

Siana Oil and Gas Co, LLC
ATTN: TOM RAGSDALE
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David R. Catanach, Division Director
Oil Conservation Division



April 21, 2017

Tom Ragsdale
Siana Oil and Gas Co., LLC
12012 Wickchester Lane, Suite 410
Houston, Texas 77079

2017 MAY 17 A 10:11
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Re: Settlement Agreement, OCD Case #15475

Mr. Ragsdale,

The Oil Conservation Division ("OCD") has reviewed all materials submitted to date with respect to characterization of historic releases at the Blue Dunn #1, the Curry Federal #2, the Triple A Federal #2, the Newkumet Federal #1, and the Curry State #5. Per Section I, paragraph 2, subparagraph d (iii) of the Amendment to Settlement Agreement of October 6, 2016 ("Amendment"), field reports were to be submitted to the OCD for all sites before close of business on January 2, 2017. Reports were not received by the OCD until March 7, 2017. Several of those reports remain incomplete despite countless discussions and meetings with Siana Operating, LLC ("Siana") representatives.

Nonetheless, based upon our review of the information provided, lateral and vertical characterization of soil contamination appears to have been adequately determined for both the Blue Dunn #1 and Newkumet Federal #1 release sites. As per Section I, paragraph 2, subparagraph d (iv) of the Amendment, a workplan for remediation of both sites, including a timeline by which Siana will commence remediation must be submitted to the OCD for our review **no later than June 5, 2017**. It does not appear that groundwater has been impacted at either of these sites, thus the time to complete remediation must not exceed 90 days from commencement of cleanup activities. See Amendment Section I, para. 2, subpara. d (iv).

Complete characterization of soil contamination has not been achieved to the OCD's satisfaction at the Curry Federal #2, Triple A Federal #2, or Curry State #5 release sites. At the Curry Federal #2 site, information regarding soil contamination from a number of soil boring locations has not been provided to the OCD, but it has been expressed by Siana representatives that horizontal characterization of hydrocarbon contamination has not been determined. The vertical extent of chloride contamination at this site has not been determined either. With respect to the Triple Federal #2 site, the vertical extent of chloride contamination has not been determined. Regarding the Curry State #5 release site, the lateral extent of soil contamination with

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hydrocarbons has not been determined in areas to the west. As per Section I, paragraph 2, subparagraph d (iv) of the Amendment, additional field work at all three of these sites must be completed and comprehensive reporting submitted to the OCD for our review **no later than June 5, 2017**.

Respectfully,



Jim Griswold
Environmental Bureau Chief

Re: Settlement Agreement, OCD Case #15473

Mr. Rogelito,

The Oil Conservation Division (OCD) has reviewed all materials submitted to date with respect to characterization of benzene releases at the Blinn County #1, the Curry Federal #2, the Blinn #3 Federal #2, the Woodman Federal #1, and the Curry State #5. Per Section I, paragraph 2, subparagraph d (iv) of the Amendment to Settlement Agreement of October 6, 2016

comprehensive reporting must be submitted to the OCD for all sites before end of field work on December 31, 2017. Reporting must be submitted to the OCD on or before March 7, 2017 for sites at which hydrocarbon concentrations are greater than or equal to the following:

1. Benzene: 100 ppb in soil and 100 ppb in groundwater
2. Total Petroleum Hydrocarbons (TPH): 1000 ppb in soil and 1000 ppb in groundwater

that exceed the respective cleanup levels. As per Section I, paragraph 2, subparagraph d (iv) of the Amendment, it is further understood that all data, including a summary of the data, must be submitted to the OCD by the deadline.

Reporting must be submitted to the OCD by the deadline. If you have any questions regarding this reporting requirement, please contact the OCD at (409) 389-2222. See Amendment Section I, paragraph 2, subparagraph d (iv).

Regarding the Blinn County #1 release site, the latest available soil characterization with respect to benzene releases at the Blinn County #1, the Curry State #5 release site. At the Curry State #5 release site, additional reporting and characterization (such as a number of soil boring locations) has not been provided to the OCD, but it has been expressed by Siana representatives that hydrocarbon characterization of hydrocarbon concentrations has not been determined. The soil benzene concentrations at this site have not been determined either. With respect to the

Regarding the Curry State #5 release site, the latest available soil characterization with