monitoring well monitoring reports for sampling that occurred after July 2016 to demonstrate compliance.

If there are any questions or concerns, please give me call me at (505) 215-6662/505-327-4892 ext. 127 or arleen@walsheng.net.

Sincerely,

Arleen Smith

Walsh Engineering - Regulatory Manager

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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 199214

CONDITIONS

| Operator: | OGRID: | |
|-------------------------|---|--|
| T-N-T ENVIRONMENTAL INC | 22099 | |
| PO Box 2530 | Action Number: | |
| Farmington, NM 87499 | 199214 | |
| | Action Type: | |
| | [C-137] Non-Fee SWMF Submittal (SWMF NON-FEE SUBMITTAL) | |

CONDITIONS

| Created By | Condition | Condition Date |
|---------------|--|-------------------|
| bjones | The OCD accepts the addendum to T-N-T's December 19, 2022, response to OCD's outstanding issues letter from July 15, 2022, into the administrative record. If you have any questions regarding this matter, please contact me. | 4/8/2024 |